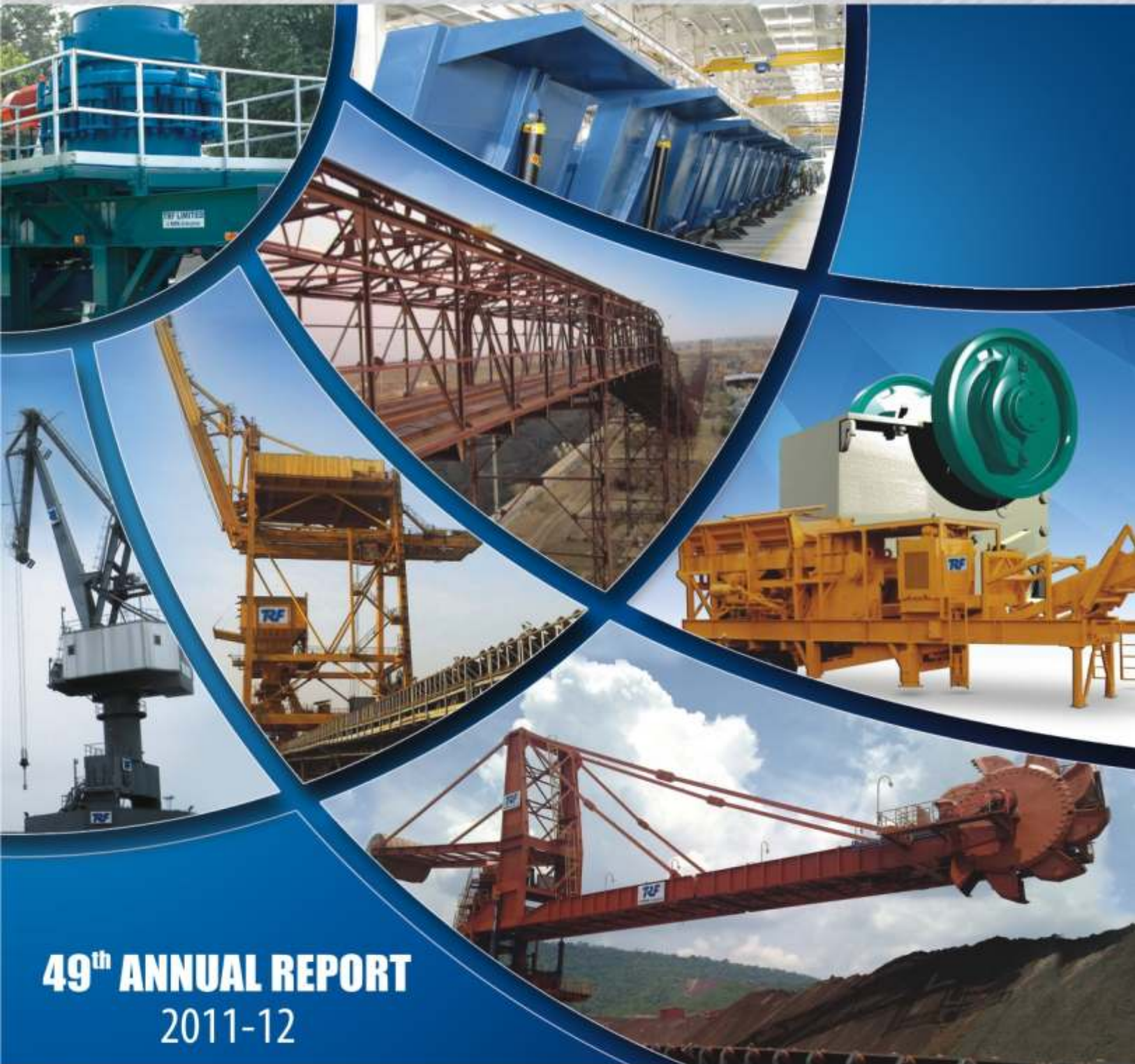




**TRF LIMITED**  
A **TATA** Enterprise



# **49<sup>th</sup> ANNUAL REPORT** 2011-12

Creating Value through Sustainable Business



# TOWARDS EXCELLENCE



## Vision 2013

We will grow five times in five years and become a Rs. 2500 crore company by 2013, by enhancing focus on material handling business and entering new businesses as necessary.

We will expand our business on a sustainable basis by building a team that is passionate about serving all its stakeholders and is committed to making Trust, Respect and Fellowship, a way of life.

## Mission

To be an international leader in material handling equipment, processes and systems

## Values

- Trust
- Respect
- Fellowship
- Excellence
- Responsibility

## Business Principles

- Sense of urgency
- Continuous Improvement
- Consistency and detail

# BOARD OF DIRECTORS



Mr. Subodh Bhargava



Mr. S. J. Ghandy



Mr. R. P. Singh



Mr. Ranaveer Sinha



Mr. B. D. Bodhanwala



Mr. R. V. Raghavan



Mr. Dipankar Chatterji



Mr. Sudhir Deoras  
Managing Director



# PROJECTS



Conveyor system at NTPC, Mouda



Tie-up with Sinofinn, China  
for Ash Handling



Wagon Tippler in operation at a  
super thermal power plant



A view of transfer point erection  
in a CHP



View of NTPC, Mouda site

# PRODUCTS



Ship Unloader



Screen designed by HRIL



Tie-up with Schade, Germany for  
Yard Equipment



Side Discharge Loaders



Roof Drilling Machine Mounted on SDL



# SUBSIDIARIES & JOINT VENTURES



TRF Completed 100% Acquisition of YORK & DLT



Axle from York's Pune Plant



Bogie suspension for heavy duty Trailers



Water Bowsers Developed at Adithya Auto Lucknow



Mobile Crushing & Screening Plant from HRIL



Bomb Cart Trailer from DLT, Sri Lanka

**ADITHYA**  
Automotive Applications

**DUTCH LANKA TRAILERS®**

**HEWITT**  **ROBINS**

**YORK**  
Transport Equipment

 **Rednet**

# Management

(As on May 8, 2012)

Mr. Sudhir L. Deoras	Managing Director
Mr. Hemant C. Kharkar	Chief Operating Officer
Mr. P. K. Tibdewal	Vice President (Product Business)
Mr. Ranjit Sanyal	Chief Projects
Mr. Ashish Banerjee	Chief Technology Officer
Mr. Nandan Kumar Sarkar	Controller of Accounts

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## Registered Office

11, Station Road, Burmamines, Jamshedpur - 831 007

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## Bankers

Axis Bank	Dena Bank
Bank of Baroda	HDFC Bank
Canara Bank	IDBI Bank
Central Bank of India	Indian Bank
Citibank N. A.	State Bank of India
DBS Bank	

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## Auditors

Deloitte Haskins & Sells, Kolkata

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## Registrar & Transfer Agents

TSR Darashaw Limited  
6 - 10, Haji Moosa, Patrawala Ind. Estate  
Near Famous Studio, 20, Dr. E. Moses Road  
Mahalaxmi, Mumbai - 400 011

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49<sup>th</sup> Annual General Meeting will be held on Saturday, July 28, 2012 at the Auditorium of Shavak Nanavati Technical Institute, 'N' Road, Bistupur, Jamshedpur - 831 001 at 12:00 noon

Members are requested to kindly bring their copies of the Annual Report to the meeting.



## Notice

**The 49<sup>th</sup> Annual General Meeting of TRF Limited** will be held at the Auditorium of the Shavak Nanavati Technical Institute, 'N' Road, Bistupur, Jamshedpur- 831 001, on Saturday, July 28, 2012 at 12:00 Noon to transact the following business:

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the year ended March 31, 2012, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare dividend on equity shares of the Company for the year ended March 31, 2012.
3. To appoint a Director in place of Mr. Sarosh J. Ghandy, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. B.D. Bodhanwala, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Ranaveer Sinha, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and to fix their remuneration.

### NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of Members and share transfer books of the Company will remain close from Thursday, July 12, 2012 to Tuesday, July 17, 2012 (both days inclusive) for the purpose of ascertaining entitlement of dividend.
- c) The dividend on shares, as recommended by the Board of Directors, and if approved by the members at the Annual General Meeting, will be payable to those members whose names appear on the Register of Members of the Company as on July 17, 2012 or their mandatees, subject to the provisions of Section 206A of the Companies Act, 1956.  
  
In respect of shares held in electronic form, the dividend will be payable to the beneficial owners as on July 11, 2012 as per details received from the Depositories.
- d) As per the provisions of the Companies Act, 1956, facility for making nomination is now available to the Shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office or the Registrars & Transfer Agents of the Company.
- e) Shareholders holding shares in the physical form are requested to notify/ send the following to TSR Darashaw Limited, the Registrars and Transfer Agents to facilitate better services:
  - (i) Any Change in their address/ mandate/ bank details and
  - (ii) Particulars of the bank account in which they wish their dividend to be credited, in case they have not furnished it earlier.
- f) Pursuant to Section 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid/unclaimed dividend account of the Company is required to be

transferred to the Investors' Education and Protection Fund (IEPF) set up by the Government of India and no claims shall be tenable either by the Company or by the said Fund, after the transfer of the said amount.

Members, who have not yet encashed their dividend warrant for the financial year ended March 31, 2006, and onwards, are requested to make their claims to the Registrars & Transfer Agents of the Company without any delay.

- g) Members who still have their holdings in physical form are requested to convert them into dematerialized form (under ISIN No. INE391D01019).
- h) SEBI vide its circular ref no. MRD/DoP/ Cir-05/2009 dated 20.05.2009 has clarified that for securities market transactions and off- market/ private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN Card to the Company/ RTA for registration of such transfer of shares irrespective of the amount of such transaction.

All intended transferee(s) are, therefore, requested to furnish a self certified copy of their PAN Card alongwith the relevant transfer deed for registration of transfer of shares. Please note that the shares lodged for transfer without self certified copy of PAN Card of the transferee(s) shall be returned under objection.

- i) The Company has reviewed the formalities/ procedure for transmission of shares of deceased Shareholders in favour of survivor(s). Survivor(s) of the deceased Shareholders are advised to forward their requests with full details and supporting documents to the Registrars and Transfer Agents of the Company, for early transmission of Shares.
- j) Members desirous of any additional information as regards the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.
- k) Members are requested to bring the admission slips along with their copies of the Annual Report to the meeting.

By Order of the Board of Directors

**Sudhir L. Deoras**

Managing Director

**Registered Office :**

11, Station Road,  
Burmamines,  
Jamshedpur – 831 007

May 8, 2012



**Details of directors seeking appointment/re-appointment in the forthcoming Annual General Meeting**

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

<b>Name of Director</b>	<b>Mr. Sarosh Jehangir Ghandy</b>	<b>Mr. B. D. Bodhanwala</b>	<b>Mr. Ranaveer Sinha</b>
Date of birth	21-12-1937	02-11-1947	09-07-1954
Date of appointment	05-11-1993	30-10-2000	18-03-2004
Expertise in specific functional areas	Foundary & Forge Technology, Manufacturing Engineering and General Management	Civil Construction, Project & Material Handling	Engineering
Qualifications	B. Sc (Met), F.I.E., F.I.I.F.	B. Com (Hons.)	B.E. (Mech.), PGDBM (XLRI)
List of other companies in which outside Directorship held as on March 31, 2012	Kirloskar Electric Company Ltd. RAPSRI Engineering Industries Ltd. Servion Global Solutions Ltd. Bhuruka Gases Ltd.	NIL	Telco Construction Equipment Company Ltd.
Chairman/Member of the committees of the Boards of other companies on which he is a Director as on March 31, 2012	Bhuruka Gases Ltd. Audit Committee - Chairman Kirloskar Electric Company Ltd. Audit Committee - Member Servion Global Solutions Ltd. Audit Committee - Member	NIL	NIL
Shareholding in TRF Limited	NIL	NIL	10 Equity Shares of Rs. 10/- each

# Highlights

Rupees in lakhs

	2011-12 Consolidated	2010-11 Consolidated	2009-10 Consolidated	2008-09 Consolidated	2007-08 Consolidated
Sales & Services (Net)	132,740.63	111,355.70	86,591.86	72,379.98	44,627.80
Other Income	659.03	1,426.29	1,237.10	269.76	413.11
Extraordinary Income	--	--	--	--	1,001.39
Employee Costs	10,306.89	8,302.18	6,914.10	5,682.92	3,953.52
Depreciation	1,077.89	849.17	611.60	382.62	226.61
Interest & brokerage	4,036.85	2,400.89	1,250.76	766.19	240.45
Profit before taxes	2,718.45	711.86	7,386.77	6,515.90	6,089.46
Provision for taxes (net)	1,375.99	522.84	2,509.91	2,467.08	1,861.89
Profit after taxes	1,342.46	189.02	4,876.86	4,048.82	4,227.57
Dividend (%)	40	20	75	120	100
Work Production	28037.00	24,910.00	20,009.86	16,025.00	12,031.00
Progress billings	65,612.31	64,014.87	54,046.79	38,089.22	28,661.00
	As on 31.03.2012	As on 31.03.2011	As on 31.03.2010	As on 31.03.2009	As on 31.03.2008
Net fixed assets	11166.11	8,390.78	6,170.29	3,541.08	2,672.02
Share Capital	1100.44	1,100.44	1,100.44*	550.22	550.22
Reserves and Surplus	15,244.50	13,380.05	13,616.54	11,886.38	8,720.86
Net worth	16,344.94	14,480.49	14,716.98	12,436.60	9,271.08
Borrowings	50,315.02	32,766.87	21,661.95	9,336.01	5,190.26
Net worth per share (Rs.)	148.53	131.59	133.74	226.03	168.50
Debt: Equity ratio	3.08:1	2.26:1	1.47:1	0.75:1	0.55:1
Number of employees	1579	1546	1336	928	897

\* Note : During the financial year 2009-10, the Company has issued bonus equity shares to its Shareholders in 1:1 ratio.



# Directors' Report

## To the Members

The Directors are pleased to present their forty-ninth annual report and the audited financial accounts for the year ended March 31, 2012.

The year under review witnessed a difficult market environment characterized by slowing down of overall economic growth, high inflation, particularly in commodity sectors impacting costs adversely, foreign exchange volatility and high interest rates resulting in delays in decision making and clients suspending project execution in several instances and almost total choking of the fresh order booking specially during the second half of the fiscal.

The beginning of 2012-13 has indicated some signs of improvement with somewhat higher level of enquiries. However, any significant change may be towards the year end only and therefore the focus of Team TRF will be for an aggressive Business Development drive targeting higher new order bookings coupled with timely, efficient and cost effective execution of the orders/projects on hand.

On July 7, 2009, the Company had acquired 51% stake in DLT, Sri Lanka through its wholly owned subsidiary, TRF Singapore Pte. Ltd. with a 'Put' and 'Call' option to buy out the balance 49% stake at a price to be determined based on the formulae set out in the Option Agreement. As per the agreement, the shareholders of the balance 49% ordinary shares exercised the put option on December 30, 2011. Your Company, through TRF Singapore Pte. Ltd., bought these shares at the pre determined agreed consideration. Consequently DLT has become a wholly owned subsidiary of TRF Singapore Pte. Ltd.

On October 5, 2007, the Company had acquired 51% stake in York, from Baker Technology Ltd. through its wholly owned subsidiary, TRF Singapore Pte. Ltd. with a 'Call' and 'Put' option agreement to buyout balance 49% stake at a price to be determined based on the formulae set out in the Option Agreement. Pursuant to exercising the Call Option Notice dated March 23, 2012, your Company has acquired 49% of the issued and paid up capital of York through its wholly owned subsidiary TRF Holdings Pte. Ltd., Singapore on March 27, 2012.

## RESULTS

Figures in Rupees lakhs

	TRF Standalone		TRF Group	
	2011-12	2010-11	2011-12	2010-11
Net Sales / Income from Operations	80,231.05	72,358.02	132,740.63	111,355.70
Operating Profit	4,940.20	1,246.95	5,942.99	2,280.75
Profit before taxes	2,501.05	140.85	2,718.45	711.86
Profit after taxes	1,557.96	83.25	1,342.46	189.02
Profit after minority interest and share of profit of associates	1,557.96	83.25	1,319.38	26.93
Add: Balance brought forward from the previous year	1,378.45	1,557.49	528.24	763.60
Balance	2,936.41	1,640.74	1,847.62	790.53
Which the Directors have apportioned as under :				
(i) Proposed dividend on Equity Shares	440.18	220.09	440.18	220.09
(ii) Tax on dividend	71.41	35.70	71.41	35.70
(iii) General Reserve	155.80	6.50	155.80	6.50
Total	667.39	262.29	667.39	262.29
Balance to be carried forward	2,269.02	1,378.45	1,180.23	528.24

The financial results of your company on Standalone Basis for the year under review, despite the uncertain economic environment, registered significant improvement over the previous year by achieving growth in sales by 10.88% and in Profit before tax by 1675.68% reporting Sales for 2011-12 of Rs. 802.31 crores (previous year : Rs. 723.58 crores) and Profit before tax of Rs. 25.01 crores (previous year : Rs. 1.41 crores).

The consolidated TRF Group performance also improved recording Sales of Rs. 1,327.41 crores (previous year : Rs. 1,113.56 crores) and Profit before tax of Rs. 27.18 crores (previous year : Rs. 7.12 crores) achieving growth of 19.20% and 281.88% respectively.

## DIVIDEND

The Directors are pleased to recommend payment of dividend of 40% for the year ended March 31, 2012, (previous year: 20%), subject to approval by the shareholders at the ensuing Annual General Meeting.

## OPERATIONS

1. The bulk material handling business grew by about 10% despite the challenging market conditions. Many initiatives were taken which included:
  - a) Induction of new wagon tippler as per current RDSO G33 specifications.
  - b) Successfully designed a 4000 TPH Slewing Stacker for NTPC Vallur.
  - c) Launched 'Mobile Crushing and Screening' units based on HRIL technology.
  - d) Received DSIR approval for in-house R&D facility.
  - e) Created Business Development department to drive growth.
  - f) Signed a co-operation agreement with Schade Lagertechnik, GmbH to manufacture new designs of stackers and reclaimers for Indian market.
  - g) Efforts on safety enabled achieving zero lost time injury frequency rate.
2. During the financial year 2011-12 following major projects were in progress:

- a) Coal Handling Plant for 3 x 500 MW Power Plant at Indira Gandhi Super Thermal Power Plant, Aravali;
- b) Iron Ore Crushing & Conveying Plant at NMDC, Bailadilla;
- c) Coal Handling Equipment supply to Tata Projects Limited for MAHAGENCO, Bhusawal;
- d) Coal Handling Plant for 2 x 600 MW Power Plant for DVC, Raghunathpur;
- e) Coal Handling Plant for 2 x 500 MW Power Plant at Mauda Super Thermal Power Project;
- f) Coal Handling Plant for 2 x 660 MW Power Plant at Barh Super Thermal Power Project Stage-II;
- g) Coal Handling Plant for 2 x 500 MW Power Plant at Vindhyachal Super Thermal Power Project Stage-IV;
- h) Coal Handling Plant for JSPL, Angul;
- i) Tata Steel Raw Material Handling System for 3 million Tonnes expansion.

3. Despite the postponed and restricted and/or delayed order finalization by the customers and the consequent low fresh order in-take the order book at the year end is reasonable.

## SUBSIDIARIES PERFORMANCE

### 1 YORK Group:

York grew its business by over 36% during the financial year 2011-12 achieving a Sales of Rs.335.07 crores (previous year: Rs.246.18 crores). Market share of York improved in all key markets- Australia, Indonesia, South Africa, Thailand, China and India.

Two new models of axle and suspension were launched at the Auto-expo 2012 in New Delhi. The products were well received by the customers and commercial production of these will commence shortly.

Manufacturing of Axles at the new plant in Pune commenced in May 2011. Pune facility includes suspension assembly, special axles and R&D centre. Axles for hydraulic trailers which were previously imported are now being manufactured at the Pune plant. With a view



to making suspension products more competitive, the focus is on indigenization and value engineering which would help the company in the next financial year. Efforts to work with and support the customers on application, maintenance and installation continued at the Pune Training Center as well as at various customer sites across the country.

## 2 **DLT Group:**

The slowdown in the Global Economy and the consequential decline in International trade and Container traffic, adversely impacted Dutch Lanka Trailers sales during 2011-12 as the company depends heavily on sale of "port terminal trailers". Road trailer sales also remained stagnant. Sales at Rs. 126.63 crores were 2.86% lower than Rs. 130.36 crores of last year. However, in the last quarter of 2011-12, there are signs of improvement in order book.

During the year DLT has entered into purchase agreements with AP Moller Terminal and DP World, two large port operators. The company also entered into dealership arrangements in Japan and India to market its trailers.

Dutch Lanka Engineering Ltd, a 100% subsidiary of DLT in Sri Lanka, engaged in maintenance/service and trailer manufacture for the local Sri Lankan market, has improved its performance significantly, recording its highest ever sales since inception of the company of Rs. 21.70 crores against previous year Rs. 14.29 crores, achieving growth of 48.78% and further increasing its market shares in Sri Lanka.

## 3 **Adithya Automotive Applications:**

The year under review is the first full year of operations for Adithya Automotive Applications Private Limited (AAA). During the year AAA supplied 3038 tipper bodies against 1245 tipper bodies in the previous year. Sales at Rs. 73.73 crores (previous year: Rs. 29.35 crores) increased by Rs. 44.38 crores. The company has been able to wipe out its accumulated losses.

During the year, AAA has completed the first phase of capacity expansion from 10 tippers per day to 15 tippers

per day. The next phase of expansion to 25 tippers per day is underway.

The Company has delivered the first prototype of SS fuel bowser specially developed and manufacture for the Indian Army. The same was displayed at the Defence Expo held at Pragati Maidan, New Delhi in March, 2012. More prototypes are planned in the current financial year.

During the year, the Company has successfully achieved commercial production of a new tipper variant "10 cubic meter standard box tipper on LPK 1618 chassis".

## 4 **Hewitt Robins International Ltd (HRIL):**

HRIL continued to perform well in difficult European markets improving its turnover and profitability. However European market continues to depend substantially on replacement orders only.

HRIL was successful in transferring technology to TRF India and introduced new products in Indian market.

Your Company undertakes that the annual accounts of its subsidiary companies and the related detailed information shall be made available to the shareholders of the holding and subsidiary companies seeking such information at any point of time. This is to further inform that Annual Accounts of the subsidiary companies are kept at the registered office of the Company and of the subsidiary companies concerned, for inspection by any shareholder. Shareholder desirous to inspect the subsidiary companies accounts may make a request to the Company at its registered office.

## **EXPORTS**

During the year, your Company earned foreign exchange worth Rs. 439.32 crores through exports, including deemed exports of Rs. 436.44 crores, as against previous year's earnings of Rs. 461.72 crores through exports (including deemed exports of Rs. 452.76 crores).

## **AUDIT REPORT**

The Statutory Auditors Report on Annual Accounts for the financial year 2011-12 does not contain any qualification which warrants comments from the Board of Directors.

## MANAGEMENT DISCUSSIONS AND ANALYSIS

Management Discussion and Analysis Report is set out as a separate Annexure to this Report.

### FIXED DEPOSITS

As in the previous year, your Company has not accepted/renewed any fixed deposits during the year. All deposits have matured and have been repaid when claimed by the depositors together with interest accrued upto the date of maturity. All unclaimed deposits along with interest accrued upto the date of maturity have been deposited as and when they became due, with the Investors Education and Protection Fund (IEPF).

### BUSINESS EXCELLENCE

Your company is a signatory to the Tata Brand Equity and Business Promotion (BEBP) Agreement with Tata Sons Ltd. The agreement entails complying with the Tata Group Policies, Tata Code of Conduct (TCOC), and conducting business as per the Tata Business Excellence Model (TBEM).

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors based on the representations received from the Operating Management, confirm that they have:

1. followed the applicable accounting standards and that there are no material departures in the preparation of the annual accounts;
2. consulted the Statutory Auditors in selecting accounting policy and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit / loss of your Company for the relevant period;
3. taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of

your Company and for preventing and detecting fraud and other irregularities;

4. prepared the annual accounts on a going concern basis.

## AFFIRMATIVE ACTION & CORPORATE SUSTAINABILITY INITIATIVES

Your Company, in keeping with the Tata ethos of "improving the quality of life" of the community in which it operates and having adopted the Code for Affirmative Action, carried out numerous corporate social responsibility programmes. While some of these programmes were designed to benefit the community at large, many of them addressed some of the basic needs of the large number of underprivileged members of the society in which the Company operates.

The target community for corporate social responsibility and affirmative action programme comprises those residing in the 'bustee' near your Company's residential colony, TRF Nagar, and in the vicinity of its factory. The programmes are developed after establishing their need on the basis of dialogues with the stakeholders and field surveys. The social responsibility programmes are implemented with the help of voluntary support rendered by its employees and their families. Many employees inspired by the note from the Managing Director have pro-actively participated in community uplift programme in their vicinity and in programmes managed by the Company under a scheme called 'Main Hoon Naa'.

Some of the major initiatives taken are:

- Rainwater harvesting
- Distribution of solar lanterns to underprivileged section of the society
- Participating in National Pulse Polio immunization programme
- Cataract camps
- Blood donation camps
- Free-health clinic
- Running of literacy School "Akshar"
- Running of Valley View School
- Road Safety Campaign

With the objective of enhancing opportunities of employability, training programmes were conducted by your Company to impart training in trades like fitter, welder, electrician, machinist, etc. The Company provided internship to a number of engineering and management students with the aim of providing them work experience which enhanced their employment prospects. Your Company provided vocational training to women through short term courses on skills like stitching, embroidery, tailoring etc, enabling them to supplement their family income. These women are residents of the 'bustee' in the neighborhood and are trained at 'Astitva' – a women's centre managed by TRF Ladies Association.

In the area of employment, your Company provided positive bias in the recruitment process to give more opportunities to underprivileged candidates. The Company also encouraged its contractors to employ underprivileged candidates trained in the Company and also from the local community.

## ENVIRONMENT

Although, the operations of your Company at Jamshedpur, and at its project sites, are basically non-polluting in nature, adequate precautions are taken to comply with all regulatory requirements in this regard at all locations. In addition to ensuring compliance with the legal norms, your Company continues its efforts towards urban beautification and tree plantation. As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant particulars are given in the annexure to this report.

## CORPORATE GOVERNANCE

As you are aware, your Company has consistently endeavored to promote and adopt good corporate governance practices over the years. During the year the corporate governance practices were further aligned with the requirements of Corporate Governance as prescribed by Securities and Exchange Board of India (SEBI). Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance and Auditors' Certificate in this regard has been annexed to this report.

## DEMATERIALIZATION OF SECURITIES

As the members are aware, your Company has made arrangements to dematerialize its securities and has been

offering securities in dematerialized form pursuant to the Depositories Act, 1996 through National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). All the applications received for Dematerialization have been acted upon and 89.70 % of Company's Share Capital stood in dematerialized form as on March 31, 2012.

## INDUSTRIAL RELATIONS

The Directors would like to place on record their sincere appreciation of the Tata-Robins-Fraser Labour Union and the employees for their continued co-operation in maintaining harmonious industrial relations, production and productivity and in the implementation of various initiatives to reduce internal costs and improvements in operational efficiencies.

## DIRECTORS

Dr. Jamshed J. Irani who through his strategic guidance and support steered the Company over the last 24 years, on attaining the age of 75 and in accordance with the Policy of Tata Group stepped down from the position of Company's Non-Executive Chairman. The Company, its Board, the Management and the employees gratefully acknowledge his invaluable contribution and the leadership enabling Company's growth and creating new foot print overseas and in 'Automotive' business.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. Sarosh J. Ghandy, Mr. B.D. Bodhanwala and Mr. Ranaveer Sinha, Directors retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for reappointment.

## PARTICULARS OF EMPLOYEES

A statement giving information about employees of your Company pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, would be made available to the shareholders on request.

## ADDITIONAL INFORMATION

Additional information required to be disclosed in terms of Notification No. GSR 1029 dated December 31, 1988 issued by the Department of Company Affairs is given in the Annexure to this Report.



**AUDITORS**

The existing Auditors, M/s Deloitte Haskins & Sells (DHS), Kolkata, Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received a certificate from the Auditors to the effect that their appointment, if made, would be within the limits of Section 224(1B) of the Companies Act, 1956. Members are requested to appoint Auditors for the financial year 2012-13 at the Annual General Meeting and to authorize

the Board of Directors to fix their remuneration as mutually agreed upon between the Board and the Auditors.

**ACKNOWLEDGEMENT**

Directors place on record their deep appreciation for the continued support received during the year from the shareholders, customers, suppliers and associates, banks, financial institutions, collaborators, the Workers' Union, other authorities and all the employees of your Company.

On behalf of the Board of Directors

Subodh Bhargava  
Chairman

Kolkata, May 8, 2012

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## Annexure to the Directors' Report 2011-12

(Additional Information given in terms of Notification No. GSR 1029 of 31.12.1988 issued by the Department of Company Affairs)

### Disclosures

**A. Conservation of Energy****a) Energy Conservation measures taken**

- Maximum demand controller installed in Main 6.6 K.V. Feeder to control maximum demand
- Power factor improvement
- Energy efficient lights in offices.

**b) Additional Investments and Proposals, if any:**

- To install soft starters for higher K.W. motors
- Shop floor illumination through solar light post as energy conservation measure.
- Energy efficient welding Machines.

**c) Impact of the above measures on consumption of Energy :**

- 10% reduction in power consumption
- No annual minimum guarantee charges

**d) Total Energy Consumption and Energy Consumption per unit of production as prescribed in Form - A:**

- Not given as your Company is not under the list of Specified industries.

**B. Technology Absorption :**

Refer "Form B" given in the page 11

**C. Foreign Exchange Earnings and Outgo :**

Earnings- Rs. 43,932.11 lakhs

Outgo- Rs. 527.57 lakhs

Information on foreign exchange outgo is contained in Note No. 25 (viii) of Additional Information to Financial Statements.

## Form B

### Research & Development

#### 1. Specific areas in which R&D carried out by your Company:

Design development:

- Vibrating Grizzly Feeder 9'X18' TE-13 Single Deck with wider series bearing for Indure.
- Ring Granulator TRM-54 Modified (rotor dia 1600mm X3300mm Long) for Indure.
- Mobile Crushing & Screening Plant for 250/150 TPH.
- Paddle feeder of 4000mm. dia Plough for 2250 TPH.
- Idlers & pulleys for 2000 wide & 2400 wide belt.
- Modular foldable skid mounted conveyor for Mobile Crushing plant
- Development of Computerized program for Automatic generation of all schedules for procurement
- Modification in computerized program for conveyor power & tension calculation as per NTPC standards

#### 2. Benefits derived as a result of the above R&D

- Enhancing product range
- Meeting need of customized product
- Addressing new markets.

#### 3. Future Plan of Action

To Develop & introduce:

- Wagon Shifter
- Wagon Tippler weight & counter weight location optimization
- Wagon Tippler Power optimization
- Side Arm charger weight optimization
- Hanging Plough Feeder
- Plough Feeder of 3300 TPH
- Stacker cum Reclaimer of 3300/ 3300 TPH capacity.

#### 4. Expenditure on R & D including Expenditure incurred on items developed and supplied to customers

- a) Capital : Rs. Nil
- b) Recurring/Revenue : Rs. 584.62 lakhs
- c) Total : Rs. 584.62 lakhs
- d) Total R&D expenditure : 0.72 %  
as a percentage of total turnover

#### 5. Technology absorption, adaptation and innovation:

- Development of high capacity Stacker/Reclaimer
- Coal & mineral beneficiation
- Use of Tekla software for structural design & solid works softwares for modelling
- Patent application for "A device attached to Side Dump Loader for mining Roof Drilling & Roof Bolting"

# Management Discussion & Analysis Report

## INDUSTRY, STRUCTURE AND DEVELOPMENT

The Indian Infrastructure Sector, in which your Company operates, has passed through a difficult period during the year under review. Key Industry indicators like GDP, inflation, interest rates and Rupee depreciation have shown adverse trends resulting in monetary tightening. Land acquisition, environmental clearances, shortage of coal and rising imported coal prices continued to be areas of concern. This has resulted in a number of planned investments being postponed, both by the Private and Public Sectors.

However, some key initiatives in the Budget of financial year 2012-13 as well as in the 12<sup>th</sup> 5-Year Plan have given rise to expectations that there would be a turn around in the Infrastructure Sector. Investment in Infrastructure in the 12<sup>th</sup> 5-Year Plan has been planned at Rs. 50,000 billion. The Government of India has also announced a National Manufacturing Policy with the intent of increasing the share of manufacturing in GDP to 25% within the next decade.

With the expectations of increased investments in the Port, Power, Steel and Mining Sectors your Company is expected to make good progress as it operates in all these Sectors.

New Product development and enhancement continues to be a focus area. Your Company's in-house R&D facility has been approved by the Department of Scientific & Industrial Research (DSIR) which entitles the Company to Tax benefits on R&D expenditure.

The Port & Yard Equipment business has turned around and the growth prospects in this field are very encouraging.

Our Subsidiaries in the Automotive Sectors continue to show a healthy growth. Your Company has completed the acquisition of Dutch Lanka Trailer Manufacturers Limited (DLT) and York Transport Equipment Asia Pte. Limited (YTEA) through the purchase of balance 49% equity.

## OPPORTUNITIES & THREATS

- In order to widen its product mix, your Company has successfully entered into tie ups and continues to explore further opportunities for Collaborations to upgrade its technology.

- Operations and Maintenance Service business has been identified as a potential for growth and a team has been formed to pursue this business.
- During the year under review your Company has invested in enhancing its Fabrication capabilities to cater to the increasing demands.
- The Subsidiaries in the Auto application business have also expanded their operations through setting up manufacturing facilities in India and expanding the existing capacities.
- The threat of rising costs of inputs without commensurate increase in the net realization is being addressed by focused Cost Reduction measures.
- While your Company does not perceive any major threats, intense competition and Chinese supplies in the Indian market calls for a different strategy to be adopted in competitive bidding.

## FINANCIAL PERFORMANCE

On standalone basis, total income of your Company during the year was Rs. 80,585.30 lakhs, (Previous year Rs. 73,370.72 lakhs). Profit before Tax for the year was Rs. 2,501.05 lakhs (Previous year Rs. 140.85 lakhs). Profit after Tax for the year was Rs. 1,557.96 lakhs (Previous year Rs. 83.25 lakhs).

On consolidated basis, total income of your Company during the year was Rs. 133,399.66 lakhs, (Previous year Rs. 112,781.99 lakhs). Profit before Tax for the year was Rs. 2,718.45 lakhs (Previous year Rs. 711.86 lakhs). Profit after Tax for the year was Rs. 1,342.46 lakhs (Previous year Rs. 189.02 lakhs).

Operational performance has been separately dealt in Directors' Report.

## SEGMENT-WISE PERFORMANCE

The Projects and Services segment has posted a revenue of Rs. 65,375.61 lakhs (Previous Year Rs. 58,257.36 lakhs) and the Products and Services segment has also posted a revenue of Rs. 28,193.79 lakhs (Previous Year Rs. 25,049.35 lakhs), including inter segmental revenue of Rs. 13,338.35 lakhs (Previous year Rs. 10,948.69 lakhs).



On a standalone basis, the Projects and Services segment posted a segmental Profit of Rs. 107.34 lakhs (Previous Year Loss of Rs. 2,764.01 lakhs). The Products and Services segment has recorded a profit of Rs. 5,440.98 lakhs (Previous Year Rs. 4,384.15 lakhs). The Profit of the Company after deducting Interest and other unallocable expenditure/ income from the segmental results, has been Rs. 2,501.05 lakhs (Previous Year Rs. 140.85 lakhs).

## OUTLOOK

Power, Steel, Ports and Mining Sectors are expected now to implement their postponed investment plans which will result in new Projects in the Material Handling business in which your Company operates.

## RISKS AND CONCERNS

Your Company does not perceive any major risk other than the normal risks inherent in contracting and tender driven businesses in which we operate.

To comply with the requirements of the revised Clause 49 of the Listing Agreement, your Company has laid down procedures for identification of the Risks and effective steps are being taken in line with the Risk Management System developed in consultation with the Company's external-Internal Auditors, M/s. Pricewaterhouse Coopers.

## STATUTORY COMPLIANCE

On obtaining confirmation from the various units of the Company of having complied with all the statutory requirements, a declaration regarding compliance with the provisions of the various statutes is made jointly by the Managing Director and Company Secretary / Compliance Officer at each Board Meeting. The Company Secretary / Compliance Officer ensures compliance with the SEBI regulations and provisions of the Listing Agreement. The Controller of Accounts, as the Compliance Officer for prevention of insider trading, ensures compliance with the Tata Guidelines on Insider Trading.

## INTERNAL CONTROL SYSTEM

Your Company has put in place adequate internal control systems and procedure commensurate with the scale and nature of its operations. The effectiveness of the internal control is continuously monitored by the senior management. M/s Pricewaterhouse Coopers (PwC) continue as the Company's external- internal auditors, directly reporting to the Audit Committee. During the year the Audit Committee of the Board regularly met to discharge its functions as required pursuant to the guidelines of Clause 49 of the Listing Agreement. The Audit Committee reviews compliance to the Revenue Recognition and Provisioning Policy of the Company. Internal audit activities are undertaken as per the Annual Audit Plan prepared by the internal auditors based on the risk profile of the business. The annual audit plan is approved by the Audit Committee, which reviews compliance with the plan.

The Audit Committee regularly meets with the statutory auditors to ascertain their views on the adequacy of internal controls and their observations on the financial reports. The Audit Committee has advised on strengthening the processes, controls and systems relating to the Foreign Exchange exposure of the Company.

## DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Human Resource Development continues to be an area of focus for the Company with emphasis on Training & employee growth. Attrition rate has been well within the target. Two important functions have been created keeping in mind the business needs viz Business Development and Product Development.

A new Incentive Bonus Scheme was implemented during the year. The Workers' Union actively supports all important initiatives and by working as a team the industrial relations in your Company continue to be healthy and cordial.

To  
The Members  
TRF LIMITED

## **DECLARATION OF COMPLIANCE TO THE CODE OF CONDUCT BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Whole time Director(s). In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these Codes are hosted on the Company's web site.

I confirm that the Company has in respect of the financial year ended March 31, 2012, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct, as applicable to them.

For the purpose of this declaration, Senior Management Team means the employees in the cadre of General Manager and above, including Controller of Accounts and Company Secretary, as on March 31, 2012.

Place : Kolkata  
Date : May 8, 2012

**Sudhir L. Deoras**  
*Managing Director*

# Corporate Governance Report for the year 2011-12

(As required under clause 49 of the Listing Agreement entered into with the Stock Exchanges)

## 1. A brief statement on Company's philosophy on Code of Governance

The Company has set itself the objective of expanding its capacity and to be amongst international leaders in material handling equipment, processes and systems. As a part of its growth strategy, the Company is adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies emphasizes the need for full transparency and accountability in all its transactions in order to protect the interests of all its stakeholders. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

## 2. Board of Directors

The Company has a non-executive Chairman and the number of Independent Directors (6) is more than one-third of the total number of Directors (8) on the Board. The number of non-executive Directors (7) is more than 50% of the total number of Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the financial year and at the last Annual General Meeting, alongwith the number of Directorships and Committee Memberships held by them in other public companies are given below:

Name	Category	No. of Board meetings attended during 2011-12	Whether attended the AGM held on July 23, 2011	No. of directorship in other Companies as on March 31, 2012		No. of committee positions in other Companies held as on March 31, 2012	
				As Chairman	As Director	As Chairman	As Member
Dr. Jamshed J. Irani, Chairman (Upto 23.07.2011)	Promoter, Non-Independent, Non-Executive Director	4	Yes	-	-	-	-
Mr. Subodh Bhargava, Chairman (Effective from 28.09.2011)	Independent Non-Executive Director	6	Yes	1	7	2	4
Mr. Sarosh J. Ghandy*	Independent, Non-Executive Director	5	Yes	-	4	1	2
Mr. B. D. Bodhanwala*	Independent, Non-Executive Director	6	Yes	-	-	-	-
Mr. R. P. Singh	Promoter, Non-Independent, Non-Executive Director	6	Yes	-	1	-	1
Mr. Ranaveer Sinha*	Independent, Non-Executive Director	6	Yes	-	1	-	-
Mr. R. V. Raghavan	Independent, Non-Executive Director	7	Yes	-	2	-	-
Mr. Dipankar Chatterji	Independent, Non-Executive Director	7	Yes	-	5	2	2
Mr. Sudhir L. Deoras, Managing Director	Executive Director	7	Yes	-	-	-	-

\* Retire by rotation at the 49<sup>th</sup> Annual General Meeting in accordance with the provisions of the Companies Act, 1956 and are eligible for re-appointment (refer Directors' Report).



The Board met seven times during the financial year 2011-12 and the gap between any two meetings did not exceed four months. The dates on which the Board meetings were held are as follows:

(i) May 3, 2011 (ii) May 12, 2011 (iii) July 11, 2011 (iv) July 23, 2011 (v) September 28, 2011 (vi) November 2, 2011 and (vii) February 2, 2012.

At each meeting the Board reviews status of compliance of all laws applicable to the Company. Information as required in terms of Annexure IA to Clause 49 of the Listing Agreement was furnished to the Board at each meeting.

The Tata Code of Conduct, as adopted by the Company, is applicable to the Executive Director and Senior Management Personnel and other Executives of the Company. These codes are posted on the Website of the Company. The Company has received confirmation from the Executive Director as well as Senior Management Personnel regarding compliance of the code during the year under review. The Board at its meeting held on December 26, 2005, has adopted 'Code of Conduct for Non-Executive Directors' of the Company. The Company has also received confirmations from the Non-Executive Directors regarding compliance of the code during the year under review.

The Company did not have any pecuniary relationship with any Non-Executive Directors during the financial year 2011-12.

### 3. Audit Committee

The Audit Committee of the Board has been functioning since 1997. In terms of a resolution passed by the Board at its meeting held on October 30, 2000, the Audit Committee has been granted powers prescribed under Clause 49II(C) of the Listing Agreement and the scope of the activities of the Audit Committee is as set out in clause 49 of the Listing Agreement with the Stock Exchanges. The broad terms of reference of the Audit Committee are to review reports of the Internal Audit Department of the Company; discuss the same with the Internal Auditors periodically, to meet Statutory Auditors to discuss their findings, suggestions and other related matters, and to review weaknesses in internal controls reported by the Internal and Statutory Auditors. The Audit Committee also, mandatorily reviews the information prescribed under Clause 49II (E) of the Listing Agreement.

The composition of the Audit Committee and the details of the meetings of the Committee attended by the Directors during the financial year 2011-12, are given below:

Name of Member	Category	No. of meetings attended
Mr. Dipankar Chatterji, Chairman (Effective from 28.09.2011)	Independent, Non-Executive Director	7
Mr. Sarosh J. Ghandy, Chairman (Upto 28.09.2011)	Independent, Non-Executive Director	3
Mr. Subodh Bhargava, Member (Upto 28.09.2011)	Independent, Non-Executive Director	3
Mr. R. V. Raghavan, Member	Independent, Non-Executive Director	7
Mr. B. D. Bodhanwala, Member (Effective from 28.09.2011)	Independent, Non-Executive Director	3

Mr. Sarosh J. Ghandy, the then Chairman of the Committee, was present at the last Annual General Meeting held on July 23, 2011.

The Committee met seven times during the financial year 2011-12.

Audit Committee meetings were attended by the General Manager (Finance & Accounts)/Controller of Accounts and Chief Internal Auditor. Other senior executives of the Company attended the meetings as and when invited by the Committee.

Representatives of the Statutory Auditors were also invited for all meetings of the Committee. Company Secretary acts as the Secretary to the Committee.

#### **Whistle Blower Policy**

The Board of Directors at their meeting held on December 26, 2005, approved the Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee of the Company and make a protected disclosure about unethical behaviour, actual or any suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is an extension of the Tata Code of Conduct, which requires every employee to promptly report to the management any actual or possible violation of the Code or an event he becomes aware of, that could affect the business or reputation of the Company.

#### **4. Remuneration Committee**

The Remuneration Committee of the Board has been in operation since 1995. The broad terms of reference of the Remuneration Committee are to review the performance of the Managing/ Whole-time Directors, to recommend to the Board the salary (including annual increments), perquisites and commission/performance linked remuneration to be paid to the Managing/Whole-time Directors of the Company, and also recommend retiral benefits to be paid to the Managing/Whole-time Directors under the Tata Group Retirement Benefits Guidelines adopted by the Board.

The Remuneration Committee also considers the annual commission paid to the Non-Executive Directors. The distribution of commission amongst Non-Executive Directors is placed before the Board. The Commission is distributed on the basis of their attendance and contribution to the Board and its Committees meetings.

The composition of the Committee and the details of the meetings attended by the Directors during the financial year 2011-12 are as follows:

Name of Member	Category	No. of meetings attended
Mr. B. D. Bodhanwala, Chairman (Upto 28.09.2011)	Independent, Non-Executive Director	1
Mr. Subodh Bhargava, Chairman (Effective from 28.09.2011)	Independent, Non-Executive Director	Nil
Dr. Jamshed J. Irani, Member (Upto 23.07.2011)	Promoter, Non-Independent Non-Executive Director	1
Mr. R.V. Raghavan, Member	Independent, Non-Executive Director	1
Mr. Sarosh J. Ghandy, Member	Independent, Non-Executive Director	Nil

During the financial year 2011-12, the Committee met once on May 12, 2011.

#### **Remuneration policy**

The Non-Executive Directors are paid remuneration by way of sitting fees and commission. In terms of shareholders' approval obtained at the Annual General Meeting held on June 21, 2008, the commission is paid at the rate not exceeding 1% of net profits computed in accordance with Section 309 (5) of the Companies Act, 1956.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and Commission/ Performance Linked Remuneration (variable component) payable to the Managing/ Whole-time Director(s) as determined by the Board at the end of the financial year based on the recommendations of the Remuneration Committee, subject, however, to the overall ceilings on remuneration stipulated in Sections 198 and 309 of the Companies Act, 1956.

Details of remuneration paid to Non-Executive Directors in the financial year 2011-12 towards sitting fees for attending the Board/Committee meetings along with the proposed Commission for the financial year 2011-12 are as follows:

Name of Director	Sitting Fees for 2011-12 (A) Rs.	Commission for 2011-12* (B) Rs.	Total (A+B) Rs.
Dr. Jamshed J. Irani	1,05,000	3,55,000	4,60,000
Mr. Subodh Bhargava	1,65,000	3,82,000	5,47,000
Mr. Sarosh J. Ghandy	1,35,000	3,55,000	4,90,000
Mr. B. D. Bodhanwala	1,87,500	3,55,000	5,42,500
Mr. R. P. Singh.	1,57,500	3,00,000	4,57,500
Mr. Ranaveer Sinha	1,65,000	3,00,000	4,65,000
Mr. R.V. Raghavan	2,25,000	4,09,000	6,34,000
Mr. Dipankar Chatterji	2,55,000	5,44,000	7,99,000
<b>Total</b>	<b>13,95,000</b>	<b>30,00,000</b>	<b>43,95,000</b>

Mr. Ranaveer Sinha, (Independent, Non-Executive Director) holds 10 (ten) Equity Shares of the Company jointly with his spouse as on March 31, 2012.

\* Payable for the financial year 2011-12 after adoption of the Annual Accounts by the Shareholders in the forthcoming Annual General Meeting.

Details of remuneration paid to the Executive Director(s) for the financial year 2011-12 are as follows:

Name	Salary Rs. lakhs	Perquisites & Allowances* Rs. lakhs	Commission # Rs. lakhs	Stock Options
Mr. Sudhir L. Deoras (Managing Director)	37.20	59.75	60.00	NIL

\* Includes contribution to the Provident Fund and Superannuation Fund.

# Payable for the financial year 2011-12 after adoption of the Annual Accounts by the Shareholders in the forthcoming Annual General Meeting.

## 5. Shareholders' Grievance & Share Transfer Committee

The terms of reference of the Shareholders' Grievance and Share Transfer Committee are to specifically look into the redressal of Investors' complaints like transfer of shares, issue of duplicate share certificates, transmission of shares, non-receipt of balance sheet and non-receipt of declared dividend, etc. The Committee met once during the financial year 2011-12 on March 30, 2012.

The composition of the Shareholders' Grievance and Share Transfer Committee and details of the meeting attended by the Directors are given below:

Name of Member	Category	No. of meeting attended
Mr. B.D. Bodhanwala, Chairman	Independent, Non-Executive Director	1
Mr. R. P. Singh, Member	Promoter, Non-Independent, Non-Executive Director	1
Mr. Sudhir L. Deoras (Managing Director), Member	Executive Director	1



Name, designation & address of Compliance Officer : Mr. Nandan Kumar Sarkar  
 Controller of Accounts  
 TRF Limited  
 11, Station Road, Burma Mines,  
 Jamshedpur - 831 007.  
 Phone : (0657) 3046453  
 Fax : (0657) 2345732  
 E-mail : investors@trf.co.in

No. of complaints received from the investors during the financial year 2011 - 12 : 3  
 No. not solved to the satisfaction of the investors as on 31.03.2012 : Nil  
 No. of pending complaints as on 31.03.2012 : Nil

#### 6. Other Committees:

In addition to the above Committees on Corporate Governance, the Board has also constituted following committees to ensure greater transparency in the functioning of Board:

##### (A) Executive Committee:

The terms of reference of the Executive Committee amongst its other functions is to periodically review (1) Business and Strategy (2) Long term financial projections and cash flow (3) Capital & Revenue Budgets and Capital expenditure programmes (4) Senior management succession planning etc. The composition of Executive Committee and details of meetings attended by the members during the financial year 2011-12 are as follows:

Name of Director	Category	No. of meetings attended
Dr. Jamshed J. Irani, Chairman (Upto 23.07.2011)	Promoter, Non-Independent, Non-Executive Director	2
Mr. Sarosh J. Ghandy, Chairman (Effective from 28.09.2011)	Independent, Non-Executive Director	1
Mr. Subodh Bhargava, Member (Effective from 28.09.2011)	Independent, Non-Executive Director	2
Mr. B.D. Bodhanwala, Member (Upto 28.09.2011)	Independent, Non-Executive Director	2
Mr. R. P. Singh, Member	Promoter, Non-Independent, Non-Executive Director	4
Mr. Ranaveer Sinha, Member	Independent, Non-Executive Director	4
Mr. Sudhir L. Deoras (Managing Director), Member	Executive Director	4

The Executive Committee met four times during the financial year 2011-12.

##### (B) Finance Committee:

The terms of reference of the Finance Committee are to review and monitor the financial structure of the Company to ensure the availability of funds at competitive cost, in line with the Company's growth and fiscal strategy. It also reviews and monitors the financial matters requiring special attention.

The composition of Finance Committee and details of meetings attended by the members during the financial year 2011-12 are as follows:-

Name of Director	Category	No. of meetings attended
Mr. Dipankar Chatterji, Chairman	Independent, Non-Executive Director	3
Mr. Ranaveer Sinha, Member (Effective from 28.09.2011)	Independent Non-Executive Director	1
Mr. Sudhir L. Deoras (Managing Director), Member	Executive Director	3

The Finance Committee met thrice during the financial year 2011-12.

## 7. Subsidiary Companies

The Company does not have any material Non-Listed Indian Subsidiary and hence, is not required to have an Independent Director of the Company on the Board of any of its subsidiary companies. The Audit Committee also reviews the financial statements of the subsidiary companies. The Board and the Audit Committee also periodically review investments made by the Company's subsidiaries.

The minutes of the subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to all significant transactions and arrangements entered into by the subsidiary companies.

## 8. General body meetings

Location and time where last three Annual General Meetings were held:

Year	Date	Time	Venue
2011	23.07.2011	12.00 Noon	Auditorium of Shavak Nanavati Technical Institute, N-Road, Bistupur, Jamshedpur-831001
2010	23.07.2010	12.00 Noon	Auditorium of Shavak Nanavati Technical Institute, N-Road, Bistupur, Jamshedpur-831001
2009	20.07.2009	12.00 Noon	Auditorium of Shavak Nanavati Technical Institute, N-Road, Bistupur, Jamshedpur-831001

The Special Resolutions passed in the previous three Annual General Meetings are as under:

AGM Date	Special Resolutions Passed
23.07.2011	Confirmation of Remuneration paid to Mr. Sudhir L. Deoras, Managing Director for the Financial Year 2010-11.
23.07.2010	Re-appointment of Mr. Sudhir L. Deoras as Managing Director for a period of three years from April 01, 2010 to March 31, 2013.
20.07.2009	(i) Increase in the Authorized Capital of the Company from Rs.15 Crores to Rs.30 Crores; (ii) Alteration of Article 4 of the Articles of Association.

No Extra-ordinary General Meeting of the shareholders was held during the financial year.

No special resolution was put to vote through postal ballot in the previous three Annual General Meetings and no such special resolution is proposed for this year also.

## 9. Disclosures

- There are no material significant related party transactions which have potential conflict with the interest of the Company at large. The related party transactions are given in the notes Forming part of the Financial Statements on Page Nos. 62 - 65.
- Register of Contracts is placed at each meeting of the Board of Directors as per the requirements of the Companies Act, 1956.
- There are no instances of non-compliance by the Company or strictures imposed by the Stock Exchanges, SEBI or any other regulatory authority on any matter related to capital markets, during the last three years.

- iv) The Board at its meeting held on December 26, 2005, has adopted the Risk Management framework and the same is being periodically reviewed by the Board & Company Management.
- v) The Company has complied with all the applicable Accounting Standards.
- vi) Management Discussion and Analysis Report forms a part of the Director's Report.
- vii) The Company has not raised any proceeds from public issue, rights issue, preferential issue, etc. during the year.
- viii) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure ID to Clause 49 of the Listing Agreement with the Stock Exchanges:
  - a) The Company has set up a Remuneration Committee (Para 4 of this report).
  - b) The Company has moved towards a regime of unqualified financial statements.
  - c) Whistle Blower PolicyThe functioning of the Whistle Blower Policy has been mentioned in (Para 3 of this report).

#### **10. Reconciliation of Share Capital Audit**

A qualified Practicing Company Secretary carried out the Share Capital Reconciliation Audit to reconcile the total issued and paid up capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the total number of Shares in the physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### **11. CEO/CFO Certification**

The Managing Director and Controller of Accounts, who heads the Finance function, have submitted the required Certificate to the Board at its meeting held on May 8, 2012, wherein the Audited Accounts of the Company for the financial year 2011-12 were considered.

#### **12. Means of communication**

The quarterly and annual results along with the segmental report are generally published in Business Standard and Hindu Business Line (in English) & Prabhat Khabar, Hindustan, Dainik Bhaskar, Uditvani, Chamakta Aiyana and New Ispat Mail (in Hindi) and also displayed on the website of the Company [www.trf.co.in](http://www.trf.co.in) shortly after its submission to the Stock Exchanges.

Presentations are made to institutional investors/ financial analyst upon their specific request(s), if any. Any significant event is first informed to the Stock Exchanges and then posted on the website of the Company.

#### **13. General Shareholder Information**

- i) AGM: Date, time and venue : July 28, 2012 at 12:00 Noon, at the Auditorium of SNTI, N-Road, Bistupur, Jamshedpur-831 001
- ii) As required under Clause 49(IV)(G)(i), particulars of Directors seeking appointment/ reappointment are annexed to the Notice of the Annual General Meeting to be held on July 28, 2012.
- iii) Financial Calendar : April to March  
Annual General Meeting : July  
Dividend Payment : After the Annual General Meeting
- iv) Date of book closure : Thursday, July 12, 2012 to Tuesday, July 17, 2012 (both days inclusive)
- v) Dividend Payment date : The dividend warrants will be posted on or after August 1, 2012.
- vi) Listing on Stock Exchange : The Company's shares are listed on -
  - (1) BSE Ltd. (BSE)
  - (2) National Stock Exchange of India Ltd. (NSE)
  - (3) The Calcutta Stock Exchange Ltd. (CSE).

The Company has paid the annual listing fees to all the Stock Exchanges for the financial year 2011-12.

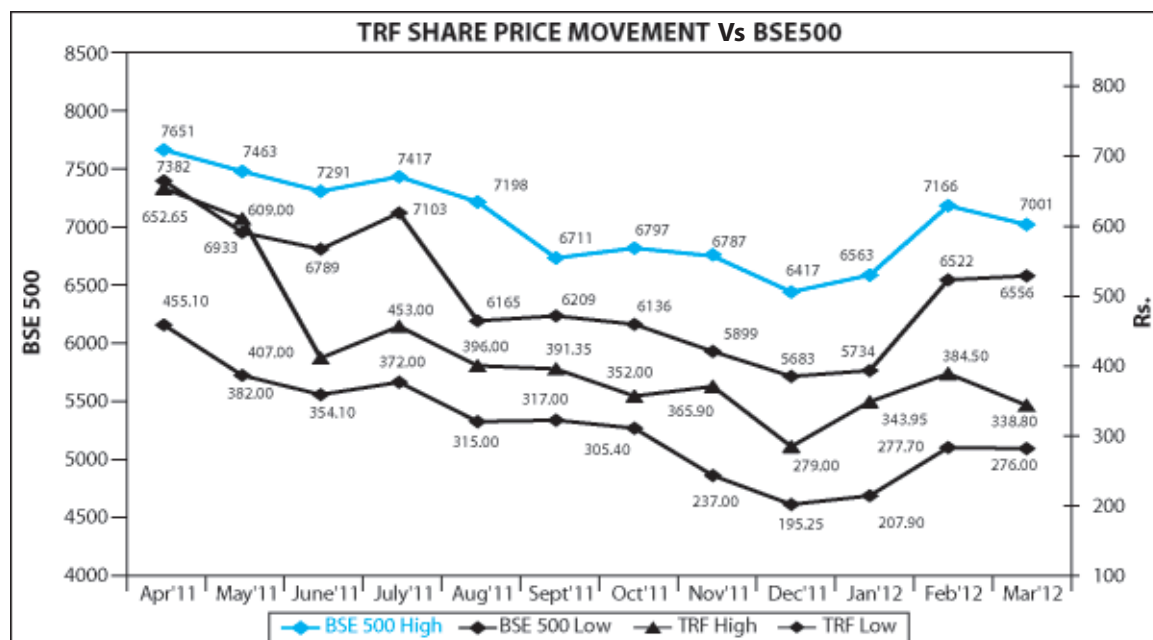
vii) Stock Code : 505854 (BSE), TRF (NSE) & 10030045 (CSE)

viii) Market Information : Market Price Data: High, Low (based on the closing prices) and volume during each month in last financial year, as under:

	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-11	652.65	455.10	1137934	651.70	455.00	1707280
May-11	609.00	382.00	1148774	609.00	381.35	1956242
Jun-11	407.00	354.10	380408	407.00	351.00	440925
Jul-11	453.00	372.00	1443281	453.35	370.00	2634217
Aug-11	396.00	315.00	432464	396.60	307.65	1019453
Sep-11	391.35	317.00	185569	392.00	316.25	344382
Oct-11	352.00	305.40	95042	352.70	305.00	207572
Nov-11	365.90	237.00	185156	365.90	237.00	356529
Dec-11	279.00	195.25	668919	279.70	195.00	1189659
Jan-12	343.95	207.90	1209943	344.30	207.00	1989687
Feb-12	384.50	277.70	1307588	385.95	320.40	2273138
Mar-12	338.80	276.00	264402	339.30	273.60	558095

ix) Performance of Company's Share Price

The performance of the Company's share prices in comparison to broad-based indices BSE 500 during the financial year 2011-12, is as under:





x) Registrar & Transfer Agents:

TSR Darashaw Limited	Contact person	: Ms. Shehnaz Billimoria
6-10, Haji Moosa Patrawala	Tel. no.	: (022) 6656-8484
Ind Estate, (Near Famous Studio),	Fax no.	: (022) 6656-8494
20, Dr. E. Moses Road,	E-mail	: csg-unit@tsrdarashaw.com
Mahalaxmi, Mumbai - 400 011	Website	: www.tsrdarashaw.com

xi) Share transfer system:

a) Physical Form:

Share transfers in physical form can be lodged either at the Registered Office of the Company or with TSR Darashaw Ltd, the Registrar & Transfer Agents, at the above-mentioned address or any of their branch offices, addresses of which are available on their website.

Transfers are normally processed within 15 days from the date of receipt, provided the documents are complete in all respects. Certain executives (including the Managing Director) are severally empowered to approve transfers.

b) Demat Form:

The Company has made arrangements to dematerialise its shares through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Company's ISIN No. is INE391D01019.

xii) a) Distribution of shareholdings as on 31.03.2012:

Shareholding of nominal value of	Shareholders		Share Amount	
Rs.	Number	% to total	Rs.	% to total
UPTO - 5000	20183	93.51	19,728,840	17.93
5001 - 10000	815	3.78	5,952,030	5.41
10001 - 20000	310	1.43	4,532,250	4.12
20001 - 30000	105	0.49	2,686,220	2.44
30001 - 40000	49	0.23	1,719,900	1.56
40001 - 50000	28	0.13	1,302,060	1.18
50001 - 100000	45	0.21	3,195,600	2.91
100001 and above	48	0.22	70,927,220	64.45
<b>TOTAL</b>	<b>21583</b>	<b>100.00</b>	<b>110,044,120</b>	<b>100.00</b>

b) Shareholding pattern as on 31.03.2012:

Sl. No.	Category	No. of Shares	%
I.	Promoters/Associate companies, etc.	3774974	34.30
II.	Financial Institutions	859344	7.81
III.	Foreign Financial Institutions	327	0.00
IV.	OCBs/Foreign Companies	585000	5.32
IV.	Other Bodies Corporate/Trusts	1553436	14.12
V.	Directors & Relatives	10	0.00
VI.	General Public	4231321	38.45
	<b>TOTAL</b>	<b>11004412</b>	<b>100.00</b>

c) Shareholders holding more than 1% of the Equity Share capital as on 31.03.2012:

Sl. No.	Name of shareholders	No. of shares held	%
1.	Tata Steel Limited	3585428	32.58
2.	Zash Traders through its PAC:- — Regal Investment and Trading Co. Pvt Ltd. — Vidya Investment and Trading Co. Pvt Ltd. — Napean Investment and Trading Co. Pvt Ltd.	724686	6.59
3.	Sundaram Mutual Fund	518040	4.71
4.	Telent Limited, UK	367500	3.34
5.	Madhu Vadera Jayakumar	250360	2.28
6.	Litton Systems Inc., USA	217500	1.98
7.	ICICI Prudential Emerging Star (Stock Targeted at Returns) Fund	204252	1.85
8.	Kalimati Investment Co. Limited	187586	1.70
9.	V N Enterprises Limited	148006	1.34
	<b>TOTAL</b>	<b>6203358</b>	<b>56.37</b>

xiii) Dematerialization of shares and liquidity : 89.70% of the share capital of the Company had been dematerialized till March 31, 2012. The Company's shares are frequently traded on BSE and NSE.

xiv) The Company has no outstanding GDR/ADR/Warrants or any convertible instruments.

xv) Plant location : 11, Station Road, Burmamines,  
Jamshedpur - 831 007 (Jharkhand).

xvi) Address for correspondence : TRF LIMITED,  
A TATA Enterprise,  
11, Station Road, Burmamines,  
Jamshedpur - 831 007.  
Tel.:(0657) 2345727/3046326  
Fax:(0657) 2345732  
E-mail:investors@trf.co.in  
Web-site:www.trf.co.in

14. A Certificate from the Auditors of the Company, M/s. Deloitte Haskins & Sells, Chartered Accountants, regarding due Compliance of conditions stipulated in Clause 49 of the Listing Agreement is annexed hereto.

# Certificate

**To the Members of  
TRF LIMITED**

We have examined the compliance of conditions of Corporate Governance by TRF Limited, for the year ended on 31st March, 2012, 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 a review of the procedures adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Clause and implementation thereof. 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 explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Registration No.302009E

**R. A. BANGA**  
Partner  
Membership No:37915

Place : Kolkata  
Date : May 8, 2012

## Fund Flow Statement

Rs. in lakhs

	2011-12	2010-11	2009-10	2008-09	2007-08
<b>SOURCES</b>					
1 Cash Generated from Operation					
- Profit /(Loss) After Taxes	1,558	83	4,718	4,553	4,217
- Add: depreciation	381	253	(23)	101	99
<b>Total</b>	<b>1,939</b>	<b>336</b>	<b>4,695</b>	<b>4,654</b>	<b>4,316</b>
2 Increase in Loan Funds					
- Bank Borrowings	8,651	9,049	10,080	2,865	607
3 Decrease in Miscellaneous Expenditure	—	—	10	10	10
4 Decrease in Investment	38	—	—	—	—
<b>Total</b>	<b>10,628</b>	<b>9,385</b>	<b>14,785</b>	<b>7,529</b>	<b>4,933</b>
<b>UTILIZATION</b>					
1 Capital expenditure (net)	834	1,538	735	1,033	286
2 Increase in Investment (including long term loans to subsidiary)	5,641	3,673	5,308	—	2,281
3 Dividend including tax on dividend, if applicable	512	256	962	772	644
4 Increase in Working Capital	3,538	3,976	7,622	5,744	2,149
5 Deferred Tax (net) for the year	103	(58)	158	(20)	(120)
6 Adjusted in General Reserve	—	—	—	—	(307)
<b>Total</b>	<b>10,628</b>	<b>9,385</b>	<b>14,785</b>	<b>7,529</b>	<b>4,933</b>

Note: In accordance with the transitional provision in the revised Accounting Standard-15 "Accounting for Retirement Benefits" Rs. 307 Lakhs has been credited to General Reserves an on April 1, 2007.

## Summarised Balance Sheet as at March 31, 2012

	Rs. in lakhs	Rs. in lakhs
	As at March 31, 2012	As at March 31, 2011
WHAT THE COMPANY OWNED		
1 Fixed assets(Net)	4,498.51	3,115.70
2 Capital Work-in-progress	61.48	860.78
3 Non current assets	20,440.27	14,246.77
4 Current assets	67,134.78	67,855.99
6 Total assets	92,135.04	86,079.24
WHAT THE COMPANY OWED		
7 Non current liabilities	11,781.39	9,076.73
8 Current liabilities	62,454.36	60,196.90
THE COMPANY'S NET WORTH		
9 Shareholders' Equity (i.e the excess of what the Company owned over what the Company owed)	17,899.29	16,805.61
<b>Represented by</b>		
Share Capital : Rs. 1,100.44 lakhs (previous year Rs. 1,100.44 lakhs)		
Reserves : Rs. 16,798.85 lakhs (previous year Rs. 15,705.17 lakhs)		
	92,135.04	86,079.24

## Summarised Statement of Profit and Loss for the year 2011-12

	Rs. in lakhs	Rs. in lakhs
	Year Ended March 31, 2012	Year Ended March 31, 2011
1 Income		
Net sales & services	80,231.05	72,358.02
Other income	354.25	1,012.70
Total Income	80,585.30	73,370.72
2 Profit/(Loss) before finance cost, depreciation and taxes	5,788.18	2,226.31
Less: Depreciation	427.27	385.62
Finance cost	2,859.86	1,699.84
3 Profit/(Loss) before taxes	2,501.05	140.85
4 Provisional for Taxes/(write back)	943.09	57.60
5 Profit/(Loss) after Taxes	1,557.96	83.25
6 Balance in Profit and Loss Account brought forward	1,378.45	1,557.49
7 Amount available for appropriation	2,936.41	1,640.74
8 <b>Appropriations</b>		
Proposed Dividend	440.18	220.09
Tax on proposed dividend	71.41	35.70
General Reserve	155.80	6.50
Balance carried to Balance Sheet	2,269.02	1,378.45
	2,936.41	1,640.74



## Auditors' Report

### TO THE MEMBERS OF TRF LIMITED

1. We have audited the attached Balance Sheet of **TRF Limited** ("the Company"), as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) 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;
  - (ii) 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;
  - (iii) 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;
  - (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 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 March 31, 2012;
    - (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.
5. On the basis of the written representations received from the Directors as on March 31, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
Registration No.302009E

R. A. BANGA  
Partner

Membership No: 37915

Kolkata, May 8, 2012

## Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business, clauses (xiii) and (xiv) of CARO are not applicable.
- (ii)
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) The fixed assets were physically verified during the year by the management in accordance with a regular program of verification of fixed assets over a period of three years and in accordance therewith Plant and Machinery and Computer Software have been verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company.
- (iii)
  - (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations 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)
  - (a) According to the information and explanations given to us, the Company has not taken any loans secured or unsecured from companies, firms or other parties covered by the register maintained under section 301 of the Companies Act, 1956.
  - (b) According to the information and explanations given to us, the Company has granted interest free loans aggregating Rs. 5,687.79 lakhs to its wholly owned foreign subsidiary during the year. As at March 31, 2012, the outstanding balances of such loans aggregated Rs. 6,340.35 lakhs and the maximum amount involved during the year was Rs. 6,340.35 lakhs. The loans being given to a wholly owned foreign subsidiary, in our opinion, the terms and conditions of the loan are not prejudicial to the interest of the Company.
- (v) In our opinion and according to the information and explanations given to us, and 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 quotations, there is an adequate internal control system commensurate with 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 continuing failure to correct major weaknesses in internal control system.
- (vi) In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in section 301 that needed to be entered in the register maintained under the said section have been so entered.
  - (b) Where each of such transactions is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vii) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under are not applicable to the Company.

- (viii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management has 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 and other dues:
- (a) The Company has generally been regular in depositing undisputed dues, including provident fund, investor education and protection fund, 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. We are informed that the Employees State Insurance Act, 1948 is applicable to certain locations only and in respect of such locations, where contributions have been deducted/ accrued in the books of account by the Company, these have been regularly deposited during the year with the appropriate authorities. We are also informed that in respect of certain locations application for exemptions from operation of Employees State Insurance Act, 1948 has been made, which are pending approval by the authorities.
- (b) There were no undisputed amounts payable in respect of income tax, service tax, wealth tax, customs duty, excise duty and cess and other material statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable except for professional tax Rs. 0.03 lakhs and tax collection at source Rs. 0.01 lakhs which has since been paid.
- (c) Details of dues of income-tax, sales tax, service tax and excise duty which have not been deposited as on March 31, 2012 on account of disputes are given below:

Sl. No.	Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. in lakhs)
1.	Sales Tax	Works Contract Tax	Asst. Commissioner Commercial Taxes, Tribunal at Cuttack	1998-99	4.91
		Local sales tax on sale in transit	Asst. Commissioner Commercial Taxes, Ernakulum	1996-97 & 1997-98	65.30
		Non-submission of Form 29	Deputy Commissioner (Appeals), Durg	2005-06	8.88
		Non-submission of "C" Forms	Joint Commissioner Commercial Taxes, Kolkata	2006-07	15.86
		Non-submission of JVAT Forms	Appellate Tribunal, Ranchi	2006-07	8.81
		Non-submission of "C" Forms	Joint Commissioner Commercial Taxes (Appeal), Jamshedpur	2008-09	37.13
2.	Excise Duty & Service Tax	Wrong availment of Modvat Credit	Asst. Commissioner Central Excise Custom & Service tax	1992-1993	10.17
		Levy of Service Tax under the head 'commissioning and installation services' in the capacity of sub-contractor	CESTAT, Kolkata	2005-06 to 2006-07	63.16

		Non-payment of service tax calculated as per segment report	Additional Commissioner, Service Tax, Kolkata	2003-04 & 2004-05	98.69
		Levy of service tax on job executed as Works Contract	Commissioner Central Excise(Appeals), Kolkata	2002-03 to 2006-07	19.70
3.	Income Tax	Disallowance of certain expenses and levy of interest on shortfall of payment of tax	Income Tax Appellate Tribunal	1991- 92 to 1995-96 2005-06 & 2006-07	1,120.04
		Disallowance of certain expenses and levy of interest on shortfall of payment of tax	Commissioner of Income Tax (Appeals)	1991- 92 to 1994-95 2007-08 to 2010-11	1,703.82

According to the information and explanations given to us, there are no dues of wealth tax, customs duty, and cess as on March 31, 2012 which have not been deposited by the Company on account of any dispute.

- (xi) The Company does not have accumulated losses as at March 31, 2012 and has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- (xii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. There are no debentures issued by the Company.
- (xiii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and any other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions are not prima facie prejudicial to the interests of the Company.
- (xv) 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.
- (xvi) 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 for long term investments.
- (xvii) The Company has not made preferential allotment of shares to parties and companies, covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xviii) The Company has not issued any debentures during the year.
- (xix) The Company has not raised funds by way of public issue during the year.
- (xx) 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 significant fraud on or by the company, noticed or reported during the year nor have we been informed of such case by the management.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
Registration No.302009E

R. A. BANGA  
Partner

Membership No: 37915

Kolkata, May 8, 2012

## Balance Sheet as at March 31, 2012

	Note No.	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share capital	2	1,100.44	1,100.44
(b) Reserves and surplus	3	16,798.85	15,705.17
		17,899.29	16,805.61
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	4	10,725.90	8,075.78
(b) Other Long term liabilities	5	92.24	86.77
(c) Long-term provisions	6	963.25	914.18
		11,781.39	9,076.73
<b>3. Current liabilities</b>			
(a) Short-term borrowings	7	19,455.80	14,490.58
(b) Trade payables	8	25,142.35	26,220.03
(c) Other current liabilities	9	13,837.04	17,748.20
(d) Short-term provisions	10	4,019.17	1,738.09
		62,454.36	60,196.90
<b>TOTAL</b>		<b>92,135.04</b>	<b>86,079.24</b>
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	4,134.94	2,720.54
(ii) Intangible assets	11	363.57	395.16
(iii) Capital work-in-progress		61.48	860.78
(b) Non-current investments	12	10,910.95	10,948.45
(c) Deferred tax assets (net)	26 (vii)	297.11	193.93
(d) Other non current assets	15B	531.59	125.01
(e) Long-term loans and advances	13	8,700.62	2,979.38
		25,000.26	18,223.25
<b>2. Current assets</b>			
(a) Current investments	12	37.50	37.50
(b) Inventories and contracts in progress	14	8,377.42	7,846.55
(c) Trade receivables	15A	45,597.32	44,918.98
(d) Cash and cash equivalents	16	3,955.33	2,610.22
(e) Short- term loans and advances	17	5,971.22	7,976.98
(f) Other current assets	18	3,195.99	4,465.76
		67,134.78	67,855.99
<b>TOTAL</b>		<b>92,135.04</b>	<b>86,079.24</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.  
For DELOITTE HASKINS & SELLS  
Chartered Accountants

R. A. BANGA  
Partner

Place : Kolkata  
Date : May 8, 2012

For and on behalf of the Board  
SUBODH BHARGAVA  
Chairman

SUDHIR L. DEORAS  
Managing Director

Place : Kolkata  
Date : May 8, 2012



## Statement of Profit and Loss for the year ended March 31, 2012

		<b>Year Ended March 31, 2012 Rs. in lakhs</b>	Year Ended March 31, 2011 Rs. in lakhs
<b>1 Revenue from operations (gross)</b>	19	81,571.39	73,641.78
Less : Excise duty		1,340.34	1,283.76
Revenue from operations (net)		80,231.05	72,358.02
<b>2. Other income</b>	20	354.25	1,012.70
<b>3. Total Revenue (1+2)</b>		<b>80,585.30</b>	73,370.72
<b>4. Expenses</b>			
Cost of materials and components consumed	21(a)	41,274.79	40,042.63
Payments to sub-contractors		17,962.48	18,030.83
Change in contracts in progress and inventories of finished goods and work-in-progress	21(b)	151.62	(479.46)
Employee benefits expense	22	5,587.88	4,573.79
Finance costs	23	2,859.86	1,699.84
Depreciation and amortisation expense		427.27	385.62
Other expenses	24	9,820.35	8,976.62
<b>Total expenses</b>		<b>78,084.25</b>	73,229.87
<b>5. Profit before tax (3-4)</b>		<b>2,501.05</b>	140.85
<b>6. Tax expense:</b>			
(1) Current tax expense for current year		1,069.00	42.94
Less: MAT credit entitlement		–	(42.94)
(2) Deferred tax	26(vii)	(125.91)	57.60
		<b>943.09</b>	57.60
<b>7. Profit for the year (5-6)</b>		<b>1,557.96</b>	83.25
<b>8. Earnings per share basic and diluted (Face value of Rs. 10 each)</b>	26(vi)	<b>14.16</b>	0.76

**See accompanying notes forming part of the financial statements**

In terms of our report attached.  
For DELOITTE HASKINS & SELLS  
Chartered Accountants

R. A. BANGA  
Partner

Place : Kolkata  
Date : May 8, 2012

For and on behalf of the Board  
SUBODH BHARGAVA  
Chairman

SUDHIR L. DEORAS  
Managing Director

Place : Kolkata  
Date : May 8, 2012

## Cash Flow Statement For the Year Ended March 31, 2012

	Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	2,501.05	140.85
Adjustments for :		
Depreciation	427.27	385.62
Loss on Sale of Assets/discarded assets written off	4.47	24.84
Interest income	(2.34)	(129.28)
Income from Investments	(170.15)	(59.96)
Unrealised Foreign exchange (gain) / loss	250.85	(367.64)
Interest expenses	2,617.70	1,388.92
	<u>3,127.80</u>	<u>1,242.50</u>
<b>Operating Profit/ (Loss) before working capital changes</b>	<b>5,628.85</b>	<b>1,383.35</b>
Adjustments for (increase) / decrease in operating assets		
Inventories	(530.87)	(944.23)
Trade receivables	(1,058.39)	(7,423.65)
Short term and long term loans & advances	1,947.15	(3,097.14)
Other current and non current assets	1,468.42	3,386.84
	1,826.31	(8,078.18)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade payables	(1,077.68)	3,684.40
Other current and non current liabilities	(5,178.96)	2,577.00
Short-term and long-term provisions	64.03	151.25
	<u>(6,192.61)</u>	<u>6,412.65</u>
<b>Cash Generated from Operations</b>	<b>1,262.55</b>	<b>(282.18)</b>
Direct Taxes paid (net)	898.38	(1,589.87)
<b>Net Cash from/(used) in Operating Activities</b>	<b>2,160.93</b>	<b>(1,872.05)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets(refer note 2)	(901.10)	(1,641.41)
Sale of fixed assets	8.44	3.20
Proceeds of redemption of current investment in debentures	37.50	37.50
Purchase of Investments in subsidiary	*	(3,032.88)
Loan to subsidiary	(5,617.76)	(643.17)
Advance to subsidiary companies	(62.20)	(45.07)
Income from Investments	171.90	61.74
Income from Interest received	2.34	129.28
<b>Net Cash used in Investing Activities</b>	<b>(6,360.88)</b>	<b>(5,130.81)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Short term borrowings (Net)	5,044.33	5,509.67
Proceeds from Long term borrowings (Net)	3,366.65	5,397.87
Repayment of Commercial Paper	-	(1,500.00)
Interest paid	(2,611.11)	(1,397.11)
Dividend paid (including Income tax on Dividend)	(255.61)	(962.24)
<b>Net Cash from Financing Activities</b>	<b>5,544.26</b>	<b>7,048.19</b>
<b>Net increase/(Decrease) in Cash and Cash equivalents (A+B+C) (see note 3)</b>	<b>1,344.31</b>	<b>45.33</b>
Cash and Cash equivalents as at April 1, 2011	2,578.48	2,533.15
Cash and Cash equivalents as at March 31, 2012	3,922.79	2,578.48

**Notes:**

- Figures in brackets indicate outflows.
- Purchase of fixed assets include payments for items in capital work in progress.
- Cash and Cash equivalents represent Cash and Bank balances (Refer Note 16)
- Interest paid is exclusive of and purchase of fixed assets is inclusive of interest capitalised Rs. 81.32 lakhs (previous year Rs. 34.98 Lakhs)
- Previous period figures have been regrouped/restated wherever necessary.

In terms of our report attached.

For DELOITTE HASKINS & SELLS  
Chartered AccountantsR. A. BANGA  
PartnerPlace : Kolkata  
Date : May 8, 2012

For and on behalf of the Board

SUBODH BHARGAVA  
ChairmanSUDHIR L. DEORAS  
Managing DirectorPlace : Kolkata  
Date : May 8, 2012

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

TRF Limited, incorporated in 1962 has its registered office at 11, Station Road, Burmamines, Jamshedpur 831007. The Company is listed on the National Stock Exchange of India Ltd. and BSE Ltd. TRF Limited undertakes turnkey projects of material handling for the infrastructure sector such as power and steel plants, cement, ports, fertilisers and mining. The Company is also engaged in production of such material handling equipments at its plant at Jamshedpur.

### 1. Significant accounting policies

(a) **Basis of accounting and preparation of financial statements.**

The financial statements are prepared as a going concern under historical cost convention on an accrual basis and comply on all material respects with the Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for 'Foreign exchange transactions' as more fully described in Note 1. (k). (iii).

(b) **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Examples of such estimates include provisions for doubtful debts, employee benefits, assessment of income taxes, estimated cost of contracts and useful lives of fixed assets. The estimates and underlying assumptions are reviewed on an ongoing basis. Difference between actual results and estimates are recognized in the periods in which the results are known/materialised.

(c) **Inventories**

Raw materials, work-in- progress and finished goods are valued at lower of cost and net realizable value on weighted average basis. Stores and spare parts and loose tools are valued at lower of cost and net realizable value.

Cost of work-in- progress and finished goods is determined on full absorption cost basis.

(d) **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(e) **Fixed assets**

**Tangible fixed assets**

Tangible fixed assets are stated at original cost net of tax/duty credits availed, if any, less accumulated/ depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Interest on borrowings during the period of construction is added to the cost of fixed assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

**Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 1. Significant accounting policies (Contd.)

from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

#### Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### (f) Depreciation and amortisation

Depreciation on all tangible fixed assets is provided on straight line basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Technical knowhow is amortized over the estimated period of benefit, not exceeding six years commencing from the date of purchase of the technology.

Software expenditure is amortised over five years commencing from the date when the expenditure is incurred.

#### (g) Impairment of assets

The carrying values of assets are reviewed at each Balance Sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

#### (h) Revenue recognition (other than contracts)

Revenue from sale of goods / rendering of services is recognized on transfer of significant risks and rewards of ownership to the buyer. Sales excludes sales tax collected from customers.

#### (i) Other income

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

#### (j) Accounting of contracts

Revenue from long-term contracts, where the outcome can be estimated reliably is recognized on percentage completion method by reference to the stage of completion of the contract activity as required under Accounting Standard 7 - Construction Contracts. The stage of completion is determined as a proportion that contract costs incurred for work performed up to the closing date bear to the estimated total costs of the contract. Profit (contract revenue less contract cost) is recognized when the outcome of the contract can be estimated reliably and for contracts valued up to Rs.100 crores, profit is recognized when stage of completion is 40% or more, and for contracts valued more than Rs. 100 crores, profit is recognized either at 25% stage of completion or an expenditure of Rs. 40 crores is incurred whichever is higher. When it is probable that the total cost will exceed the total contract revenue, the expected loss is recognized immediately,

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 1. Significant accounting policies (Contd.)

irrespective of the work done. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is estimated based on current technical data and estimate of costs to be incurred in future. Contract Revenue earned in excess of billing has been reflected under 'Other Current Assets' and billing in excess of contract revenue is reflected under 'Other Current Liabilities' in the Balance Sheet.

#### (k) Foreign exchange transactions

##### (i) Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

##### (ii) Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

##### (iii) Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference".

During the year, in line with the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs, the Company has opted for the option given in Paragraph 46A of the Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company has, with effect from April 1, 2011, amortized the foreign exchange loss/(gain) incurred on foreign currency monetary items over the balance period of such long term foreign currency monetary items. The amortized portion of foreign exchange loss (net) incurred on long term foreign currency monetary items for the year ended 31st March, 2012 is Rs. 313.61 lakhs. The unamortized portion carried forward as on 31st March, 2012 is Rs. 226.93 lakhs. Had the Company, followed the earlier policy of charging the entire amount to Statement of Profit and Loss, the profit before tax for the year would have been lower by Rs. 226.93 lakhs.

#### (l) Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

#### (m) Investments

Long term investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment. Current investments are carried at lower of cost and fair value.



## **Notes Forming Part of the Financial Statements**

**For the Year Ended 31st March 2012**

### **1. Significant accounting policies (Contd.)**

#### **(n) Employee Benefits**

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

##### Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

##### Defined benefit plans

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

##### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

##### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

#### **(o) Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

#### **(p) Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 1. Significant accounting policies (Contd.)

revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "Unallocated revenue/expenses/assets/liabilities".

#### (q) **Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to 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 on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

#### (r) **Research and development**

Research and development costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

#### (s) **Provisions, contingent liabilities and contingent assets**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the expenditure required to settle the present obligation. Contingent Liabilities are not recognised but disclosed in the notes. A disclosure for a contingent liability is made, unless the possibility of an outflow of resources is remote.

Provision for anticipated warranty costs is made on the basis of technical and available cost estimates.

Contingent Assets are neither recognised nor disclosed in the Financial Statements.

#### (t) **Derivative**

The Company enters into derivative contracts in the nature of foreign currency swaps, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 1. Significant accounting policies (Contd.)

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

### 2. Shareholder's funds - Share capital

#### Authorised

Equity Shares of Rs. 10 each

#### Issued, subscribed and fully paid up

Equity shares of Rs.10 each

As at March 31, 2012		As at March 31, 2011	
Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
30,000,000	3,000.00	30,000,000	3,000.00
11,004,412	1,100.44	11,004,412	1,100.44

#### Notes :

#### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period.

##### Equity Shares

#### Issued, subscribed and fully paid up

At the beginning and end of the year

As at March 31, 2012		As at March 31, 2011	
Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
11,004,412	1,100.44	11,004,412	1,100.44

Issued and subscribed capital exclude 635 equity shares of Rs.10 each reserved for allotment to shareholders who were not able to subscribe to the rights issue during the earlier years for genuine reasons or where title is temporarily in dispute.

#### (ii) Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs 10 per share. Each equity shareholder is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval by the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognised as distribution to equity shareholders was Rs 4 per share (Previous year: Rs 2 per share).

In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 2. Shareholder's funds - Share capital (Contd.)

#### (iii) Details of shares held by each shareholder holding more than 5% shares:

Names of Shareholders	As at March 31, 2012		As at March 31, 2011	
	Number of shares	% of Holding	Number of shares	% of Holding
Tata Steel Limited	3,585,428	32.58	3,585,428	32.58
Zash Traders through its Person Acting in concert	724,686	6.59	724,686	6.59
– Regal Investment and Trading Co. Pvt. Ltd.				
– Vidya Investment and Trading Co. Pvt. Ltd.				
– Nepean Investment and Trading Co. Pvt. Ltd.				
Sundaram Mutual Fund	518,040	4.71	597,045	5.43

#### (iv) Aggregate number and class of shares allotted as fully paid up by way of bonus shares during the period of five years immediately preceding March 31, 2012.

	As at March 31, 2012	As at March 31, 2011
<b>Equity Shares:</b>		
Equity shares allotted as fully paid up by way of bonus shares	5,502,206	5,502,206

During the year ended March 31, 2010 the company had issued 55,02,206 equity shares of Rs. 10 each by way of fully paid up bonus shares in the ratio of one share for every share held, by capitalisation of General Reserve.

### 3. Shareholder's funds - Reserves and Surplus

	As at March 31, 2012		As at March 31, 2011	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
<b>Amalgamation Reserve</b>				
Opening balance and closing balance		61.81		61.81
<b>General Reserve</b>				
Opening balance	14,264.91		14,258.41	
Add: Transferred from Surplus in Statement of Profit and Loss	155.80		6.50	
Closing balance		14,420.71		14,264.91
<b>Foreign exchange fluctuation reserve</b>				
Opening balance	—		—	
Add: Effect of foreign exchange rate variations during the year	47.31		—	
Closing balance (net of deferred tax Rs. 22.73 lakhs )		47.31		—
<b>Surplus in Statement of Profit and Loss</b>				
Opening balance	1,378.45		1,557.49	
Add: Net profit for the year	1,557.96		83.25	
Less: Proposed dividend	440.18		220.09	
Tax on proposed dividend	71.41		35.70	
Transferred to general reserve	155.80		6.50	
Closing Balance		2,269.02		1,378.45
<b>Total</b>		<b>16,798.85</b>		<b>15,705.17</b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 4. Long-term borrowings

		As at March 31, 2012			As at March 31, 2011		
		Long Term	Current Maturities of Long term debt (Refer note 9)	Total	Long Term	Current Maturities of Long term debt	Total
		Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Term loan from banks (Secured)	(i), (ii) and (iii) below	10,725.90	2,288.18	13,014.08	8,075.78	1,014.75	9,090.53
<b>Total</b>		<b>10,725.90</b>	<b>2,288.18</b>	<b>13,014.08</b>	<b>8,075.78</b>	<b>1,014.75</b>	<b>9,090.53</b>

#### Notes :

- Long term loan from DBS Bank aggregating Rs. 5,746.91 lakhs (previous year Rs. 6,090.53 lakhs) is secured by pari passu first charge on the fixed assets of the Company.
- Long term loan from Dena Bank aggregating Rs. 3,000 lakhs (previous year Rs. 3,000 lakhs) is secured by pari passu first charge on the fixed assets and second charge on the current assets of the Company.
- Long term loan from Axis Bank aggregating Rs. 4,267.17 lakhs (previous year Rs. nil) is secured by first pari passu first charge on the fixed assets of the company, present and future except asset charged exclusively to Small Industries Development Bank of India (SIDBI), and second charge on the current assets of the Company.

#### (iv) Terms of repayment of borrowings as at March 31, 2012 are as follows

	Currency	INR Equivalent Rs. in lakhs	Start Date of loan repayment	Maturity date	Repayment of Installments	Number of Installment
<b>Secured Borrowings</b>						
From banks						
DBS Bank:						
USD 9 million	USD	2,881.49	28-Jan-11	28-Jul-14	1,125,000	8 (half-yearly)
GBP 2.5 million	GBP	2,046.73	13-Jul-12	14-Jul-14	500,000	3 (Annually)
					1,000,000	
					1,000,000	
GBP 1.00 Million	GBP	818.69	13-Jul-12	14-Jul-14	200,000	3 (Annually)
					400,000	
					400,000	
Dena Bank	INR	3,000.00	25-Sep-12	25-Sep-16	18,750,000	16 (Quarterly)
USD Axis Bank 8.33 million	USD	4,267.17	23-Mar-15	23-Dec-18	520,000	16 (Quarterly)
					530,000	15 (Quarterly)
						1 (Quarterly)
<b>Total long term loans</b>		<b>13,014.08</b>				



## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 4. Long-term borrowings (Contd.)

Terms of repayment of borrowings as at March 31, 2011 are as follows

	Currency	INR Equivalent Rs. in lakhs	Start Date of loan repayment	Maturity date	Repayment of Installments	Number of Installment
<b>Secured Borrowings</b>						
From banks						
DBS Bank:						
USD 9 million	USD	3,551.63	28-Jan-11	28-Jul-14	1,125,000	8 (half-yearly)
GBP 2.5 million	GBP	1,813.50	13-Jul-12	14-Jul-14	500,000	3 (Annually)
					1,000,000	
					1,000,000	
GBP 1.00 Million	GBP	725.40	13-Jul-12	14-Jul-14	200,000	3 (Annually)
					400,000	
					400,000	
Dena Bank	INR	3,000.00	25-Sep-12	25-Sep-16	18,750,000	16 (Quarterly)
<b>Total long term loans</b>		<b>9,090.53</b>				

### 5. Other long-term liabilities

Employee separation compensation

Deposits from employees

**Total**

As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
67.64	67.95
24.60	18.82
<b>92.24</b>	<b>86.77</b>

### 6. Long term provisions

Provision for employee benefits

Post-employment defined benefits

Pension obligations

Others

Compensated absences

**Total**

As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
555.78	532.15
23.56	26.56
383.91	355.47
<b>963.25</b>	<b>914.18</b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 7. Short-term borrowings

		As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Term Loan from banks (Secured)	Refer	5,000.00	5,000.00
Other Loans from banks (Secured)	note		
Buyers line of credit	below	834.54	2,854.62
Cash credit account		11,621.26	6,635.96
From other parties (Unsecured)		2,000.00	—
<b>Total</b>		<b>19,455.80</b>	<b>14,490.58</b>

#### Note : Details of the security for the short-term borrowings

Buyers' line of credit, cash credit and short term loans from banks are secured by hypothecation, ranking pari passu, of all tangible movable assets including in particular stocks of raw materials other than those purchased under Bill discounting (components) scheme of Small Industries Development Bank of India (SIDBI), finished goods, work-in-progress, consumables, spares and other movable assets and book debts, outstandings and all other receivables. Facilities from Canara Bank and Central Bank of India aggregating Rs. 3,780.88 lakhs (previous year Rs. 26.64 lakhs) and Rs. 4,490.55 lakhs (previous year Rs. 4,458.92 lakhs) respectively, are also secured, by hypothecation ranking pari passu, of fixed assets, present and future, except on an asset hypothecated to SIDBI as first charge.

### 8. Trade payables

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
<b>Trade Payables</b>		
Acceptances	1,190.53	1,175.52
Other than acceptances	23,951.82	25,044.51
<b>Total</b>	<b>25,142.35</b>	<b>26,220.03</b>

### 9. Other current liabilities

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Current maturities of long-term debt (Refer Note 4)	2,288.18	1,014.75
Interest accrued but not due on borrowings	77.75	59.96
Interest accrued and due on borrowings	52.72	63.91
Unpaid dividends	32.90	31.92
Advances received from customers	5,255.70	9,130.98
Dues to customers for contracts in progress	5,344.89	6,576.60
Payables on purchase of fixed assets	47.76	55.50
Employee benefits	54.36	124.23
Statutory obligations	682.78	690.35
<b>Total</b>	<b>13,837.04</b>	<b>17,748.20</b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 10. Short term provisions

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Provision for employee benefits		
Post-employment defined benefits		
Pension obligations	37.66	35.51
Compensated absences	49.02	45.21
Provision for tax		
[net of advance tax Rs. 9,660.51 lakhs (previous year Rs. 10,644.76 lakhs)]	3,273.90	1263.58
Proposed dividend	440.18	220.09
Tax on proposed dividend	71.41	35.70
Provision for warranty	147.00	138.00
	<b>4,019.17</b>	<b>1,738.09</b>

### 11. Fixed assets

Fixed assets		Rs. in lakhs										
A	Tangible assets	Gross block					Depreciation/Amortisation				Net block	
		As at April 1, 2011 (at cost)	Additions	Adjustments (Borrowing cost capitalised)	Deductions	As at March 31, 2012 (at cost)	As at April 1, 2011	for the year	Deductions	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
	Buildings and Roads	1,235.96	1,268.64	56.59	-	2,561.19	362.71	46.60	-	409.31	2,151.88	873.25
	Plant and Machinery	3,400.85	329.22	24.73	25.20	3,729.60	1,839.70	210.85	17.88	2,032.67	1,696.93	1,561.15
	Furniture and Fixtures	234.09	9.96	-	2.19	241.86	129.72	14.09	2.17	141.64	100.22	104.37
	Office equipment	102.01	24.27	-	0.18	126.10	58.69	9.91	0.18	68.42	57.68	43.32
	Motor vehicles	231.72	26.56	-	30.95	227.33	132.51	27.14	25.56	134.09	93.24	99.21
	Electrical installation	103.62	-	-	0.79	102.83	66.58	3.87	0.63	69.82	33.01	37.04
	Laboratory equipment	10.34	-	-	-	10.34	8.14	0.22	-	8.36	1.98	2.20
	Total	5,318.59	1,658.65	81.32	59.31	6,999.25	2,598.05	312.68	46.42	2,864.31	4,134.94	2,720.54
	Previous year	4,962.40	498.98	-	142.79	5,318.59	2,417.90	308.34	128.19	2,598.05	2,720.54	2,544.50
Rs. in lakhs												
B	Intangible assets	Gross block					Depreciation/Amortisation				Net block	
		As at April 1, 2011 (at cost)	Additions	Adjustments (Borrowing cost capitalised)	Deductions	As at March 31, 2012 (at cost)	As at April 1, 2011	for the year	Deductions	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
	Technical know-how	356.53	-	-	-	356.53	352.24	4.29	-	356.53	-	4.29
	Computer software	526.76	83.00	-	-	609.76	135.89	110.30	-	246.19	363.57	390.87
	Total	883.29	83.00	-	-	966.29	488.13	114.59	-	602.72	363.57	395.16
	Previous year	618.04	283.20	-	17.95	883.29	415.36	77.28	4.51	488.13	395.16	202.68

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 12. Investments (at cost less provision other than temporary, if any)

Rs. in lakhs

	As at March 31, 2012						As at March 31, 2011			
	Face value	Currency	Number	Non-current	Current portion of Long term investments	Total	Number	Non-current	Current portion of Long term investments	Total
<b>Trade investments</b>										
<b>I. Investment in Equity shares</b>										
(a) Subsidiaries										
Unquoted										
(i) Adithya Automotive Applications Private Limited, India	10	INR	3,570,000	357.00	-	357.00	3,570,000	357.00	-	357.00
(ii) TRF Singapore Pte. Ltd., Singapore	1	SGD	32,449,000	10,297.65	-	10,297.65	32,449,000	10,297.65	-	10,297.65
(iii) TRF Holdings Pte. Ltd., Singapore	1	SGD	1	*	-	-	1	*	-	-
(b) Other Investments										
(i) Quoted										
HDFC Bank Ltd.	10	INR	500	0.05	-	0.05	500	0.05	-	0.05
(ii) Unquoted										
(1) Tata Projects Limited	100	INR	67,500	233.75	-	233.75	67,500	233.75	-	233.75
(2) Rujvalika Investments Limited	10	INR	137,500	22.50	-	22.50	137,500	22.50	-	22.50
(3) Twin Star Jupiter Co-operative Housing Society Limited	50	INR	5	*	-	-	5	*	-	-
(4) Nicco Jubilee Park Ltd.	10	INR	30000	3.00	-	3.00	30000	3.00	-	3.00
Less : Provision for diminution in value				(3.00)	-	(3.00)		(3.00)	-	(3.00)
<b>II. Investment in Debentures</b>										
Unquoted										
8% Debentures in Tata Projects Limited	3000	INR	3750	-	37.50	37.50	3750	37.50	37.50	75.00
One third of the value redeemed during the year as per terms of issue.										
<b>Total</b>				<b>10,910.95</b>	<b>37.50</b>	<b>10,948.45</b>		<b>10,948.45</b>	<b>37.50</b>	<b>10,985.95</b>

\*represent values below Rs. 1 lakh.

#### Notes :-

	Rs. in lakhs	Rs. in lakhs
(i) (a) Aggregate amount of quoted investments	0.05	0.05
Market value of quoted investments.	2.60	11.70
(b) Aggregate amount of unquoted investments	10,951.40	10,988.90
	<b>10,951.45</b>	<b>10,988.95</b>
(c) Aggregate provision for diminution in the value of investments - Non current investments	(3.00)	(3.00)
	<b>10,948.45</b>	<b>10,985.95</b>

#### (ii) Reconciliation for disclosure as per Accounting Standard 13

##### Long term Investments

Non Current Investments (Refer Note no. - 12 above)	37.50	37.50
Current portion of long-term investments - (Refer Note no. 12 above)	10,948.45	10,985.95

##### Current Investments

Other current investments	-	-
---------------------------	---	---

##### Total

**10,948.45**

**10,985.95**

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 13. Long term loans and advances - unsecured, considered good

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Capital advances	100.05	230.36
Security deposits	105.12	116.83
Balances with government authorities		
Excise authorities	2.50	2.50
Sales Tax authorities	-	10.54
Loans and advances to related parties (Refer Note 26(v))	6,340.35	652.56
Other loans and advances		
Prepayments	238.36	92.29
Others	92.59	95.59
Advance income tax (net of provisions Rs. 9,650.43 lakhs) (previous year Rs. 10,634.70 lakhs)	1,821.65	1,778.71
<b>Total</b>	<b>8,700.62</b>	<b>2,979.38</b>

### 14. Inventories and contracts in progress

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Contracts in progress		2,966.48		3,069.25
<b>Inventories</b>				
At lower of cost and net realisable value				
Raw materials (Including goods in transit Rs 63.30 lakhs) (previous year Rs. 101.45 lakhs)		2,246.91		1,572.32
Work-in-progress (Refer Note (i) below)		2,432.16		2,043.34
Finished products (Refer Note (ii) below)	506.18		890.40	
Excise duty on finished products not assessed to duty	90.72		144.17	
		596.90		1,034.57
Stores and spare parts		87.47		75.18
Loose tools		47.50		51.89
<b>Total</b>		<b>8,377.42</b>		<b>7,846.55</b>

#### Note (i) Details of stock of work-in-progress

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Idle & Idler Spares	335.05	347.07
Pulley	485.60	67.92
Screen & Screen Spares	82.07	391.66
Crusher & Crusher Spares	40.54	177.69
Tippler & Tippler Spares	112.63	92.78
Others	1,376.27	966.22
<b>Total</b>	<b>2,432.16</b>	<b>2,043.34</b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 14. Inventories and contracts in progress (Contd.)

#### Note (ii) Details of Finished stock

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Idler Rollers	56.91	107.69
Components for Idler Rollers	42.56	117.64
Vibrating Screens, etc.	284.48	352.89
Components for Vibrating Screens, etc.	12.56	86.72
Sectional and Mine Conveyors	58.74	30.56
Coal Cutters (Shearer-cum-loaders)	-	122.60
Others	50.93	72.30
Excise Duty	90.72	144.17
<b>Total</b>	<b>596.90</b>	<b>1,034.57</b>

- Opening and closing stocks of components include internally manufactured components for sale as well as for assembly of equipment to be manufactured by the company
- Value of stocks shown above is after adjustment of shortages/ excesses found on physical count, write-off of unserviceable items etc.,

### 15A. Trade receivables

#### Current trade receivable

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Outstanding for a period exceeding six months, from the date they were due for payment	7,599.61	6,329.26
Others *	39,492.86	39,355.51
Gross current trade receivables	47,092.47	45,684.77
Less: Provision for doubtful trade receivables	1,495.15	765.79
<b>Total</b>	<b>45,597.32</b>	<b>44,918.98</b>

\* Others include Rs.12,951 lakhs (previous year Rs. 17,668 lakhs) being amount receivable within the operating cycle but due after one year.

### 15B. Other non-current assets

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Gross non-current trade receivables (unsecured, considered good)	505.06	125.01
Foreign currency monetary item translation difference	26.53	-
<b>Total</b>	<b>531.59</b>	<b>125.01</b>

### 16. Cash and cash equivalents

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Cash on hand	19.82	16.23
Cheques on hand	1,095.21	141.52
Balances with banks		
On current accounts	2,807.76	2,420.73
On unpaid dividend accounts *	32.54	31.74
<b>Total</b>	<b>3,955.33</b>	<b>2,610.22</b>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement	<b>3,922.79</b>	<b>2,578.48</b>

\* Balances with Bank – unpaid dividend accounts include Rs. 32.54 lakhs (previous year Rs. 31.74 lakhs) which have restriction on repatriation.



## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 17. Short term loans and advances (Unsecured, considered good, Unless otherwise stated)

	As at March 31, 2012		As at March 31, 2011	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Security deposits				
Considered good	93.39		120.53	
Considered doubtful	54.20		51.23	
	<u>147.59</u>		<u>171.76</u>	
Less : Provisions for doubtful deposits	54.20		51.23	
		93.39		120.53
Balances with government authorities				
Service tax		569.63		782.04
Excise authorities		23.73		89.22
Sales tax		237.73		154.65
VAT		146.09		44.46
Loans and advances to related parties (Refer Note 26 (v))		122.61		60.41
Other loans and advances				
Prepayments		232.99		137.29
MAT Credit entitlement		–		42.94
Advances to suppliers		2,926.18		5,459.79
Others		1,618.87		1,085.65
<b>Total</b>		<b><u>5,971.22</u></b>		<b><u>7,976.98</u></b>

### 18. Other current assets

	As at March 31, 2012	As at March 31, 2011
	Rs. in lakhs	Rs. in lakhs
Unbilled Revenue* (Refer note below)	2,993.81	4,462.23
Interest accrued on investments	1.77	3.53
Foreign currency monetary item translation difference	200.41	–
<b>Total</b>	<b><u>3,195.99</u></b>	<b><u>4,465.76</u></b>

\* Unbilled revenue includes Rs 274 lakhs (previous year Rs. 419 lakhs) being amount receivable within the operating cycle but due after one year.

### 19. Revenue from operations

	Year Ended	Year Ended
	March 31, 2012	March 31, 2011
	Rs. in lakhs	Rs. in lakhs
Revenue from Turnkey projects (Refer note below)	63,141.78	56,951.38
Sale of products (Refer note below)	16,039.00	15,073.67
Sale of services (Refer note below)	2,390.61	1,616.73
Revenue from operations (gross)	<u>81,571.39</u>	<u>73,641.78</u>
Less : Excise duty on revenue from operations	1,340.34	1,283.76
Revenue from operations (net)	<b><u>80,231.05</u></b>	<b><u>72,358.02</u></b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 19. Revenue from operations (Contd.)

#### Revenue from Operations (Net)

	Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
1. Idler Rollers	2,934.32	2,133.53
Components for Idler Rollers	1,066.04	593.83
2. Vibrating Screens, etc.	2,787.34	2,010.89
Components for Vibrating Screens, etc.	1,649.09	1,047.39
3. Sectional and Mine Conveyors	3,628.50	4,557.75
4. Tipplers	2,124.40	1,916.15
5. Components for Crushers	1,264.21	1,313.06
6. Others	2,667.21	3,614.74
7. Material handling equipment including stackers, reclaimers, stacker-cum-reclaimers, shiploaders/unloaders, general conveyors, ore/coal handling plants and wagon loaders	59,719.33	53,553.95
8. Services	2,390.61	1,616.73
<b>Total</b>	<b>80,231.05</b>	<b>72,358.02</b>

### 20. Other income

	Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
Dividend Income from long term investment	165.90	52.74
Interest Income		
From long term investment	4.25	7.21
On overdue trade receivables	–	122.93
From banks on deposits	2.34	4.12
Others	–	2.24
Gain on foreign currency transactions & translations	–	133.52
Liabilities/ provisions no longer required written back	52.78	520.97
Miscellaneous income	128.98	168.97
<b>Total</b>	<b>354.25</b>	<b>1,012.70</b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 21(a). Cost of Material Consumed

Opening stock
Add : Purchases
Less : Closing stock
<b>Total</b>

Year Ended March 31, 2012 Rs. in lakhs
1,572.32
41,949.38
2,246.91
<b>41,274.79</b>

Year Ended March 31, 2011 Rs. in lakhs
1,105.86
40,509.09
1,572.32
<b>40,042.63</b>

### Materials consumed comprises

1. Steel
2. Forgings
3. Tubes
4. Bearings
5. Beltings
6. Others *
<b>Total</b>

Year Ended March 31, 2012 Rs. in lakhs
13,492.30
1,158.41
1,037.67
1,240.34
1,180.47
23,165.60
<b>41,274.79</b>

Year Ended March 31, 2011 Rs. in lakhs
11,112.97
650.05
868.49
943.97
1,635.16
24,831.99
<b>40,042.63</b>

**Note :** The consumption figures shown above are after adjustment of excesses and shortages found on physical count, write-off of unserviceable items etc. Further, the consumption of steel as indicated above is after adjusting credit in respect of scrap Rs.832.41 lakhs (previous year Rs. 591.79 lakhs).

\*Others represent electrical and bought out items.

### 21(b). Changes in contracts in progress and inventories of finished products and work in progress

Inventories and contracts in progress at the beginning of the year
Finished products
Work- in-progress
Contracts in progress

Year Ended March 31, 2012 Rs. in lakhs
1,034.57
2,043.34
3,069.25
<b>6,147.16</b>

Year Ended March 31, 2011 Rs. in lakhs
1,275.53
2,491.83
1,900.34
<b>5,667.70</b>

Inventories and contracts in progress at the end of the year
Finished products
Work- in-progress
Contracts in progress

596.90
2,432.16
2,966.48
5,995.54
<b>151.62</b>

1,034.57
2,043.34
3,069.25
6,147.16
<b>(479.46)</b>

Net (increase)/decrease

### 22. Employee benefits expense

Salaries, wages and other benefits
Company's contribution to provident fund and other fund
Workmen and staff welfare expenses
<b>Total</b>

Year Ended March 31, 2012 Rs. in lakhs
4,512.38
604.85
470.65
<b>5,587.88</b>

Year Ended March 31, 2011 Rs. in lakhs
3,545.05
621.48
407.26
<b>4,573.79</b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 23. Finance cost

Interest expenses	
Bank charges	
Net loss on foreign currency transactions and translation (considered as finance cost)	
Less Interest capitalised	
<b>Total</b>	

Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
2,542.07	1,410.76
242.16	310.92
156.95	13.14
2,941.18	1,734.82
81.32	34.98
<b>2,859.86</b>	<b>1,699.84</b>

### 24. Other expenses

Consumption of stores, spare parts and loose tools	
Repairs to buildings	
Repairs to plant and machinery	
Repairs to office equipment	
Power and fuel	
Travelling, conveyance and car running expenses	
Rent	
Rates, taxes and licences	
Sales Tax (net)	
Excise duty (net)	
Service tax (net)	
Insurance	
Freight and handling charges	
Service charges (Collection and order procurement)	
Professional fees	
Telephone expenses	
Directors' fees	
Bad Debts written off	
Provision for doubtful debts and advances (net)	
Advances written off	
Liquidated damages	
Provision of warranty expenses	
Loss on foreign exchange fluctuation (net)	
Loss on sale of fixed assets (net)	
Auditors' Remuneration and out of pocket expenses	
As Auditor- Statutory auditors	
For taxation matters	
For other services	
For reimbursement of expenses	
Other expenses	
<b>Total</b>	

Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
592.06	665.30
333.53	408.23
206.43	139.32
72.53	41.26
273.14	204.96
945.08	996.05
488.21	329.74
140.70	130.51
656.37	757.86
161.30	521.64
1,233.03	1,152.07
159.06	80.45
1,080.18	779.87
95.78	434.61
1,286.58	985.89
112.50	100.33
13.95	16.80
280.20	65.49
732.33	127.34
13.58	-
13.40	441.80
9.00	39.00
450.18	-
4.47	24.84
51.00	33.00
4.50	3.50
12.01	4.49
3.71	4.31
395.54	487.96
<b>9,820.35</b>	<b>8,976.62</b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 25. Additional Information to the Financial Statements

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
(i) CONTINGENT LIABILITIES		
(a) Sales tax matters in dispute relating to issues of applicability and classification	57.90	575.52
In respect of the above sales tax matters in dispute, the Company has deposited Nil (previous year Rs.10.54 lakhs) against various orders, pending disposal of the appeals. This amount is included under Note 13 - Long term loans and advances		
(b) Excise duty and service tax matters in dispute relating to applicability and classification	159.22	1,114.29
In respect of the above excise and service tax matters in dispute, the Company has deposited Rs.2.50 lakhs (Previous year Rs.2.50 lakhs) against various orders, pending disposal of the appeals. This amount is included under Note 13 - Long term loans and advances.		
(c) Income Tax matters in dispute	1,314.91	1,645.79
(d) Corporate guarantee given on behalf of subsidiary company (SGD 9.5 million)	3,864.60	3,398.15
(Outstanding amount against the guarantee)	(966.16)	(1,982.25)
(e) Corporate guarantee given on behalf of subsidiary company (USD 18.00 million)	9,220.77	—
(Outstanding amount against the guarantee)	(9,220.77)	—
(f) Corporate guarantee on behalf of step down subsidiary company (USD 0.765 million)	391.88	—
(Outstanding amount against the guarantee)	(391.88)	—
(g) Claims against the Company not acknowledged as debt	535.83	461.00
(h) Others	33.42	23.42
Future cash outflows in respect of above matters are determinable only on receipt of judgments/decisions pending at various forums/ authorities		
(ii) The Company has agreed to provide contingent support to its wholly owned direct subsidiary (WOS), TRF Singapore Pte Ltd and TRF Holdings Pte Ltd to meet its liabilities of SGD 2,418,370 (previous year SGD 3,292,000) and USD 51,400 respectively, only in the event of the WOS being unable to generate the required liquidity internally or externally		
(iii) Estimated amount of contracts remaining to be executed on capital account and not provided for	477.77	361.99
(iv) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2012 (Note 8 - Trade payables) is as under		
(a) The Principal amount remaining unpaid to supplier as at the end of accounting year	274.29	195.39
(b) The Interest due thereon remaining unpaid to suppliers as at the end of the accounting year	10.64	1.53
(c) The amount of interest paid in terms of sec 16, along with the amount of payment made to supplier beyond the appointment day during the year 2011-12	—	—

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 25. Additional Information to the Financial Statements (Contd.)

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid beyond the appointment date during the year but without adding interest specified under this act)	12.95	10.43
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	23.59	11.96

The above information has been given to the extent such suppliers could be identified on the basis of information available with the Company and the same has been relied upon by the auditors.

#### (v) Disclosure as per Clause 32 of the Listing Agreement with the Stock Exchanges

	Balance as at		Max. outstanding during the year	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Loans and advances in the nature of loans given to subsidiary where repayment schedule is not specified				
	Rs. in lakhs		Rs. in lakhs	
i) TRF Singapore Pte Limited, Singapore (Subsidiary)	6340.35	652.56	6340.35	652.56

#### (vi) Details on derivatives instruments and unhedged foreign currency exposures

(A) The Company has entered into the following derivative instruments. All the swaps and forward contracts are accounted for as per Accounting Policies stated in Note 1 annexed to Balance Sheet and Statement of Profit and Loss.

- i) The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations. The company does not use forward contracts for speculative purposes.

Outstanding Short Term Forward Exchange Contracts entered into by the Company on account of payables:

	March 31, 2012	March 31, 2011
No. of contracts	–	1
U S Dollar equivalent (in lakhs)	–	11.25
INR equivalent (in lakhs)	–	507.49

(Forward exchange contracts outstanding include Forward Purchase of United States Dollars against Indian National Rupee for contracted imports).

- ii) The Company also uses derivative contracts other than forward contracts to hedge the interest rate and currency risk. The company does not use forward contracts for speculative purposes.

Outstanding Interest Rate Swaps to hedge against fluctuations in interest rate changes:

	March 31, 2012	March 31, 2011
No. of contracts	4	4
U S Dollar equivalent (in lakhs)	112.19	135.04
INR equivalent (in lakhs)	5,746.91	6,090.46

- iii) Outstanding currency Swaps to hedge against fluctuations in interest rate changes:

	March 31, 2012	March 31, 2011
No. of contracts	3	3
U S Dollar equivalent (in lakhs)	55.94	56.29
INR equivalent (in lakhs)	2,865.42	2,538.83



## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 25. Additional Information to the Financial Statements (Contd.)

- (B) The year end foreign currency exposures that has not been hedged by a derivative instrument or otherwise are given below:

	March 31, 2012		March 31, 2011	
	USD Equivalent (Lakhs)	INR Equivalent (Rs. in lakhs)	USD Equivalent (Lakhs)	INR Equivalent (Rs. in lakhs)
1. Amount receivable in foreign currency on account of the following				
a) Exports of Goods & Services	17.93	918.29	18.06	814.76
b) Advance towards Import of Goods & Services	1.17	60.08	8.84	398.94
c) Advance to subsidiary TRF Singapore	123.78	6,340.35	14.47	652.56
2. Amount payable in foreign currency on account of the following:				
a) Import of Goods and Services	11.09	568.28	10.48	472.60
b) Advance against Export of Goods & Services	-	-	1.37	61.70
c) Loan Payable	210.65	10,790.85	185.60	8,370.77
d) Interest Payable	1.17	60.05	1.33	59.94
e) Payable to subsidiary - Hewitt Robins International Holding Limited	0.12	6.30	1.56	70.33

- (vii) Value of imports calculated on CIF basis

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
(a) Raw materials and components	1,561.39	4,197.41
(b) Stores and spare parts	43.20	32.70
(c) Capital Goods	2.46	-
(viii) Expenditure in foreign currency (on payment basis)		
(a) Travel	70.07	57.46
(b) Engineering Support Service	146.02	127.76
(c) Know - how	-	90.58
(d) Professional fees	3.81	12.97
(e) Interest	291.74	160.55
(f) Other	15.93	7.17

- (ix) Details of consumption of imported and indigenous items\*

	March 31, 2012 Rs. in lakhs		March 31, 2011 Rs. in lakhs	
Consumption of imported and indigenous raw materials and components, stores and spare parts and the percentage of each to total consumption				
Imported	2.72%	1,122.66	6.66%	2,668.49
Indigenously obtained	97.28%	40,152.13	93.34%	37,374.14
	100.00%	41,274.79	100.00%	40,042.63
Stores and spare parts				
Imported	0.34%	2.03	0.73%	4.83
Indigenously obtained	99.66%	590.03	99.27%	660.47
	100.00%	592.06	100.00%	665.30

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 25. Additional Information to the Financial Statements (Contd.)

	March 31, 2012		March 31, 2011	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
(x) Earnings in foreign exchange:				
F.O.B. value of exports of goods and services (including deemed export of Rs. 43,644.27 lakhs, previous year : Rs. 45,276.10 lakhs)		43,932.11		46,171.62
-Deemed export under Chapter 8 of Foreign Trade policy				
	For FY 2010-2011		For FY 2009-2010	
(xi) Amount remitted in foreign currency during the year on account of dividends		4.35		16.31
Number of non-resident shareholders	1		1	
Number of shares	217,500		217,500	
			For FY 2008-2009	
Remittance in foreign currency on account of dividends for				13.05
Number of non-resident shareholders			1	
Number of shares			108,750	

- (xii) Excise Duty (including education cess and higher education cess) included under Operation, Administration and Selling expenses comprises:

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
Excise Duty on Finished Goods not assessed to duty	(53.45)	(39.90)
Excise Duty on construction contracts inclusive of duties	206.35	418.04
Excise Duty on warranty dispatches , differential duty etc.	8.40	143.50
	<b>161.30</b>	<b>521.64</b>

- (xiii) Revision in projected profit/(loss) on contracts arising from change in estimates of cost to completion of contracts are reflected during the course of the work in each accounting year. These have not been disclosed in the Financial Statement as the effect cannot be accurately determined.
- (xiv) During the year ended March 31, 2012, the Company has set up a 100% subsidiary, TRF Holdings Pte Ltd at Singapore. The Company through its wholly owned subsidiaries TRF Singapore Pte Ltd. and TRF Holdings Pte. Ltd. have acquired the balance 49% shareholding in its subsidiary Dutch Lanka Trailers Manufacturers Limited (DLT), a Sri Lanka Based Company and 49% in York Transport Equipment (Asia) PTE Ltd, a Singapore based company for purchase consideration of USD 8.33 million and USD 18 million respectively making those a wholly owned subsidiary.
- (xv) No provision has been made for liquidated damages and other claims by certain customers, wherever these have been refuted by the Company and it expects to settle them without any loss. Pending settlement of these claims, the relative sundry debtors balances have been shown in the accounts as fully recoverable and have been disclosed as contingent liabilities under Claims against the Company not acknowledged as debt. [Refer note 25 (i) (g)].
- (xvi) Scrap and off- cuts at the contract sites are being accounted on cash basis, since segregation and quantification of such items at the financial year end is not practicable in view of the contracts being in progress.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards

- (i) Details of contract revenue and costs as per Accounting Standard 7 notified by the Companies (Accounting Standards) Rules, 2006 in respect of contracts entered on or after 01.04.2003 and in progress as at year end, is given below:

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
Contract revenue recognised as revenue during the year	63,133.67	56,929.52
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	266,541.91	204,681.84
Advance received for contracts in progress (unadjusted)	4,144.75	8,271.86
Retention money for contracts in progress	22,557.75	19,548.69
Gross amount due from customers for contract work (asset)*	2,993.81	4,462.23
Gross amount due to customers for contract work (liability)**	5,331.26	6,554.85

For the Method used to determine the contract revenue recognised and the stage of completion of contract in progress, refer note 1(j)

\* Included in note 18 : other current assets

\*\* Included in "dues to customers for contract in progress" -

Note 9 - Other Current Liabilities

- (ii) (a) The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company has recognized in the Statement of Profit and Loss an amount of Rs. 505.48 lakhs (previous year Rs. 451.76 lakhs) under defined contribution plans.

Benefit (Contribution to)	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
Provident Fund	232.75	230.65
Superannuation Fund	216.39	170.29
Employees Pension Scheme	56.34	50.82
	<b>505.48</b>	<b>451.76</b>

- (b) The company operates post retirement defined benefit plans as follows:

- a. Unfunded
  1. Leave encashment
  2. Pension to Directors
- b. Funded
  1. Gratuity

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd.)

(c) Details of unfunded defined benefit obligations are as follows :

Rs. in lakhs

Description	Leave encashment					Pension to Directors				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
<b>1. Reconciliation of opening and closing balances of obligation</b>										
a. Opening Obligation	400.68	358.99	296.56	232.68	203.67	567.65	494.70	450.10	334.92	247.31
b. Current Service Cost	56.58	49.20	42.99	35.12	30.85	36.42	33.80	74.36	62.28	44.80
c. Interest Cost	27.57	25.10	19.22	15.78	14.68	43.92	36.71	32.29	26.07	19.69
d. Contribution by plan participants	-	-	-	1.39	-	-	-	-	-	-
e. Acquisitions #	22.74	0.29	-	-	-	-	-	-	-	-
f. Actuarial (Gain)/loss	37.46	33.08	73.83	82.54	35.03	(17.28)	38.20	(34.77)	44.91	40.40
g. Benefits paid	(112.10)	(65.98)	(73.61)	(70.95)	(51.55)	(37.27)	(35.76)	(27.28)	(18.08)	(17.28)
h. Closing Obligation ##	432.93	400.68	358.99	296.56	232.68	593.44	567.65	494.70	450.10	334.92
<b>2. Expense recognized in the period</b>										
a. Current service cost	56.58	49.20	42.99	35.12	30.85	36.42	33.80	74.36	62.28	44.80
b. Interest cost	27.57	25.10	19.22	15.78	14.68	43.92	36.71	32.30	26.07	19.69
c. Actuarial (Gain)/loss	37.46	33.08	73.83	82.54	35.03	(17.28)	38.20	(34.77)	44.91	40.40
d. Expense recognized in the period	121.61	107.38	136.04	133.44	80.56	63.06	108.71	71.89	133.26	104.89
The expense is disclosed in the line item - Salaries, wages and other benefits (Note 22)										
<b>3. Assumptions</b>										
a. Discount rate (per annum)	8.60%	8.00%	7.70%	7.40%	8.00%	8.60%	8.00%	7.70%	7.40%	8.00%
<b>4. Experience Adjustment</b>										
a. Defined Benefit Obligation ##	(432.93)	(400.68)	(358.99)	(296.56)	(232.68)	(593.44)	(567.66)	(494.70)	(450.10)	(334.92)
b. Plan Assets	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
c. Surplus/ (Deficit)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
d. Experience Adjustments on Plan Liabilities	(57.03)	(42.05)	(54.87)	(70.40)	(31.00)	(16.56)	(54.97)	19.78	(19.10)	(7.38)
e. Experience Adjustments on Plan Assets	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

# Amount transferred from Associate Companies Rs. 22.74 lakhs (previous year Rs. 0.29 lakh)

## Includes Rs. Nil (previous year Rs. 5.47 lakhs ) of unpaid liability pertaining to a subsidiary company.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd.)

- (d) Details of Post Retirement Gratuity Plan except in respect of Port and Yard Equipment division (P&YE) which is managed independently by Life Insurance Corporation of India (LIC) are as follows:- \*

Rs. in lakhs

Description	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
<b>1. Reconciliation of opening and closing balances of obligation</b>					
a. Opening Obligation	1,088.55	992.61	964.28	892.67	827.79
b. Current Service Cost	67.84	62.82	45.81	39.39	34.12
c. Interest Cost	79.98	71.47	64.38	66.18	62.68
d. Contribution by Plan participants #	31.22	1.54	5.73	4.22	-
e. Actuarial (Gain)/Loss	(2.35)	88.92	101.01	92.73	104.07
f. Benefits paid	(177.59)	(128.81)	(188.60)	(130.91)	(135.99)
g. Closing Obligation ##	1,087.65	1,088.55	992.61	964.28	892.67
The defined benefit obligation as at 31.03.12 is funded by the company					
<b>2. Change in Plan Assets (Reconciliation of opening &amp; closing balances)</b>					
a. Opening fair value of plan assets	964.32	973.71	938.10	882.94	865.29
b. Expected return on Plan assets	78.06	75.00	73.13	68.22	67.50
c. Contribution by Plan participants #	31.22	1.54	5.73	-	-
d. Actuarial Gain/(loss)	(21.96)	(12.12)	10.35	47.31	(6.86)
e. Contributions	169.24	55.00	135.00	70.54	93.00
f. Benefits paid	(177.59)	(128.81)	(188.60)	(130.91)	(135.99)
g. Closing fair Value of Plan assets	1,043.29	964.32	973.71	938.10	882.94
<b>3. Reconciliation of fair value of assets and obligations</b>					
a. Closing fair value of Plan assets	1,043.29	964.32	973.71	938.10	882.94
b. Closing obligation ##	1,087.65	1,088.55	992.61	964.28	892.67
c. Amount recognized in the balance sheet * (note 9)	(44.36)	(124.23)	(18.90)	(26.18)	(9.73)
<b>4. Expense recognized in the period</b>					
a. Current service cost	67.84	62.82	45.81	39.39	34.12
b. Interest cost	79.98	71.47	64.38	66.18	62.68
c. Expected return on Plan assets	(78.06)	(75.01)	(73.13)	(68.22)	(67.50)
d. Actuarial (gain)/loss	19.61	101.05	90.66	45.42	110.92
e. Expense recognized in the period *	89.37	160.33	127.72	82.77	140.22
The expense is disclosed in the line item – Companies contribution to provident fund and other funds (Note 22)					
<b>5. Investment Details</b>	<b>%age invested</b>	<b>%age invested</b>	<b>%age invested</b>	<b>%age invested</b>	<b>%age invested</b>
a. GOI Securities	19.32	15.17	15.30	15.11	15.82
b. Public Sector unit (PSU) Bonds	31.46	29.59	30.27	28.27	25.40
c. State / Central Guaranteed Securities	7.38	8.56	8.55	9.89	9.23
d. Special Deposit Schemes	39.38	43.72	43.49	44.55	46.83
e. Private Sector Bonds	1.53	1.81	1.79	1.83	0.77
f. Others (including bank balances)	0.93	1.15	0.60	0.35	1.95
Total	100.00	100.00	100.00	100.00	100.00
<b>6. Assumptions</b>					
a. Discount rate (per annum)	8.60%	8.00%	7.70%	7.40%	8.00%
b. Estimated rate of return on Plan assets (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%
c. Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	5.00%	5.00%
The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.					
<b>7. Experience Adjustments</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
a. Defined Benefit Obligation	(1,087.65)	(1,088.55)	(992.61)	(964.28)	(892.67)
b. Plan Assets at the end of the Period	1,043.29	964.32	973.71	938.10	882.94
c. Surplus/ (Deficit)	(44.36)	(124.23)	(18.90)	(26.18)	(9.73)
d. Experience Adjustments on Plan Liabilities	(34.84)	(107.36)	(66.32)	(62.83)	(92.52)
e. Experience Adjustments on Plan Assets	(21.96)	(12.12)	10.35	47.31	(6.86)

# Amount transferred from Associate Companies Rs. 31.22 lakhs (previous year Rs. 1.54 lakhs)

## Includes Rs. Nil (previous year Rs. 1.87 lakhs) of unpaid liability pertaining to a subsidiary company.

\* The gratuity liability in respect of P&YE division of the Company is determined based on premiums charged by LIC

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd...)

under the group gratuity scheme. Expenses recognised in the period as disclosed above excludes Rs. 10 lakhs (previous year Rs. 9.39 lakhs) contributions made by P&YE division to LIC. Amount recognised in the balance sheet as disclosed above excludes Rs.10 lakhs (previous year Rs. Nil lakhs) pertaining to P & YE division. Disclosures pursuant to AS - 15 have not been made in respect of the Post retirement Gratuity plan of P&YE division as details have not been furnished by LIC to the company and the amounts are not expected to be material. 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. The long term estimate of the expected rate of return on the fund assets have been arrived at based on the asset allocation and prevailing yield rates on these asset classes. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

#### (iii) Details of Borrowing costs capitalised

Borrowing costs capitalised during the year

As Fixed assets

As Work in progress

March 2012 Rs. in lakhs	March 2011 Rs. in lakhs
81.32	-
-	34.98
<b>81.32</b>	<b>34.98</b>

#### (iv) SEGMENT INFORMATION

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

Business segments are primarily Products & Services and Projects and Services. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

BUSINESS SEGMENT	2011-12				2010-11			
	Products & Services	Projects & Services	Elimination	Total	Products & Services	Projects & Services	Elimination	Total
<b>Segment Revenue</b>								
External Sales	14,855.44	65,375.61		80,231.05	14,100.66	58,257.36		72,358.02
Inter-segment Revenue	13,338.35	-	(13,338.35)	-	10,948.69		(10,948.69)	-
Total Revenue	28,193.79	65,375.61	(13,338.35)	80,231.05	25,049.35	58,257.36	(10,948.69)	72,358.02
<b>Segment Result</b>	5,440.98	107.34		5,548.32	4,384.15	(2,764.01)		1,620.14
Unallocated corporate expenditure (net)				608.12				373.19
Operating Profit				4,940.20				1,246.95
Interest Expenses (net)				2,617.69				1,246.50
Other Income				178.55				140.40
Profit Before Tax				2,501.05				140.85
Income Tax				1,069.00				42.94
MAT credit entitlement				-				(42.94)
Deferred Tax				(125.91)				57.60
Fringe Benefit Tax				-				-
Net Profit				1,557.96				83.25



## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd...)

#### (iv) SEGMENT INFORMATION (Contd.)

Rs. in lakhs

OTHER INFORMATION	2011-12				2010-11			
	Products & Services	Projects & Services	Unallocated	Total	Products & Services	Projects & Services	Unallocated	Total
<b>Segment Position</b>								
Segment Assets	18,574.56	48,880.74		67,455.30	16,483.37	51,911.58		68,394.95
Unallocated Corporate Assets			24,679.74	24,679.74			17,684.29	17,684.29
Total Assets	18,574.56	48,880.74	24,679.74	92,135.04	16,483.37	51,911.58	17,684.29	86,079.24
Segment Liabilities	8,165.54	28,555.45		36,720.99	8,706.43	34,333.25		43,039.68
Unallocated Corporate Liabilities			37,514.76	37,514.76			26,233.95	26,233.95
Total Liabilities	8,165.54	28,555.45	37,514.76	74,235.75	8,706.43	34,333.25	26,233.95	69,273.63
Capital Expenditure	1,620.17	81.62	121.18	1,822.97	351.72	418.76	11.70	782.18
Depreciation	296.00	118.94	12.33	427.27	244.75	129.88	10.99	385.62

#### Notes:

Pursuant to the 'Accounting Standard on Segment Reporting' (AS-17) notified by the Companies (Accounting Standard) Rules 2006, the Company has considered 'business segment' as primary segment for disclosure. The Company has identified business segments mentioned below as primary segments:

- (i) Products & Services
- (ii) Projects & Services

There is no significant difference in the business conditions prevailing in various states of India, where the Company has its operation. Revenue from sales to external customers outside India is less than 10% of the Company's total revenue. Hence, geographical segment disclosures are not considered necessary.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd...)

#### (v) RELATED PARTY DISCLOSURES:

Information relating to Related Party Transactions as per Accounting Standard 18 notified by the Companies (Accounting Standards) Rules, 2006.

##### A) List of related Parties and Relationship

Party	Relationship
a) TRF Singapore Pte Ltd.	Subsidiary - The Ownership of which is directly or indirectly through subsidiary (ies)
YORK Transport Equipment (Asia) Pte Ltd.	
YORK Transport Equipment Pty Ltd.	
YORK Sales (Thailand) Co. Ltd	
YTE Transport Equipment (SA) (Pty) Limited	
YORK Transport Equipment (Malaysia) Sdn Bhd	
Rednet Pte Ltd.	
PT YORK Engineering	
YTE Special Products Pte Ltd	
Qingdao YTE Special Products Co. Ltd.	
YORK Transport Equipment India Pvt. Ltd.	
YORK Transport Equipment (Shanghai) Co. Ltd.	
Dutch Lanka Trailer Manufacturers Limited	
Dutch Lanka Engineering Pvt Ltd	
Dutch Lanka Trailers LLC	
Hewitt Robins International Holding Ltd.	Subsidiary
Hewitt Robins International Ltd.	
b) TRF Holdings Pte Ltd. (w.e.f 02.02.2012)	
c) Adithya Automotive Applications Pvt Ltd	
d) Tata Steel Limited	
e) Key Management Personnel	Entity holding 32.58%
Mr. Sudhir L. Deoras	
	Managing Director

**Note :** Related parties have been identified by the management

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd...)

- B) **Details of related party transaction during the year ended March 31, 2012 and balances outstanding as at March 31, 2012 :** **Rs. in lakhs**

*(Previous period's figures in italics)*

	<b>Subsidiary</b>	<b>Associate</b>	<b>Key Management Personnel</b>
<b>A) Transactions during the year ended March 31, 2012.</b>			
i) Sales and Services (net of discounts)			
Tata Steel Ltd		9,790.82 8,708.59	
York Transport Equipment (India) Pvt Ltd	38.79 66.54		
ii) Purchase of raw materials			
Tata Steel Ltd		3,810.20 3,855.28	
Hewitt Robins International Ltd	14.54 74.00		
York Transport Equipment (Asia) Pte Ltd.	29.36 –		
iii) Payment towards various services obtained			
Tata Steel Ltd		235.56 204.48	
iv) Loan Given			
TRF Singapore Pte Ltd	5,597.97 652.56		
Investment in equity in TRF Singapore Pte Ltd	– 3,057.00		
TRF Holdings Pte Ltd.	* –		
v) Leasehold Rent			
Tata Steel Ltd.		38.41 31.73	
vi) Expenses/ Overheads charged/(including rent)			
York Transport Equipment (Asia) Pte Ltd	– 6.12		
York Transport Equipment (India) Pvt Ltd	35.75 70.15		
Dutch Lanka Trailer Manufacturers Ltd	11.04 15.13		
Hewitt Robins International Ltd	21.44 3.66		
Adithya Automotive Applications Private Limited	3.33 –		
vii) Dividend Paid			
Tata Steel Ltd		71.71 268.90	

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd...)

**B) Details of related party transaction during the year ended March 31, 2012 and balances outstanding as at March 31, 2012 : (Contd.)**

Rs. in lakhs

(Previous period's figures in italics)

	Subsidiary	Associate	Key Management Personnel
viii) Guarantee given TRF Holdings Pte Ltd (USD 18,000,000)	9,220.77		
	—		
Dutch Lanka Trailer Manufacturers Ltd (USD 765,000)	391.88		
	—		
ix) Remuneration Paid Mr. Sudhir L. Deoras			96.95
			87.33
x) Provisions for Claims Tata Steel Ltd.		—	
		100.00	
<b>B) Balance as on March 31, 2012.</b>			
i) Guarantees Outstanding Given by the Company on behalf of TRF Singapore Pte. Ltd. (SGD 9,500,000)	3,864.60		
	3,398.15		
TRF Holdings Pte. Ltd. (USD 18,000,000)	9,220.77		
	—		
Dutch Lanka Trailer Manufacturers Ltd (USD 765000)	391.88		
	—		
ii) Receivables Tata Steel Ltd.		3,122.20	
		4,200.41	
York Transport Equipment (India) Pvt Ltd	35.71		
	45.96		
York Transport Equipment (Asia) Pte Ltd	—		
	8.45		
Dutch Lanka Trailer Manufacturers Ltd	41.50		
	30.47		
TRF Singapore Pte Ltd	6,340.35		
	652.56		
Hewitt Robins International Ltd	18.87		
	—		
Adithya Automotive Applications Private Limited	3.33		
	—		
Claims against the Company not acknowledged as debt Tata Steel Limited		501.83	
		461.00	
Provisions for claims Tata Steel Limited		—	
		100.00	

## Notes Forming Part of the Financial Statements

**For the Year Ended 31st March 2012**

## 26. Disclosures under Accounting Standards (Contd...)

<b>B) Details of related party transaction during the year ended March 31, 2012 and balances outstanding as at March 31, 2012: (Contd.)</b>	<b>Rs. in lakhs</b>
---	---------------------

(Previous period's figures in italics)

	Subsidiary	Associate	Key Management Personnel
iii) Payables			
Tata Steel Ltd		468.68	
		533.18	
Hewitt Robins International Ltd	–		
	70.33		

#### (vi) EARNINGS PER SHARE

- Profit after tax as per the Statement of Profit and Loss
- Weighted average number of equity shares of Rs.10/- each outstanding during the year
- Earning per share- Basic and diluted (Rs.)

<b>Year Ended March 31, 2012 Rs. in lakhs</b>	<b>Year Ended March 31, 2011 Rs. in lakhs</b>
1,557.96	83.25
11,004,412	11,004,412
14.16	0.76

**(vii) Deferred Tax (liability) / asset**

**Tax effect of items constituting deferred tax asset**

- Provision for doubtful debts and advances
- Provision for Contingencies
- Provision for Warranty
- Compensated absence

### Tax effect of items constituting deferred tax liability

Related to fixed assets

Deferred tax liability for the exchange fluctuation on the long term loan given to TRF Singapore Pte. Ltd. (a 100% subsidiary company)

Deferred tax asset (net)

<b>Deferred Tax (Asset)/Liability As at March 31, 2012</b>	<b>Current Year Charged/ (Credit)</b>	<b>Year Ended March 31, 2011</b>
<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
455.10	(183.71)	271.39
11.36	(1.39)	9.97
47.69	(1.84)	45.85
140.47	(7.37)	133.10
<b>654.62</b>	<b>(194.31)</b>	<b>460.31</b>
334.78	68.40	266.38
<b>319.84</b>	<b>(125.91)</b>	<b>266.38</b>
22.73		—
<b>297.11</b>		<b>193.93</b>

(viii) **Details of research and development expenditure recognised as an expense**

Employee Cost  
Depreciation  
Others

March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
198.16	—
1.59	—
0.82	—
<u>200.57</u>	<u>—</u>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd...)

- (ix) Provision of Rs. 147 lakhs (Previous year Rs. 138.00 lakhs) has been made for anticipated warranty costs relating to certain products manufactured and sold by the Company upto March 31, 2012 on the basis of technical and available cost estimates.

	<b>March 31, 2012</b> <b>Rs. in lakhs</b>	March 31, 2011 Rs. in lakhs
Opening Balance	138.00	99.00
Accruals made during the year (included in raw material consumption Rs. 58.18 lakhs (previous year Rs. 62.94 lakhs)	67.18	101.94
Utilized during the year	58.18	62.94
Closing Balance	<b>147.00</b>	138.00

- (x) Consequent upon the resignation of the Company Secretary of the Company with effect from December 1, 2011, the company is in the process of appointing a full time Company Secretary under the provision of section 383A of the Companies Act 1956. As a result, these financial statements have not been authenticated by a whole time Company Secretary under section 215 of the Companies Act 1956. In the absence of the Company Secretary, the Controller of Accounts has been appointed as the Compliance Officer.
- (xi) The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board

SUBODH BHARGAVA  
Chairman

SUDHIR L. DEORAS  
Managing Director

Place : Kolkata  
Date : May 8, 2012



# Auditors' Report

## TO THE BOARD OF DIRECTORS OF TRF LIMITED

1. We have audited the attached Consolidated Balance Sheet of **TRF LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2012, the Statement of Consolidated Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect the Group's share of total assets of Rs. 23,224.91 lakhs, as at 31st March, 2012, and the Group's share of total revenues of Rs. 45,219.11 lakhs for the year ended on that date, and net cash inflows amounting to Rs 589.47 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on other financial information of the components, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2012;
  - (ii) in the case of the Statement of Consolidated Profit and Loss, of the profit of the Group for the year ended on that date and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
Registration No.302009E

R. A. BANGA  
Partner  
Membership No: 37915

Kolkata, May 8, 2012

## Consolidated Balance Sheet as at March 31, 2012

	Note No.	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share capital	2	1,100.44	1,100.44
(b) Reserves and surplus	3	15,244.50	13,380.05
		16,344.94	14,480.49
<b>2. Minority Interest</b>		454.64	6,866.32
<b>3. Non-current liabilities</b>			
(a) Long-term borrowings	4	22,416.82	10,824.47
(b) Deferred tax liability	26 (viii)	2.33	87.99
(c) Other Long term liabilities	5	92.24	86.77
(d) Long-term provisions	6	974.66	920.70
		23,486.05	11,919.93
<b>4. Current liabilities</b>			
(a) Short-term borrowings	7	23,148.97	19,031.09
(b) Trade payables	8	36,771.47	34,685.39
(c) Other current liabilities	9	18,092.47	20,872.61
(d) Short-term provisions	10	4,557.86	2,284.98
		82,570.77	76,874.07
<b>Total</b>		<b>122,856.40</b>	<b>110,140.81</b>
<b>II. ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	10,574.66	7,764.12
(ii) Intangible assets	11	591.44	626.66
(iii) Capital work-in-progress		71.22	1,495.68
(b) Goodwill on consolidation		14,627.07	7,440.37
(c) Non-current investments	12	256.50	294.00
(d) Deferred tax assets	26(viii)	334.50	262.27
(e) Other non current assets	15B	589.99	175.58
(f) Long-term loans and advances	13	2,607.28	2,390.84
		29,652.66	20,449.52
<b>2. Current assets</b>			
(a) Current investments	12	37.50	37.50
(b) Inventories and contracts in progress	14	19,921.65	18,052.64
(c) Trade receivables	15 A	54,811.61	51,965.72
(d) Cash and cash equivalents	16	7,090.97	5,207.68
(e) Short- term loans and advances	17	8,117.33	9,874.80
(f) Other current assets	18	3,224.68	4,552.95
		93,203.74	89,691.29
<b>Total</b>		<b>122,856.40</b>	<b>110,140.81</b>

See accompanying notes forming part of the financial statements

In terms of our report attached.  
For DELOITTE HASKINS & SELLS  
Chartered Accountants

R. A. BANGA  
Partner

Place : Kolkata  
Date : May 8, 2012

For and on behalf of the Board  
SUBODH BHARGAVA  
Chairman

SUDHIR L. DEORAS  
Managing Director

Place : Kolkata  
Date : May 8, 2012

## Consolidated Statement of Profit and Loss for the year ended March 31, 2012

	Note No.	Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
<b>1 Revenue from operations (gross)</b>	19	135,806.88	113,914.21
Less : Excise Duty		3,066.25	2,558.51
Revenue from operations (net)		132,740.63	111,355.70
<b>2 Other income</b>	20	659.03	1,426.29
<b>3 Total revenue (1+2)</b>		<b>133,399.66</b>	112,781.99
<b>4 Expenses</b>			
Cost of materials and components consumed		79,155.70	68,467.52
Payments to sub-contractors		18,614.53	18,371.00
Change in contracts in progress, inventories of finished goods and work-in-progress	21	463.17	(2,102.25)
Employee benefits expense	22	10,306.89	8,302.18
Finance costs	23	4,036.85	2,400.89
Depreciation and amortisation expense		1,077.89	849.17
Other expenses	24	17,026.96	15,850.92
<b>Total expenses before transfer to capital account</b>		<b>130,681.99</b>	112,139.43
Expenditure transferred to capital and other account		(0.78)	(69.30)
<b>Total Expenses</b>		<b>130,681.21</b>	112,070.13
<b>5 Profit before tax (3-4)</b>		<b>2,718.45</b>	711.86
<b>6 Tax expense:</b>			
(1) Current tax expense for current year		1,577.51	532.65
Less: MAT credit entitlement		(30.51)	(42.94)
(2) Deferred tax	26 (viii)	(171.01)	33.13
		<b>1,375.99</b>	522.84
<b>7 Profit for the year before Minority Interest (5-6)</b>		<b>1,342.46</b>	189.02
<b>8 Minority Interest</b>		<b>23.08</b>	162.09
<b>9 Profit after Minority Interest (7 - 8)</b>		<b>1,319.38</b>	26.93
<b>10 Earning per share basic (Face value of Rs. 10 each)</b>	26 (vii)	<b>11.99</b>	0.24
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached.  
For DELOITTE HASKINS & SELLS  
Chartered Accountants

R. A. BANGA  
Partner

Place : Kolkata  
Date : May 8, 2012

For and on behalf of the Board  
SUBODH BHARGAVA  
Chairman

SUDHIR L. DEORAS  
Managing Director

Place : Kolkata  
Date : May 8, 2012

## Consolidated Cash Flow Statement For the Year Ended March 31, 2012

	Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit Before Tax</b>	2,718.45	711.86
<b>Items</b>		
Adjustments for :		
Depreciation	1,077.89	849.17
(Profit)/Loss on Sale of Assets/discarded assets	5.16	25.14
Interest income	(3.49)	(135.34)
Income from Investments	(170.15)	(59.95)
Interest expenses	3,632.69	1,903.81
Expenditure transferred to Capital Account	(0.78)	(69.30)
Unrealised foreign exchange (gain)/loss	744.38	(369.52)
	5,285.70	2,144.01
<b>Operating Profit before working capital changes</b>	8,004.15	2,855.87
Adjustments for (increase) / decrease in operating assets:		
Inventories	(181.93)	(1,355.68)
Trade receivables	(2,214.94)	(9,223.03)
Short term and long term loans and advances	1,725.83	(3,521.22)
Other current and non current assets	1,669.34	3,299.92
	998.30	(10,800.01)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,341.46	5,524.77
Other current and non current liabilities	(5,113.89)	1,626.52
Short-term and long-term provisions	(38.30)	221.73
	(3,810.73)	7,373.02
<b>Cash Generated from Operations</b>	5,191.72	(571.12)
Direct Taxes paid (net)	233.25	(1,558.67)
Foreign Exchange Gain/(loss) on consolidation	431.17	(49.65)
<b>Net Cash from/(used) in Operating Activities</b>	<b>5,856.14</b>	<b>(2,179.44)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets (refer note 2)	(2,071.69)	(3,203.46)
Sale of Fixed Assets	13.35	3.20
Proceeds of redemption of current investment in debentures	37.50	37.50
Investment in Subsidiary	(13,417.34)	(2,114.06)
Income from Investments	172.18	61.46
Income from Interest received	3.49	135.34
<b>Net Cash used in Investing Activities</b>	<b>(15,262.51)</b>	<b>(5,080.02)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Borrowings (net)	15,169.16	10,781.93
Interest paid	(3,624.68)	(1,905.50)
Dividend paid (Including Tax on Dividend)	(255.62)	(962.23)
<b>Net Cash from Financing Activities</b>	<b>11,288.86</b>	<b>7,914.20</b>
<b>Net increase in Cash and Cash equivalents (A+B+C) (See note 3)</b>	<b>1,882.49</b>	<b>654.74</b>
Cash and Cash equivalents as at April 1, 2011	5,175.94	4,310.23
Cash and Cash equivalents on acquisition of subsidiary	-	210.97
Cash and Cash equivalents as at March 31, 2012	7,058.43	5,175.94

**Notes:**

- Figures in brackets indicate outflows.
- Purchase of fixed assets include payments for items in capital work in progress.
- Cash and Cash equivalents represent Cash and Bank balances (Refer Note 16)
- Interest paid is exclusive of and purchase of fixed assets is inclusive of interest capitalised Rs. 106.09 lakhs (Previous year Rs. 34.98 Lakhs)
- Cash and Cash equivalents includes gain on foreign exchange revaluation of Rs. 343.35 lakhs (previous year Rs. 148.96 lakhs)
- Previous period figures have been regrouped/restated wherever necessary.

In terms of our report attached.

For DELOITTE HASKINS & SELLS  
Chartered Accountants

R. A. BANGA  
Partner

Place : Kolkata  
Date : May 8, 2012

For and on behalf of the Board

SUBODH BHARGAVA  
Chairman

SUDHIR L. DEORAS  
Managing Director

Place : Kolkata  
Date : May 8, 2012

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 1(i). Principles of Consolidation :

The Consolidated Financial Statements consist of TRF Limited (" the Company") and its subsidiary Companies. The Consolidated Financial Statements have been prepared on the following basis :

- The financial statements of the Company and its subsidiary companies have been combined on a line-by -line basis by adding together book values of like items of assets, liabilities, income and expenses. Intra group balances, intra group transactions and unrealised profits or losses have been fully eliminated as per Accounting Standard 21 - Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006.
- In case of foreign subsidiaries, being non-integral operation, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. Exchange gains / (losses) arising on conversion are recognised under Foreign Currency Translation Reserve.
- The financial statements of the subsidiaries, used in the consolidation are drawn up to the same reporting date as that of the Company i.e March 31, 2012.
- The excess of the cost to the Company, of its investment in the subsidiary company over the Company's portion of equity is recognised in the financial statement as Goodwill.
- Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the Company's shareholders.

Minority Interest in the net assets of the consolidated subsidiaries consists of:

- the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
  - the minorities' share of movements' in equity since the date the parent subsidiary relationship came into existence.
- (f) Minority interest's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group. However pursuant to shareholders agreement, certain minorities do not take part in the losses incurred during the year. Accordingly, no losses are transferred to such minorities.

The list of subsidiary companies and joint venture which are included in the consolidation and the Company's holdings therein are as under :

Name of the Company	Proportion of ownership Interest		Proportion of voting Power where different		Country of Incorporation
	2011-12	2010-11	2011-12	2010-11	
<b>Subsidiaries</b>					
TRF Singapore Pte Ltd	100%	100%	-	-	Singapore
TRF Holdings Pte Ltd (w.e.f 02.02.2012)	100%	-	-	-	Singapore
YORK Transport Equipment (Asia) Pte Ltd*	100%	51%	-	-	Singapore
YORK Transport Equipment Pty Ltd	100%	51%	-	100%	Australia
YORK Sales (Thailand) Co. Ltd	100%	51%	-	100%	Thailand
YTE Transport Equipment (SA) (Pty) Limited	100%	51%	-	100%	South Africa
YORK Transport Equipment (Malaysia) Sdn Bhd	100%	51%	-	100%	Malaysia
Rednet Pte Ltd.	100%	51%	-	100%	Singapore
PT YORK Engineering	100%	51%	-	100%	Indonesia
YTE Special Products Pte Ltd	100%	51%	-	100%	Singapore
Qingdao YTE Special Products Co. Ltd	100%	51%	-	100%	China

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### Principles of Consolidation : (Contd.)

Name of the Company	Proportion of ownership Interest		Proportion of voting Power where different		Country of Incorporation
	2011-12	2010-11	2011-12	2010-11	
<b>Subsidiaries</b>					
YORK Transport Equipment India Pvt. Ltd	100%	51%	-	100%	India
YORK Transport Equipment (Shanghai) Co. Ltd	100%	51%	-	100%	China
Adithya Automotive Applications Pvt. Limited	51%	51%	-	-	India
Dutch Lanka Trailer Manufacturers Limited**	100%	51%	-	-	Sri Lanka
Dutch Lanka Engineering Pvt Ltd	100%	51%	-	100%	Sri Lanka
Dutch Lanka Trailers Manufactures LLC	70%	35%	100%	100%	Oman
Hewitt Robins International Ltd	100%	100%	-	-	United Kingdom
Hewitt Robins International Holding Ltd	100%	100%	-	-	United Kingdom
<b>Joint Venture</b>					
Tata International DLT Private Limited***	50%	26%	-	50%	India

\* During the year, the Company through its wholly owned subsidiary TRF Holdings Pte Ltd has acquired the balance 49% shares of YORK Transport Equipment (Asia) Pte Ltd, a Singapore based Company for a purchase consideration of USD 17.62 million, making it a wholly owned subsidiary.

\*\* During the year, the Company through its wholly owned subsidiary TRF Singapore Pte Ltd has acquired the balance 49% shares of Dutch Lanka Trailers Manufacturers Limited (DLT), a Sri Lanka Based Company for a purchase consideration of USD 8.33 million, making it a wholly owned subsidiary.

\*\*\* Shareholding is through a wholly owned subsidiary, Dutch Lanka Trailer Manufactures Limited.

### 1(ii). Significant accounting policies

#### (a) Basis of accounting and preparation of financial statements.

The financial statements are prepared as going concern under the historical cost convention on an accrual basis and comply on all material respects with the Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for 'Foreign exchange transactions' as more fully described in Note 1(ii)(k)(iii).

#### (b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Examples of such estimates include provisions for doubtful debts, employee benefits, assessment of income taxes, estimated cost of contracts and useful lives of fixed assets. The estimates and underlying assumptions are reviewed on an ongoing basis. Difference between actual results and estimates are recognized in the periods in which the results are known/materialised.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 1(ii). Significant accounting policies (Contd.)

#### (c) Inventories

Raw materials, work-in-progress and finished goods are valued at lower of cost and net realizable value on weighted average basis. Stores and spare parts and loose tools are valued at lower of cost and net realizable value.

Cost of work-in-progress and finished goods is determined on full absorption cost basis.

#### (d) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### (e) Fixed assets

##### Tangible fixed assets

Tangible fixed assets are stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use. Interest on borrowings during the period of construction is added to the cost of fixed assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

##### Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

##### Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### (f) Depreciation and amortisation

Depreciation on all tangible fixed assets is provided on straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 or based on estimated useful life whichever is higher.

Technical know-how is amortized over the estimated period of benefit, not exceeding six years commencing with the date of purchase of the technology.

Software expenditure is amortised over five years commencing from the date when the expenditure is incurred.

#### (g) Impairment of assets

The carrying value of assets are reviewed at each Balance Sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use.



## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 1(ii). Significant accounting policies (Contd.)

Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

#### (h) Revenue recognition (other than contracts)

Revenue from sale of goods / rendering of services is recognized on transfer of significant risks and rewards of ownership to the buyer. Sales excludes sales tax collected from customers.

#### (i) Other income

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

#### (j) Accounting of contracts

Revenue from long-term contracts, where the outcome can be estimated reliably is recognized on percentage completion method by reference to the stage of completion of the contract activity as required under Accounting Standard 7 - Construction Contracts. The stage of completion is determined as a proportion that contract costs incurred for work performed up to the closing date bear to the estimated total costs of the contract. Profit (contract revenue less contract cost) is recognized when the outcome of the contract can be estimated reliably and for contracts valued up to Rs.100 crores, profit is recognized when stage of completion is 40% or more, and for contracts valued more than Rs. 100 crores, profit is recognized either at 25% stage of completion or expenditure of Rs. 40 crores is incurred whichever is higher. When it is probable that the total cost will exceed the total contract revenue, the expected loss is recognized immediately, irrespective of the work done. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is estimated based on current technical data and estimate of costs to be incurred in future. Contract Revenue earned in excess of billing has been reflected under 'Other Current Assets' and billing in excess of contract revenue is reflected under 'Other current liabilities in the Balance Sheet.

#### (k) Foreign exchange transactions

##### (i) Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

##### (ii) Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

##### (iii) Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 1(ii). Significant accounting policies (Contd.)

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference".

During the year, in line with the Notification dated 29th December, 2011 issued by the Ministry of Corporate Affairs, the Company has opted for the option given in Paragraph 46A of the Accounting Standard-11 "The Effects of Changes in Foreign Exchange Rates". Accordingly, the Company has, with effect from April 1, 2011, amortized the foreign exchange loss/(gain) incurred on foreign currency monetary items over the balance period of such long term foreign currency monetary items. The amortized portion of foreign exchange loss (net) incurred on long term foreign currency monetary items for the year ended 31st March, 2012 is Rs. 313.61 lakhs. The unamortized portion carried forward as on 31st March, 2012 is Rs. 226.93 lakhs. Had the Company, followed the earlier policy of charging the entire amount to the Statement of profit and loss, the profit before tax for the year would have been lower by Rs. 226.93 lakhs.

#### (l) Accounting of forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date.

#### (m) Investments

Long term investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment. Current investments are carried at lower of cost and fair value.

#### (n) Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

##### Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

##### Defined benefit plans

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

##### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 1(ii). Significant accounting policies (Contd.)

incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

#### (o) **Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

#### (p) **Segment reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

'The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable bases have been included under "Unallocated revenue / expenses / assets / liabilities".

#### (q) **Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to 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 on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 1(ii). Significant accounting policies (Contd.)

#### (r) Research and development

Research and development costs (other than cost of fixed assets acquired) are charged as an expense in the year in which they are incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

#### (s) Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the expenditure required to settle the present obligation. Contingent Liabilities are not recognised but disclosed in the notes. A disclosure for a contingent liability is made, unless the possibility of an outflow of resources is remote.

Provision for anticipated warranty costs is made on the basis of technical and available cost estimates.

Contingent Assets are neither recognised nor disclosed in the Financial Statements.

#### (t) Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

### 2. Shareholder's funds - Share capital

#### Authorised

Equity Shares of Rs. 10 each

#### Issued, subscribed and fully paid up

Equity shares of Rs.10 each

As at March 31, 2012		As at March 31, 2011	
Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
30,000,000	3,000.00	30,000,000	3,000.00
11,004,412	1,100.44	11,004,412	1,100.44

#### Notes :

#### (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period.

##### Equity Shares

#### Issued, subscribed and fully paid up

At the beginning and end of the year

As at March 31, 2012		As at March 31, 2011	
Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
11,004,412	1,100.44	11,004,412	1,100.44

Issued and subscribed capital exclude 635 equity shares of Rs.10 each reserved for allotment to shareholders who were not able to subscribe to the rights issue during the earlier years for genuine reasons or where title is temporarily in dispute.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 2. Shareholder's funds - Share capital (Contd.)

#### (ii) Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs 10 per share. Each equity shareholder is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval by the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, the amount of per share dividend recognised as distributions to equity shareholders was Rs 4 per share (Previous year: Rs 2 per share).

In the event of the liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (iii) Details of shares held by each shareholder holding more than 5% shares:

Names of Shareholders	As at March 31, 2012		As at March 31, 2011	
	Number of shares	% of Holding	Number of shares	% of Holding
Tata Steel Limited	3,585,428	32.58	3,585,428	32.58
Zash Traders through its Person Acting in concert	724,686	6.59	724,686	6.59
– Regal Investment and Trading Co. Pvt. Ltd.				
– Vidya Investment and Trading Co. Pvt. Ltd.				
– Nepean Investment and Trading Co. Pvt. Ltd.				
Sundaram Mutual Fund	518,040	4.71	597,045	5.43

#### (iv) Aggregate number and class of shares allotted as fully paid up by way of bonus shares during the period of five years immediately preceding March 31, 2012.

	As at March 31, 2012	As at March 31, 2011
Equity Shares:		
Equity shares allotted as fully paid up by way of bonus shares	5,502,206	5,502,206

During the year ended March 31, 2010, the Company had issued 5,502,206 equity shares of Rs 10 each by way of fully paid up bonus shares in the ratio of one share for every share held by capitalisation of General Reserve.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 3. Shareholder's funds - Reserves and Surplus

	As at March 31, 2012		As at March 31, 2011	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
<b>Amalgamation Reserve</b>		61.81		61.81
Opening balance and closing balance				
<b>General Reserve</b>				
Opening Balance	14,264.91		14,258.41	
Add: Transferred from Surplus in Statement of Profit and Loss	155.80		6.50	
Closing balance		14,420.71		14,264.91
<b>Foreign Exchange Fluctuation Reserve</b>				-
Opening balance	-		-	
Add: Effect of foreign exchange rate variations during the year	47.31			
Closing balance (net of deferred tax Rs. 22.73 lakhs )		47.31		
<b>Foreign currency translation reserve (arising on consolidation)</b>				
Opening balance	(1,474.91)		(1,467.23)	
Add: Effect of foreign exchange rate variations during the year	1,009.35		(7.68)	
Closing balance		(465.56)		(1,474.91)
<b>Surplus in Statement of Profit and Loss</b>				
Opening Balance	528.24		763.60	
Add: Net Profit for the year	1,319.38		26.93	
Less: Proposed dividend	440.18		220.09	
Tax on proposed dividend	71.41		35.70	
Transferred to General Reserve	155.80		6.50	
Closing Balance		1,180.23		528.24
		<b>15,244.50</b>		<b>13,380.05</b>

### 4. Long-term borrowings

	Refer notes	As at March 31, 2012			As at March 31, 2011		
		Long Term	Current Maturities of Long term debt (Refer note 9)	Total	Long Term	Current Maturities of Long term debt	Total
		Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Term loan from banks (Secured)	Notes	21,568.75	4,173.69	25,742.44	10,159.54	2,606.02	12,765.56
Loans from other parties (Secured)	(i) to (x)	559.75	188.94	748.69	71.47	209.89	281.36
Term loan from banks (Unsecured)	Below	288.32	386.60	674.92	593.46	95.40	688.86
<b>Total</b>		<b>22,416.82</b>	<b>4,749.23</b>	<b>27,166.05</b>	<b>10,824.47</b>	<b>2,911.31</b>	<b>13,735.78</b>

#### Notes :

- Long term loan from DBS bank aggregating Rs. 5,746.91 lakhs (previous year Rs. 6,090.53 lakhs) is secured by pari passu first charge on the fixed assets of the Company.
- Long term loan from Dena bank aggregating Rs. 3,000 lakhs (previous year: Rs 3,000 lakhs) is secured by pari passu first charge on the fixed assets and second charge on the current assets of the Company.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

- (iii) Long term loan from Axis bank aggregating Rs. 4,267.17 lakhs (previous year Rs. nil) is secured by pari passu first charge on the fixed assets of the company, present and future except asset charged exclusively to Small Industries Development Bank of India (SIDBI), and second charge on the current assets of the Company.
- (iv) Term loan from National Bank of Australia is secured by a first mortgage charge over free hold land and specific building.
- (v) Term loan from Bank of Baroda, Singapore and Export - Import Bank of India secured by total shares owned and held by TRF Singapore Pte Ltd and TRF Holdings Pte Ltd in the share capital of York Transport Equipment (Asia) Pte Ltd.
- (vi) Term loan from National Development Bank, Sri Lanka, mortgage over certain stock and book debts.
- (vii) Term loan from Sampath Bank, Sri Lanka is hypothecated against certain land, building and machineries.
- (viii) Term loan from Standard Chartered Bank, Sri Lanka is hypothecated against certain land, building and immovable machineries.
- (ix) Term loan from Hatton National Bank, Srilanka, is secured by primary floating mortgage bond over property at No. 32 Wiyerama Road Gonawala, Kelaniya, Srilanka.
- (x) Long term loan from Tata Capital is secured against first and exclusive charge on entire present and future fixed assets situated at Waki, Pune, India.

#### 04. Terms of repayment of borrowings as at March 31, 2012 are as follows

	Currency	INR Equivalent Rs. in lakhs	Maturity date	Repayment of Installments	Number of Installment
<b>Secured Borrowings</b>					
From banks					
DBS Bank:					
USD 9 million	USD	2,881.49	28-Jul-14	1,125,000	8 (half-yearly)
GBP 2.5 million	GBP	2,046.73	14-Jul-14		3 (Annually)
				500,000	
				1,000,000	
				1,000,000	
GBP 1.00 million	GBP	818.69	14-Jul-14		3 (Annually)
				200,000	
				400,000	
				400,000	
Dena Bank	INR	3,000.00	25-Sep-16	18,750,000	16 (Quarterly)
				530,000	1 (Quarterly)
USD Axis Bank 8.33 million	USD	4,267.17	21-Dec-18	520,000	16 (Quarterly)
					15 (Quarterly)
National Bank of Australia	USD	417.10	30-Jun-13	835,000	116 (Quarterly)
Bank of Baroda, Singapore	SGD	966.15	4-Apr-12	791,667	12(Quarterly)
National Development Bank, Sri Lanka	USD	640.84	30-Sep-14	5,255,700	36(Monthly)
Standard Chartered Bank, Sri Lanka	USD	290.80	28-Feb-14	3,052,127	42(Monthly)
Sampath Bank, Sri Lanka	USD	74.63	30-Apr-13	1,495,952	26(Monthly)
Hatton National Bank, Sri Lanka	SLR	25.63	26-Oct-14	210,000	48(Monthly)
HDFC Bank	INR	1,092.44			16(Quarterly)
Exim Bank	USD	9,220.77	22-Mar-19	57,629,812.50	16(Quarterly)



## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 04. Terms of repayment of borrowings as at March 31, 2012 are as follows (Contd.)

	Currency	INR Equivalent Rs. in lakhs	Maturity date	Repayment of Installments	Number of Installment
<b>Term Loan From Banks (Secured)</b>		<b>25,742.44</b>			
Financial Institution					
Tata Capital	USD	746.33	31-Mar-16	93.75	16(Quarterly)
Suhali bhawan Automotive (LLC Oman)	USD	2.36		236,007	1
<b>Loans From Other Parties</b>		<b>748.69</b>			
Malayan Bank Berthad, Sri Lanka	USD	2.17	17-Mar-13	353	84(Monthly)
ANZ Bank, Singapore	USD	672.75	31-Mar-12	187,500	8 (Quarterly)
<b>Term Loan From Banks (Unsecured)</b>		<b>674.92</b>			

### Terms of repayment of borrowings as at March 31, 2011 are as follows

	Currency	INR Equivalent Rs. in lakhs	Maturity date	Repayment of Installments	Number of Installment
<b>Secured Borrowings</b>					
From banks					
DBS Bank:					
USD 9 million	USD	3,551.63	28-Jul-14	1,125,000	8 (half-yearly)
GBP 2.5 million	GBP	1,813.50	14-Jul-14		3 (Annually)
				500,000	
				1,000,000	
				1,000,000	
GBP 1.00 Million	GBP	725.40	14-Jul-14		3 (Annually)
				200,000	
				400,000	
				400,000	
Dena Bank	INR	3,000.00	25-Sep-16	18,750,000	16 (Quarterly)
				530,000	1 (Quarterly)
Bank of Baroda Singapore	SGD	1,982.25	4-Apr-12	791,667	12(Quarterly)
Standard Chartered Bank, Sri Lanka	USD	385.19	28-Feb-14	3,052,127	42(Monthly)
Sampath Bank, Sri Lanka	USD	87.73	30-Apr-13	1,495,952	26(Monthly)
Hatton National Bank, Sri Lanka	SLR	37.36	26-Oct-14	210,000	48(Monthly)
HDFC Bank	INR	1,182.50			16(Quarterly)
<b>Term Loan From Banks (Secured)</b>		<b>12,765.56</b>			
Tata Capital	USD	278.79	31-Mar-16	93.75	16(Quarterly)
Suhali bhawan Automotive (LLC Oman)	USD	2.57		236,007	1
<b>Loans From Other Parties</b>		<b>281.36</b>			
Malayan Bank Berhad, Sri Lanka	USD	5.14	17-Mar-13	353	84(Monthly)
ANZ Bank, Singapore	USD	676.05	31-Mar-12	187,500	8 (Quarterly)
Commercial Bank, Sri Lanka	LKR	5.28	Oct'2011	170,669	60 (Monthly)
Commercial Bank, Sri Lanka	LKR	2.39	July' 2011	120,709	60(Monthly)
<b>Term Loan From Banks (Unsecured)</b>		<b>688.86</b>			

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 5. Other long-term liabilities

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Employee separation compensation	67.64	67.95
Deposits from employees	24.60	18.82
<b>Total</b>	<b>92.24</b>	<b>86.77</b>

### 6. Long term provisions

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Provision for employee benefits		
Post-employment defined benefits		
Pension obligations	555.78	532.15
Others	24.00	26.56
Compensated absences	394.88	361.99
	<b>974.66</b>	<b>920.70</b>

### 7. Short-term borrowings

		As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
Loans from banks (Secured)			
Buyers Line of Credit	Refer	834.54	2,854.62
Cash Credit Account	note	11,665.96	6,635.96
Short term loans	below	7,470.68	8,533.74
Loans from banks (Unsecured)		988.69	869.36
From other parties (Unsecured)		2,189.10	137.41
<b>Total</b>		<b>23,148.97</b>	<b>19,031.09</b>

#### Note : Details of the security for the short-term borrowings

Buyers' line of credit, cash credit and short term loans from banks are secured by hypothecation, ranking pari passu, on all tangible movable assets including in particular stocks of raw materials other than those purchased under Bill discounting (components) scheme of Small Industries Development Bank of India (SIDBI), finished goods, work-in-progress, consumables, spares and other movable assets and book debts, outstandings and all other receivables. Facilities from Canara Bank and Central Bank of India aggregating Rs 3780.88 lakhs (previous year Rs. 26.64 lakhs) and Rs. 4,490.55 lakhs (previous year Rs. 4,458.92 lakhs) are also secured, by hypothecation ranking pari passu, of fixed assets, present and future, except on an asset hypothecated to SIDBI as first charge.

### 8. Trade payables

	As at March 31, 2012 Rs. in lakhs	As at March 31, 2011 Rs. in lakhs
<b>Trade Payables</b>		
Acceptances	5,384.19	3,284.20
Other than acceptances	31,387.28	31,401.19
<b>Total</b>	<b>36,771.47</b>	<b>34,685.39</b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 9. Other current liabilities

Current maturities of long-term debt (Refer Note 4)
Interest accrued but not due on borrowings
Interest accrued and due on borrowings
Unpaid dividends
Advances received from customers
Dues to customers for contracts in progress
Payables on purchase of fixed assets
Employee benefits
Creditors for other expenses

#### Total

#### As at March 31, 2012 Rs. in lakhs

4,749.23
120.18
64.14
32.90
5,732.92
5,344.88
47.76
112.33
1,888.13
<b>18,092.47</b>

#### As at March 31, 2011 Rs. in lakhs

2,911.33
112.17
64.76
31.92
9,328.38
6,576.63
55.50
170.16
1,621.76
<b>20,872.61</b>

### 10. Short term provisions

Provision for employee benefits
Post-employment Defined Benefits
Pension Obligations
Others
Compensated absences
Provision for tax (net)
Proposed dividend
Tax on proposed dividend
Provision for Warranty

#### Total

#### As at March 31, 2012 Rs. in lakhs

37.66
4.20
107.81
3,506.80
440.18
71.41
389.80
<b>4,557.86</b>

#### As at March 31, 2011 Rs. in lakhs

36.45
—
98.30
1,517.74
220.09
35.70
376.70
<b>2,284.98</b>

### 11. Fixed assets

Rs. in lakhs

	Gross block							Depreciation/Amortisation					Net block	
Tangible assets	As at April 1, 2011 (at cost)	Cost of assets of new companies*	Additions	Adjustments (Borrowing cost capitalised)	Deductions	Currency realignment	As at March 31, 2012 (at cost)	As at April 1, 2011	Accumulated depreciation of new companies*	for the year	Deductions	Currency realignment	As at March 31, 2012	As at March 31, 2011
Land	878.10	-	-	-	-	(15.46)	862.64	-	-	-	-	-	862.64	878.10
Buildings and Roads	5,076.81	-	2,061.63	81.36	16.85	394.94	7,597.89	1,498.51	-	248.91	16.85	175.88	1,906.45	5,691.44
Plant and Machinery	5,756.26	-	927.49	24.73	31.86	152.30	6,828.92	3,254.20	-	429.73	22.43	157.06	3,818.56	3,010.36
Furniture and Fixtures	469.97	-	126.89	-	5.15	20.82	612.53	300.39	-	47.65	3.54	18.56	363.06	249.47
Office equipment	862.14	-	131.97	-	1.10	140.22	1,133.23	722.87	-	65.21	0.58	117.74	905.24	227.99
Motor vehicles	757.80	-	36.28	-	48.19	53.80	799.69	503.19	-	80.92	41.40	40.88	583.59	216.10
Electrical installation	335.85	-	105.78	-	0.79	(1.54)	439.30	95.85	-	29.80	0.63	(0.40)	124.62	314.68
Laboratory equipment	10.34	-	-	-	-	-	10.34	8.14	-	0.22	-	-	8.36	1.98
Total	<b>14,147.27</b>	<b>-</b>	<b>3,390.04</b>	<b>106.09</b>	<b>103.94</b>	<b>745.08</b>	<b>18,284.54</b>	<b>6,383.15</b>	<b>-</b>	<b>902.44</b>	<b>85.43</b>	<b>509.72</b>	<b>7,709.88</b>	<b>10,574.66</b>
Previous year	11,333.73	206.90	2467.92	-	143.36	282.08	14,147.27	5,431.57	176.66	746.05	128.46	157.33	6,383.15	7,764.12

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 11. Fixed assets (Contd.)

Intangible assets	Gross block							Depreciation/Amortisation							Rs. in lakhs		
															Net block		
	As at April 1, 2011 (at cost)	Cost of assets of new companies*	Additions	Adjustments (Borrowing cost capitalised)	Deductions	Currency realignment	As at March 31, 2012 (at cost)	As at April 1, 2011	Accumulated depreciation of new companies*	Depreciation for the year	Deductions	Currency realignment	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011		
Technical know-how	782.77	-	-	-	-	78.60	861.37	763.28	-	11.48	-	86.61	861.37	-	19.49		
Trade mark	76.48	-	-	-	-	10.50	86.98	5.11	-	13.62	-	1.57	20.30	66.68	71.37		
Computer software	702.19	-	116.67	-	-	27.04	845.90	166.39	-	150.35	-	4.40	321.14	524.76	535.80		
<b>Total</b>	<b>1,561.44</b>	<b>-</b>	<b>116.67</b>	<b>-</b>	<b>-</b>	<b>116.14</b>	<b>1,794.25</b>	<b>934.78</b>	<b>-</b>	<b>175.45</b>	<b>-</b>	<b>92.58</b>	<b>1,202.81</b>	<b>591.44</b>	<b>626.66</b>		
Previous year	1064.49	-	470.50	-	17.95	44.40	1561.44	796.36	-	103.12	4.51	39.81	934.78	626.66			

\* Represents assets and accumulated depreciation of Hewitt Robins International Holdings Limited which have become subsidiary of the Company during financial year 2010-11

### 12. Investments (at cost less provision other than temporary, if any)

	As at March 31, 2012							As at March 31, 2011			
	Face value	Currency	Number	Non-current	Current portion of Long term investments	Total		Number	Non-current	Current portion of Long term investments	Total
<b>Trade investments</b>											
<b>I. Investment in Equity shares</b>											
Other Investments											
(i) Quoted											
HDFC Bank Ltd.	10	INR	500	0.05	-	0.05		500	0.05	-	0.05
(ii) Unquoted											
(1) Tata Projects Limited	100	INR	67,500	233.75	-	233.75		67,500	233.75	-	233.75
(2) Rujuvalika Investments Limited	10	INR	137,500	22.50	-	22.50		137,500	22.50	-	22.50
(3) Twin Star Jupiter Co-operative Housing Society Limited	50	INR	5	*	-	-		5	*	-	-
(4) Nicco Jubilee Park Ltd.	10	INR	30,000	3.00	-	3.00		30,000	3.00	-	3.00
Less : Provision for diminution in value				(3.00)	-	(3.00)			(3.00)	-	(3.00)
(5) Lanka IOC Limited	2800	SLR	27	0.20	-	0.20		27	0.20	-	0.20
<b>II. Investment in Debentures</b>											
Unquoted											
8% Debentures in Tata Projects Limited	3000	INR	3750	-	37.50	37.50		3750	37.50	37.50	75.00
One third of the value redeemed during the year as per terms of issue.											
<b>Total</b>				<b>256.50</b>	<b>37.50</b>	<b>294.00</b>			<b>294.00</b>	<b>37.50</b>	<b>331.50</b>

\* represent values below Rs. 1 Lakh.

#### Notes :-

	Rs. in lakhs	Rs. in lakhs
(a) Aggregate amount of quoted investments	0.05	0.05
Market value of quoted investments.	2.60	11.70
(b) Aggregate amount of unquoted investments	296.95	334.45
	<b>297.00</b>	<b>334.50</b>
(c) Aggregate provision for diminution in the value of investments - Non current investments	(3.00)	(3.00)
	<b>294.00</b>	<b>331.50</b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 12. Investments (at cost less provision other than temporary, if any) (Contd.)

#### (ii) Reconciliation for disclosure as per Accounting Standard 12

##### Long term Investments

Non Current Investments (Refer Note no. - 11 above)

Current portion of long-term investments - (Refer Note no. 11 above)

##### Current Investments

Other current investments

##### Total

As at March 31, 2012  
Rs. in lakhs

As at March 31, 2011  
Rs. in lakhs

256.50

294.00

37.50

37.50

294.00

331.50

-

-

294.00

331.50

### 13. Long term loans and advances (unsecured, considered good)

#### Loans and advances

Capital advances

Security deposits

#### Balances with government authorities

Excise Authorities

Sales tax authorities

#### Other loans and advances

Prepayments

Others

Advance income tax (net)

##### Total

As at March 31, 2012  
Rs. in lakhs

As at March 31, 2011  
Rs. in lakhs

106.75

230.36

115.62

128.37

3.57

2.50

-

10.54

238.36

92.29

171.58

148.02

1,971.40

1,778.76

2,607.28

2,390.84

### 14. Inventories and contracts in progress

Contracts in progress

#### Inventories

At lower of cost and net realisable value

Raw materials

(Including Goods in Transit Rs 603.62 lakhs,  
Previous Year Rs. 710.03 lakhs)

Work-in-progress

Finished products

Excise duty on finished products not assessed to duty

Stores and spare parts

Loose tools

##### Total

As at March 31, 2012  
Rs. in lakhs Rs. in lakhs

As at March 31, 2011  
Rs. in lakhs Rs. in lakhs

2,966.48

3,069.25

9,833.45

7,813.01

3,026.56

2,536.81

3,846.52

4,340.72

90.72

144.17

3,937.24

4,484.89

110.42

96.79

47.50

51.89

19,921.65

18,052.64

Cost of inventory is ascertained on the 'weighted average' basis. Cost of work-in-progress and finished goods is determined on full absorption cost basis.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 15A. Trade receivables

#### Current trade receivable

Unsecured, considered good unless otherwise stated

Outstanding for a period exceeding six months,  
from the date they were due for payment

Others \*

Gross current trade receivables

Less: Provision for doubtful trade receivables

#### Total

\* Others include Rs12,951 lakhs (previous year Rs. 16,668 lakhs) being amount receivable within the operating cycle but due after one year

As at March 31, 2012  
Rs. in lakhs

8,114.67

48,326.86

56,441.53

1,629.92

**54,811.61**

As at March 31, 2011  
Rs. in lakhs

6,841.04

45,982.90

52,823.94

858.22

**51,965.72**

### 15B. Other non-current assets

Gross non-current trade receivables (unsecured, considered good)

Foreign currency monetary item translation difference

#### Total

As at March 31, 2012  
Rs. in lakhs

563.46

26.53

**589.99**

As at March 31, 2011  
Rs. in lakhs

175.58

-

**175.58**

### 16. Cash and cash equivalents

Cash on hand

Cheques on hand

Remittance in Transit

Balances with Banks

On Current Account

On Unpaid dividend account\*

On Deposit account (maturity less than 3 months)

#### Total

Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement

As at March 31, 2012  
Rs. in lakhs

57.27

1,095.29

-

5,866.05

32.54

39.82

**7,090.97**

**7,058.43**

As at March 31, 2011  
Rs. in lakhs

23.65

141.59

223.10

4,787.60

31.74

-

**5,207.68**

**5,175.94**

\*Balances with Bank - unpaid dividend account include Rs. 32.54 lakhs (previous year Rs. 31.74 lakhs) which have restriction on repatriations.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 17. Short term loans and advances

	As at March 31, 2012		As at March 31, 2011	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Security deposits				
Considered good	93.63		149.49	
Considered doubtful	54.20		51.23	
	<u>147.83</u>		<u>200.72</u>	
Less : Provisions for doubtful deposits	54.20		51.23	
		93.63		149.49
Balances with government authorities				
Value added tax receivable		433.89		406.39
Service Tax		569.63		784.99
Excise Authorities		350.92		267.72
Sales Tax		237.73		154.65
Other loans and advances				
Prepayments		750.04		152.39
MAT Credit entitlement		30.51		42.94
Advances to suppliers		2,980.74		5,459.79
Others		2,670.24		2,456.44
<b>Total</b>		<b>8,117.33</b>		<b>9,874.80</b>

### 18. Other current assets

	As at March 31, 2012	As at March 31, 2011
	Rs. in lakhs	Rs. in lakhs
Unbilled Revenue* (Refer note below)	2,993.81	4,462.23
Interest accrued on investments	1.77	3.80
Foreign currency monetary item translation difference	200.41	—
Others	28.69	86.92
<b>Total</b>	<b>3,224.68</b>	<b>4,552.95</b>

\* Unbilled revenue includes Rs 274 lakhs (previous year Rs. 419 lakhs) being amount receivable within the operating cycle but due after one year.

### 19. Revenue from operations

	Year Ended March 31, 2012	Year Ended March 31, 2011
	Rs. in lakhs	Rs. in lakhs
Revenue from Turnkey projects	63,141.78	56,951.38
Sale of products	70,274.49	55,346.10
Sale of services	2,390.61	1,616.73
Revenue from operations (gross)	<u>135,806.88</u>	<u>113,914.21</u>
Less : Excise duty on revenue from operations	3,066.25	2,558.51
Revenue from operations (net)	<b>132,740.63</b>	<b>111,355.70</b>



## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 20. Other income

	Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
Dividend Income from long term investment	165.90	52.74
Interest Income		
From long term investment	4.25	7.21
On overdue trade receivables	-	122.93
From banks on deposits	2.34	4.48
Others	1.15	7.93
Gain on foreign currency transactions and translations	-	386.47
Liabilities/ provisions no longer required written back	132.49	557.53
Bad Debts Recovered	-	2.17
Miscellaneous income	352.90	284.83
<b>Total</b>	<b>659.03</b>	<b>1,426.29</b>

### 21. Changes in contracts in progress and inventories of finished products and work in progress

	Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
Inventories at the beginning of the year		
Finished products	4,484.89	3,332.76
Work- in-progress	2,536.81	2,697.66
Contracts in progress	3,069.25	1,900.34
	<b>10,090.95</b>	<b>7,930.76</b>
Add Foreign Exchange movement	302.50	57.94
	<b>10,393.45</b>	<b>7,988.70</b>
Inventories at the end of the year		
Finished products	3,937.24	4,484.89
Work- in-progress	3,026.56	2,536.81
Contracts in progress	2,966.48	3,069.25
	<b>9,930.28</b>	<b>10,090.95</b>
Net (increase)/decrease	<b>463.17</b>	<b>(2,102.25)</b>

### 22. Employee benefits expense

	Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
Salaries, wages and other benefits	8,754.60	6,893.32
Company's contribution to provident fund and other funds	928.09	878.90
Workmen and staff welfare expenses	624.20	529.96
<b>Total</b>	<b>10,306.89</b>	<b>8,302.18</b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 23. Finance cost

Interest expenses	
Bank charges	
Applicable net gain/(loss) on foreign currency transactions and translation (considered as finance cost)	
Less Interest capitalised	
<b>Total</b>	

Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
3,279.33	1,925.65
404.16	497.08
459.45	13.14
4,142.94	2,435.87
106.09	34.98
<b>4,036.85</b>	<b>2,400.89</b>

### 24. Other expenses

Consumption of stores, spare parts and loose tools	
Repairs to buildings	
Repairs to plant and machinery	
Repairs to office equipment	
Power and fuel	
Travelling, conveyance and car running expenses	
Rent	
Rates, taxes and licences	
Sales Tax (net)	
Excise duty (net)	
Service tax (net)	
Insurance	
Freight and handling charges	
Service charges (Collection and order procurement)	
Professional fees	
Telephone expenses	
Directors' fees	
Bad Debts written off	
Provision for doubtful debts & advances (net)	
Advances written off	
Liquididated damages	
Provision of Warranty Expenses	
Loss on foreign Exchange Fluctuation (net)	
Loss on sale of fixed assets (net)	
Auditors' Remuneration and out of pocket expenses	
(a) As Auditor	
(b) For Taxation matter	
(c) For other services	
(d) For reimbursement of expenses	
Other expenses	
<b>Total</b>	

Year Ended March 31, 2012 Rs. in lakhs	Year Ended March 31, 2011 Rs. in lakhs
912.30	899.30
429.10	499.71
286.22	225.71
120.45	68.98
547.54	418.41
1,874.95	1,791.24
1,148.97	772.85
215.93	158.73
656.37	800.26
161.30	521.64
1,233.23	1,157.00
402.52	274.95
3,136.29	3,278.73
284.95	839.03
1,677.91	1,640.23
266.83	217.71
44.45	27.79
284.23	87.58
755.02	153.99
16.55	-
13.40	441.80
125.37	128.15
1,208.66	0.12
5.16	25.14
145.43	103.21
6.26	7.58
18.92	17.00
4.01	10.12
1,044.64	1,283.96
<b>17,026.96</b>	<b>15,850.92</b>

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 25. Additional Information to the Financial Statements

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
(i) <b>CONTINGENT LIABILITIES</b>		
(a) Sales tax matters in dispute relating to issues of applicability and classification	59.59	575.52
In respect of the above sales tax matters in dispute, the Company has deposited Nil (previous year Rs.10.54 lakhs) against various orders, pending disposal of the appeals. This amount is included under Note 13 - Long Term Loans and Advances		
(b) Excise duty and service tax matters in dispute relating to applicability and classification	159.22	1,114.29
In respect of the above excise and service tax matters in dispute, the Company has deposited Rs. 2.50 lakhs (previous year Rs. 2.50 lakhs) against various orders, pending disposal of the appeals. This amount is included under Note 13 - Long Term Loans and Advances		
(c) Income Tax matters in dispute	1,314.91	1,645.79
(d) Claims against the Company not acknowledged as debt	535.83	461.00
(e) Bank Guarantee	2.00	2.00
(f) Others	83.77	23.42
Future cash outflows in respect of above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities		
(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for.	538.72	1053.22
(iii) Revision in projected profit/(loss) on contracts arising from change in estimates of cost to completion of contracts are reflected during the course of the work in each accounting year. These have not been disclosed in the Financial Statement as the effect cannot be accurately determined.		
(iv) No provision has been made for liquidated damages and other claims by certain customers, wherever these have been refuted by the Company and it expects to settle them without any loss. Pending settlement of these claims, the relative sundry debtors balances have been shown in the accounts as fully recoverable and have been disclosed as contingent liabilities under Claims against the Company not acknowledged as debt.		
(v) Scrap and off- cuts at the contract sites are being accounted on cash basis, since segregation and quantification of such items at the financial year end is not practicable in view of the contracts being in progress.		

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards

- (i) Information relating to Construction Contracts as per Accounting Standard 7 notified by the Companies (Accounting Standards) Rules, 2006 in respect of contracts entered on or after 01.04.2003 and in progress as at year end, is given below :

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
Contract revenue recognised as revenue during the year	63,133.67	56,929.52
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	266,541.91	204,681.84
Advance received for contracts in progress (Un-adjusted)	4,144.75	8,271.86
Retention money for contracts in progress	22,557.75	19,548.69
Gross amount due from customers for contract work (asset)*	2,993.81	4,462.23
Gross amount due to customers for contract work (liability)**	5,331.26	6,554.85

For the Method used to determine the contract revenue recognised and the stage of completion of contract in progress, refer note 1 (ii)(j)

\* Included in note 18 : other current assets

\*\*Included in "dues to customers for contract in progress" - Note 9 - Other Current Liability

- (ii) (a) The company makes Provident Fund and Superannuation Fund contribution to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company has recognized in the Statement of Profit and Loss an amount of Rs. 661.93 lakhs (previous year Rs. 598.11 lakhs) under defined contribution plans.

Benefit (Contribution to)	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
Provident Fund	377.83	372.93
Superannuation Fund	221.67	174.36
Employees Pension Scheme	66.16	50.82
	<b>665.66</b>	<b>598.11</b>

- (b) The company operates post retirement defined benefit plans as follows :

- a. Unfunded
  1. Leave encashment
  2. Pension to Directors
- b. Funded
  1. Gratuity

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd.)

(c) Details of unfunded defined benefit obligations are as follows :

Rs. in lakhs

Description	Gratuity		Leave encashment					Pension to Directors				
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
<b>1. Reconciliation of opening and closing balances of obligation</b>												
a. Opening Obligation*	42.42	30.93	405.80	358.99	296.56	232.68	203.67	567.66	494.71	450.10	334.92	247.31
b. Current Service Cost	3.52	12.91	70.37	54.07	42.99	35.12	30.85	36.42	33.80	74.36	62.28	44.80
c. Interest Cost	6.82	6.79	28.22	26.07	19.22	15.78	14.68	43.92	36.71	32.29	26.07	19.69
d. Contribution by plan participants	-	-	-	-	-	1.39	-	-	-	-	-	-
e. Acquisitions #	-	-	22.74	0.29								
f. Actuarial (Gain)/loss	-	-	44.86	33.36	73.83	82.54	35.03	(17.28)	38.20	(34.77)	44.91	40.40
g. Benefits paid	(4.17)	(4.70)	(117.47)	(66.98)	(73.61)	(70.95)	(51.55)	(37.27)	(35.76)	(27.28)	(18.08)	(17.28)
h. Exchange Translation difference	(0.11)	-	-	-	-	-	-	-	-	-	-	-
i. Closing Obligation##	48.48	45.93	454.52	405.80	358.99	296.56	232.68	593.44	567.66	494.70	450.10	334.92
<b>2. Expense recognized in the period</b>												
a. Current service cost	3.52	12.91	70.37	54.07	42.99	35.12	30.85	36.42	33.80	74.36	62.28	44.80
b. Interest cost	6.82	6.79	28.22	26.07	19.22	15.78	14.68	43.92	36.71	32.30	26.07	19.69
c. Actuarial (Gain)/loss	-	-	44.86	33.36	73.83	82.54	35.03	(17.28)	38.20	(34.77)	44.91	40.40
d. Expense recognized in the period	10.34	19.70	143.45	113.50	136.04	133.44	80.56	63.06	108.71	71.89	133.26	104.89
The expense is disclosed in the line item - Salaries, wages and other benefits (Note 22)												
<b>3. Assumptions</b>												
a. Discount rate (per annum)	11%	11%	8.25 % to 8.60%	8% to 11%	7.70%	7.40%	8.00%	8.60%	8.00%	7.70%	7.40%	8.00%
<b>4. Experience Adjustment</b>												
a. Defined Benefit Obligation	(48.48)	(45.93)	(454.52)	(405.80)	(358.99)	(296.56)	(232.68)	(593.44)	(567.66)	(494.70)	(450.10)	(334.92)
b. Plan Assets	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
c. Surplus/ (Deficit)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
d. Experience Adjustments on Plan Liabilities	N.A	N.A	(60.01)	(42.05)	(54.87)	(70.40)	(31.00)	(16.56)	N.A	19.78	(19.10)	(7.38)
e. Experience Adjustment on Plan Assets	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

\* One of the subsidiary has transferred its unfunded gratuity obligation to funded obligation in the current year. As a result the opening balance of unfunded gratuity obligation of Rs. 3.51 lakhs is transferred to funded obligation.

# Amount transferred from Associate Companies Rs. 22.74 lakhs (previous year Rs. 0.29 lakh)

## Excludes Rs. 48.17 lakhs of undiscounted compensated absences obligation of certain subsidiaries.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd.)

- (d) Details of Post Retirement Gratuity Plan except in respect of Port and Yard Equipment Division (P&YE) which is managed independently by Life Insurance Corporation of India (LIC) are as follows:-\*

Rs. in lakhs

Description	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
<b>1. Reconciliation of opening and closing balances of obligation</b>					
a. Opening Obligation ##	1,097.27	992.61	964.28	892.67	827.79
b. Current Service Cost	88.86	65.17	45.81	39.39	34.12
c. Interest Cost	80.75	71.70	64.38	66.18	62.68
d. Contribution by Plan participants #	31.22	1.54	5.73	4.22	-
e. Actuarial (Gain)/Loss	(2.25)	88.73	101.01	92.73	104.07
f. Benefits paid	(180.93)	(125.99)	(188.60)	(130.91)	(135.99)
g. Closing Obligation	1,114.92	1,093.76	992.61	964.28	892.67
The defined benefit obligation as at 31.03.12 is funded by the company					
<b>2. Change in Plan Assets (Reconciliation of opening &amp; closing balances)</b>					
a. Opening fair value of plan assets	970.15	973.71	938.10	882.94	865.29
b. Expected return on Plan assets	83.42	75.25	73.13	68.22	67.50
c. Contribution by Plan participants #	37.75	1.54	5.73	-	-
d. Actuarial Gain/(loss)	(21.89)	(12.07)	10.35	47.31	(6.86)
e. Contributions	169.23	57.71	135.00	70.54	93.00
f. Benefits paid	(177.59)	(125.99)	(188.60)	(130.91)	(135.99)
g. Closing fair Value of Plan assets	1,061.07	970.15	973.71	938.10	882.94
<b>3. Reconciliation of fair value of assets and obligations</b>					
a. Closing fair value of Plan assets	1,061.07	970.15	973.71	938.10	882.94
b. Closing obligation	1,114.92	1,093.76	992.61	964.28	892.67
c. Amount recognised in the balance sheet * (note 9)	(53.85)	(123.61)	(18.90)	(26.18)	(9.73)
<b>4. Expense recognized in the period</b>					
a. Current service cost	88.86	65.17	45.81	39.39	34.12
b. Interest cost	80.75	71.70	64.38	66.18	62.68
c. Expected return on Plan assets	(83.42)	(75.25)	(73.13)	(68.22)	(67.50)
d. Actuarial (gain)/loss	19.64	100.80	90.66	45.42	110.92
e. Expense recognized in the period *	105.84	162.42	127.72	82.77	140.22
The expense is disclosed in the line item – Companies contribution to provident fund and other funds (Note 22)					
<b>5. Investment Details</b>	<b>%age invested</b>	<b>%age invested</b>	<b>%age invested</b>	<b>%age invested</b>	<b>%age invested</b>
a. GOI Securities	18.80	15.17	15.30	15.11	15.82
b. Public Sector unit (PSU) Bonds	30.61	29.59	30.27	28.27	25.40
c. State / Central Guranteed Securities	7.18	8.56	8.55	9.89	9.23
d. Special Deposit Schemes	38.32	43.72	43.49	44.55	46.83
e. Private Sector Bonds	1.49	1.81	1.79	1.83	0.77
f. Others (including bank balances and insurance products)	3.60	1.15	0.60	0.35	1.95
Total	100.00	100.00	100.00	100.00	100.00
<b>6. Assumptions</b>					
a. Discount rate (per annum)	8.25 % to 8.60%	8% to 11%	7.70%	7.40%	8.00%
b. Estimated rate of return on Plan assets (per annum)	8.00%	8.00%	8.00%	8.00%	8.00%
c. Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	5.00%	5.00%
The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.					
<b>7. Experience Adjustments</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
a. Defined Benefit Obligation	(1,114.92)	(1,093.76)	(992.61)	(964.28)	(892.67)
b. Plan Assets at the end of the Period	1,061.07	970.15	973.71	938.10	882.94
c. Surplus/ (Deficit)	(53.85)	(123.61)	(18.90)	(26.18)	(9.73)
d. Experience Adjustments on Plan Liabilities	(36.11)	(107.36)	(66.32)	(62.83)	(92.52)
e. Experience Adjustments on Plan Assets	(21.96)	(12.13)	10.35	47.31	(6.86)

# Amount transferred from associate companies Rs. 31.22 lakhs (Previous year Rs. 1.54 lakhs)

## One of the subsidiary has transferred its unfunded gratuity obligation to funded obligation in the current year. As a result the opening balance of unfunded gratuity obligation of Rs. 3.51 lakhs is transferred to funded obligation.

\* The gratuity liability in respect of P&YE division of the Company is determined based on premium charged by LIC under the group gratuity scheme. Expenses recognised in the period as disclosed above excludes Rs. Nil (previous year

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd.)

Rs. 9.39 lakhs) contributions made by P&YE division to LIC. Amount recognised in the balance sheet as disclosed above excludes Rs. 0.01 lakh (previous year Rs. Nil) pertaining to P & YE division. Disclosures pursuant to AS - 15 have not been made in respect of the Post retirement Gratuity plan of P&YE division as details have not been furnished by LIC to the company and the amounts are not expected to be material.

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. The long term estimate of the expected rate of return on the fund assets have been arrived at based on the asset allocation and prevailing yield rates on these asset classes. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government Bonds.

#### (iii) Details of Borrowing costs capitalised

Borrowing costs capitalised during the year

As Fixed assets

As Work in progress

March '2012 Rs. in lakhs	March' 2011 Rs. in lakhs
106.09	-
-	34.98
<b>106.09</b>	<b>34.98</b>

#### (iv) SEGMENT REPORTING

##### BUSINESS SEGMENT

##### Segment Revenue

	Products & Services	Projects & Services	Elimination	Total
External Sales	67,365.02	65,375.61	-	132,740.63
Inter-segment Revenue	13,338.35	-	(13,338.35)	-
Total Revenue	80,703.37	65,375.61	(13,338.35)	132,740.63

##### Segment Result

Profit before Prior Period items	6,673.37	107.34		6,780.71
Segment Result - Profit after Prior Period items	6,673.37	107.34		6,780.71
Unallocated corporate expenditure (net)				837.72
Operating Profit				5,942.99
Interest Expenses (net)				3,632.69
Other Income				408.15
Profit Before Tax				2,718.45
Income Tax				1,577.51
MAT credit entitlement				(30.51)
Deferred Tax				(171.01)
Net Profit				1,342.46

##### Rs. in lakhs

	Products & Services	Projects & Services	Elimination	Total
2010-11				
External Sales	53,098.34	58,257.36	-	111,355.70
Inter-segment Revenue	10,948.69	-	(10,948.69)	-
Total Revenue	64,047.03	58,257.36	(10,948.69)	111,355.70
Profit before Prior Period items	5,923.58	(2,764.01)		3,159.57
Segment Result - Profit after Prior Period items	5,923.58	(2,764.01)		3,159.57
Unallocated corporate expenditure (net)				878.82
Operating Profit				2,280.75
Interest Expenses (net)				1,755.21
Other Income				186.32
Profit Before Tax				711.86
Income Tax				532.65
MAT credit entitlement				(42.94)
Deferred Tax				33.13
Net Profit				189.02



## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd.)

#### (iv) SEGMENT REPORTING (Contd.)

OTHER INFORMATION	2011-12				2010-11			
	Products & Services	Projects & Services	Unallocated	Total	Products & Services	Projects & Services	Unallocated	Total
<b>Segment Position</b>								
Segment Assets	46,778.71	48,880.74	–	95,659.45	43,651.99	52,004.06	–	95,656.05
Unallocated Corporate Assets	–	–	27,196.95	27,196.95	–	–	14,484.76	14,484.76
Total Assets	46,778.71	48,880.74	27,196.95	122,856.40	43,651.99	52,004.06	14,484.76	110,140.81
Segment Liabilities	28,530.05	28,555.45	–	57,085.50	18,685.52	34,425.73	–	53,111.25
Unallocated Corporate Liabilities	–	–	49,425.96	49,425.96	–	–	42,549.07	42,549.07
Total Liabilities	28,530.05	28,555.45	49,425.96	106,511.46	18,685.52	34,425.73	42,549.07	95,660.32
Capital Expenditure	3,409.99	81.62	121.19	3,612.80	2,507.96	418.76	11.70	2,938.42
Depreciation	946.62	118.94	12.33	1,077.89	708.30	129.88	10.99	849.17

#### SECONDARY SEGMENTS : GEOGRAPHICAL

##### Revenue by Geographical Market

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
India	105,889.49	91,579.71
Outside India	26,851.14	19,775.99
	<u>132,740.63</u>	<u>111,355.70</u>

##### Addition to Fixed Assets and Intangible Assets

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
India	3,448.97	2,627.59
Outside India	163.83	310.83
	<u>3,612.80</u>	<u>2,938.42</u>

##### Carrying Amount of Segment Assets

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
India	80,526.49	82,518.47
Outside India	15,132.96	13,137.58
	<u>95,659.45</u>	<u>95,656.05</u>

#### Notes:

Pursuant to the 'Accounting Standard on Segment Reporting' (AS-17) notified by the Companies (Accounting Standard) Rules 2006, the Company has considered 'business segment' as primary segment for disclosure. The Company has identified business segments mentioned below as primary segments :-

- (i) Products & Services
- (ii) Projects & Services

There is no significant difference in the business conditions prevailing in various states of India, where the Company has its operation.

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd.)

#### (v) RELATED PARTY DISCLOSURES:

Information relating to Related Party Transactions as per Accounting Standard 18 notified by the Companies (Accounting Standards) Rules, 2006.

#### A) List of related Parties and Relationship

Party	Relationship
a) Tata Steel Limited	Associate - Tata Steel holds 32.58% of the voting powers of the company
b) Key Management Personnel Mr. Sudhir L. Deoras	Managing Director

#### B) Related Party Transactions

Rupees in lakhs

(Previous period's figures in italics)

	Associate	Key Management Personnel
<b>A) Transactions during the year ended March 31, 2012.</b>		
(i) Sales and Services (net of discounts) Tata Steel Ltd	9,790.82 <i>8,708.59</i>	
(ii) Purchase of raw materials Tata Steel Ltd	3,810.20 <i>3,855.28</i>	
(iii) Payment towards various services obtained Tata Steel Ltd	235.56 <i>204.48</i>	
(iv) Leasehold Rent Tata Steel Ltd.	38.41 <i>31.73</i>	
(v) Dividend Paid Tata Steel Ltd	71.71 <i>268.90</i>	
(vi) Remuneration Paid Mr. Sudhir L. Deoras		96.95 <i>87.33</i>
(vii) Provisions for Claims Tata Steel Ltd.	— <i>100.00</i>	
<b>B) Balance as on March 31, 2012.</b>		
(i) Receivables Tata Steel Ltd.	3,122.20 <i>4,200.41</i>	
Claims against the Company not acknowledged as debt Tata Steel Limited	501.83 <i>461.00</i>	
Provisions for claims Tata Steel Limited	— <i>100.00</i>	
(ii) Payables Tata Steel Ltd	468.68 <i>533.18</i>	

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd...)

#### (vi) Interest in Joint Ventures

The Group's interests in jointly controlled entities of the Group is :

Name of the Entity	Country of Incorporation	Ownership	Voting Power
Tata International DLT Private Limited*	India	50%	50%

\* Shareholding is through a wholly owned subsidiary, Dutch Lanka Trailer Manufactures Limited

Interest in Joint Ventures is accounted for using Proportionate Consolidation method

#### Group share in the Assets, Liabilities, Income and Expenses with respect to Joint Venture

	As at March '2012 Rs. in lakhs	As at March' 2011 Rs. in lakhs
<b>A. Non Current Assets</b>		
Fixed Assets (including Capital Work In Progress)	1,429.80	807.63
Deferred tax assets (net)	5.69	12.50
Long -term loans and advances	7.09	2.96
<b>Current Assets</b>		
Inventories	1,043.24	777.75
Trade receivables	656.89	983.28
Cash and cash equivalents	0.62	7.71
Short- term loans and advances	50.29	43.12
Other current assets	196.29	85.51
<b>B. Non Current Liabilities</b>		
Long-term borrowings	562.50	275.00
Long - term provisions	6.35	4.28
<b>Current Liabilities</b>		
Short-term borrowings	926.14	337.74
Trade payables	546.66	1,033.62
Other current liabilities	275.93	35.31
Short-term provisions	52.58	38.22
<b>C. Income</b>	<b>Year Ended March '2012 Rs. in lakhs</b>	<b>Year Ended March' 2011 Rs. in lakhs</b>
Net Sales and Services	7,414.90	6,909.84
Other income	52.27	46.66
<b>D. Expenditure</b>		
Operating & Other expense	7,221.28	6,695.57
Depreciation	80.25	27.84
Finance Cost	105.95	20.52
Provision for Taxation	24.31	73.48
<b>E. Other Matters</b>	<b>As at March '2012 Rs. in lakhs</b>	<b>As at March' 2011 Rs. in lakhs</b>
Capital Commitment	Nil	632.67
Other Commitment	Nil	Nil
Contingent Liabilities	Nil	Nil

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd...)

#### (vii) EARNINGS PER SHARE

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
(a) Profit after tax and after minority interest as per the Statement of Profit and Loss	1,319.38	26.93
(b) Weighted average number of equity shares of Rs.10/- each outstanding during the year	11,004,412	11,004,412
(c) Earning per share- Basic and diluted (Rs.)	11.99	0.24

#### (viii) Deferred Tax (arising out of timing difference)

##### Deferred Tax Assets

Provision for doubtful debts and advances	455.10	271.39
Provision for Contingencies	11.36	9.97
Provision for Warranty	69.17	49.31
Depreciation	126.06	59.39
Others, including compensated absence	153.66	154.75
	<b>815.35</b>	<b>544.81</b>

##### Deferred Tax Liabilities

Related to fixed assets	460.47	370.53
	<b>354.88</b>	<b>174.28</b>
Deferred tax liability for the exchange fluctuation on the long term loan given to TRF Singapore Pte. Ltd. (a 100% subsidiary company)	22.71	—
Deferred tax asset (net)	<b>332.17</b>	<b>174.28</b>

- (ix) Provision of Rs. 389.80 lakhs (previous year :Rs 376.70 lakhs) has been made for anticipated warranty costs relating to certain products manufactured and sold by the Company upto March 31, 2012 on the basis of technical and available cost estimates.

	March 31, 2012 Rs. in lakhs	March 31, 2011 Rs. in lakhs
Opening Balance	376.70	190.18
New Company*	—	157.58
Accruals made during the year (included in raw material consumption Rs. 58.18 lakhs, previous year Rs 62.94 lakhs)	183.55	191.09
Utilized during the year	125.69	157.87
Written back during the year	72.32	15.57
Currency realignment	27.56	11.29
Closing Balance	<b>389.80</b>	<b>376.70</b>

\* Represents provision for warranty of Hewitt Robins International Holdings Limited which have become subsidiary of the Company during 2010-11

## Notes Forming Part of the Financial Statements

For the Year Ended 31st March 2012

### 26. Disclosures under Accounting Standards (Contd...)

- (x) Consequent upon the resignation of the Company Secretary of the Company with effect from December 1, 2011, the company is in the process of appointing a full time Company Secretary under the provision of section 383A of the Companies Act 1956. As a result, these financial statements have not been authenticated by a whole time Company Secretary under section 215 of the Companies Act 1956. In the absence of the Company Secretary, the Controller of Accounts has been appointed as the Compliance Officer.
- (xi) The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified where ever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board

SUBODH BHARGAVA  
*Chairman*

SUDHIR L. DEORAS  
*Managing Director*

Place : Kolkata

Date : May 8, 2012

## Summary of Financial Information of Subsidiary Companies

Sl. No.	Name of Subsidiary company	Reporting Currency	Exchange Rate	Capital	Reserve	Total assets	Liabilities	Total Investment included in Total Assets	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit After taxation	Proposed Dividend	Country
1.	TRF Singapore Pte Ltd.	SGD	40.68	13,200.25	(824.92)	19,701.73	7,326.47	19,471.89	-	216.82	-	216.63	-	Singapore
2.	TRF Holdings Pte Ltd.#	USD	51.23	-	(69.91)	9,174.67	9,244.64	9,025.60	-	(69.67)	-	(69.67)	-	Singapore
3.	York Transport Equipment (Asia) Pte Ltd	USD	51.23	5,836.90	2,178.65	20,935.59	12,920.11	-	35,633.48	240.40	311.40	(70.99)	86.06	Singapore
4.	York Transport Equipment (India) Pvt Ltd	INR	1.00	330.14	(741.28)	5,966.95	6,378.16	-	11,476.99	(962.60)	117.42	(1,080.02)	-	India
5.	York Transport Equipment Pty Ltd	AUD	52.94	3,229.34	(4,542.71)	4,337.90	5,651.35	-	6,180.22	149.82	-	149.82	-	Australia
6.	York Sales (Thailand) Company Limited	THB	1.64	0.41	951.10	1,191.33	239.88	-	1,746.32	347.34	100.48	246.85	-	Thailand
7.	York Transport Equipment (SA) (Pty) Limited	RAND	6.63	6.63	(185.11)	230.13	408.67	-	121.33	(13.13)	-	(13.13)	-	South Africa
8.	York Transport Equipment (Malaysia) Sdn Bhd	MYR	16.70	-	(6.44)	-	6.51	-	-	-	-	-	-	Malaysia
9.	Rednet Pte Ltd.	USD	51.23	-	(452.77)	14.86	467.70	-	-	(6.66)	-	(6.66)	-	Singapore
10.	PT York Engineering	RUPIAH	0.01	51.33	(224.45)	9.21	182.40	-	-	(8.80)	-	(8.80)	-	Indonesia
11.	YTE Special Products Pte Ltd	USD	51.23	-	407.32	2,071.09	1,663.84	133.15	8,409.85	342.19	75.82	266.38	-	Singapore
12.	Qingdao YTE Special Products Co. Limited	CNY	8.07	134.92	(391.72)	1,500.29	1,757.16	-	9,925.54	76.02	-	76.02	-	China
13.	YORK Transport Equipment (Shanghai) Co. Ltd.	CNY	8.07	108.54	24.93	1,138.19	1,004.80	-	5,933.71	10.17	11.14	(0.97)	-	China
14.	Adithya Automotive Applications Private Limited	INR	1.00	700.00	76.52	3,646.65	2,870.20	-	7,372.96	213.56	(77.92)	291.48	-	India
15.	Dutch Lanka Trailer Manufacturers Limited	LKR	0.40	609.22	759.74	3,994.70	2,625.74	1,037.50	2,887.75	(652.04)	14.77	(666.80)	-	Sri Lanka
16.	Dutch Lanka Engineering (Private) Limited	LKR	0.40	46.00	250.97	793.06	496.16	-	2,110.40	92.56	34.14	58.42	9.20	Sri Lanka
17.	Dutch Lanka Trailers LLC	OMR	132.56	198.84	47.79	396.35	149.79	-	323.45	5.30	-	5.30	-	Oman
18.	Hewitt Robins International Ltd	GBP	81.94	1.64	2,181.22	3,019.34	836.55	-	2,069.74	447.90	110.69	337.21	-	United Kingdom
19.	Hewitt Robins International Holding Ltd	GBP	81.94	-	880.22	2,519.01	1,638.86	2,519.01	-	-	-	-	-	United Kingdom

# w.e.f February 02, 2012



# TRF LIMITED

A **TATA** Enterprise

Registered Office : 11, Station Road, Burmamines, Jamshedpur-831 007

## Attendance Slip

Members attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the FORTYNINTH ANNUAL GENERAL MEETING of the Company in the Auditorium of SNTI, 'N' Road, Bistupur, Jamshedpur - 831 001 at 12:00 noon on Saturday, July 28, 2012.

.....  
Full name of the Member  
(in block capitals)

.....  
Signature

Folio No. .... / DP ID No. \* ..... & Client ID No. \* .....  
\* Applicable for members holding shares in electronic form.

.....  
Full name of Proxy  
(in block capitals)

.....  
Signature

NOTE : Member/Proxy-holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.



# TRF LIMITED

A **TATA** Enterprise

Registered Office : 11, Station Road, Burmamines, Jamshedpur-831 007

## Proxy

I/We .....  
of ..... in the district of ..... being  
a Member/Members of the above named Company, hereby appoint .....  
..... of ..... in the district of ..... or failing him  
..... of ..... in the district of .....  
..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the  
FORTYNINTH ANNUAL GENERAL MEETING of the Company, to be held on Saturday, July 28, 2012 and at any  
adjournment thereof.

Signed this ..... day of ..... 2012.

Folio No. : ..... / DP ID No. \* : ..... & Client ID No. \* : .....

\* Applicable for members holding shares in electronic form.

Signature

Affix  
Revenue  
Stamp

No. of Shares held .....

@ in favour of

This form is to be used ..... the resolution. Unless otherwise instructed, the proxy will act as he/she thinks fit.  
@ against

@ Strike out whichever is not desired.

NOTES : (i) The proxy must be returned so as to reach the Registered Office of the Company at 11, Station Road, Burmamines, Jamshedpur - 831 007, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.

(ii) Those members who have multiple folios with different jointholders may use copies of this Attendance Slip/Proxy.



# POLICIES

## Quality Policy

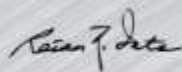
TRF Ltd shall provide engineering Products, systems, Services and Solutions that consistently meet its customers quality requirements in terms of specifications, performance and delivery, and shall continually improve the effectiveness of its Quality management System.

## Climate Change Policy for Tata Companies

Tata companies will play a leadership role in climate change by being knowledgeable, responsive and trustworthy, and by adopting environment-friendly technologies, business practices and innovation, while pursuing their own growth aspirations and the enhancement of the shareholder value.

Tata companies will measure their carbon footprint and will strive to:

- Be the benchmark in their segment of industry on the carbon footprint, for their plants and operations.
- Engage actively in climate change advocacy and the shaping of regulations in different business sectors.
- Incorporate 'green' perspective in all key organisational processes.



Ratan N Tata  
Chairman, Tata Sons

October, 2009

## TRF - Safety, Health & Environment Policy

TRF's Safety, Occupational Health and Environmental responsibilities are driven by our commitment to ensure zero harm to people we work with and our belief that safety and environmental concerns are integral to the way we do business.

1. We basically believe that all injuries can be prevented and each one of us is responsible for it.
  - We will identify, assess and manage our Safety, Health & Environment (S.H.E) Hazards, Risk and Impact;
  - We will build WILL & SKILL among our employees and partners for their involvement, responsibility and accountability to achieve sound S.H.E Performance.
2. We are committed to continual improvement in our S.H.E Performance.
3. We will truly succeed, when we achieve our Safety, Health and Environmental Goals and are valued by the Communities in which we work.



Managing Director  
TRF Limited

February 8, 2010



# CORPORATE SUSTAINABILITY



Registered, Sales and Administrative Offices and Works :-  
11, Station Road, Burmahines, Jamshedpur – 831007, Jharkhand, India  
**Ph No:** (0657) 3046326 / 250  
**E-mail:** co@trf.co.in, **Fax:**(0657) 2345732  
[www.trf.co.in](http://www.trf.co.in)