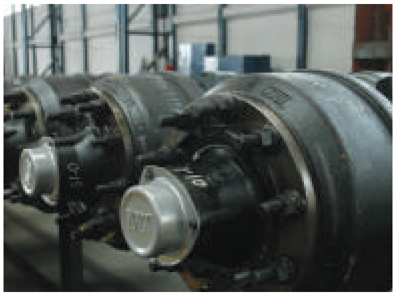
Creating Value through Material Handling

Annual Report
2009-10

TRF Limited
A TATA Enterprise

TRF Investments



York Transport Equipment (Asia) Pte Limited, Singapore

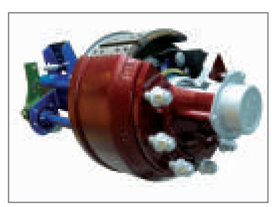
engaged in the business of trailer under-gears, which includes axles, suspension and other components. The company has manufacturing facilities in Singapore, Australia, China and India.

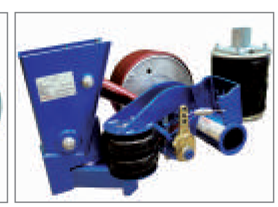
Adithya Automotive Applications Pvt. Limited

an automotive applications unit, at Lucknow, India for fixed body truck applications in India. The objective of this venture is to engage in automotive applications and provide end-to-end solutions through fabrication and machining for tippers, load bodies, refrigerated bodies, etc.

Dutch Lanka Trailer (DLT) Manufacturers Limited, Sri Lanka

a world class trailer manufacturing company with manufacturing facilities in Sri Lanka, Oman and India. It exports trailers to over 30 countries.





Shareholders Delight

Bonus Issue 1:1

Faith of shareholders was rewarded with the allotment of bonus shares in the ratio of 1:1.

Record Dividend

Record 120% dividend to shareholders (2008-09). Continuous dividend for 25 years.

Listing at NSE

Listed at NSE with effect from March 26,2010.

Innovations

The GROWTH 'Mantra: 5T's

Launched ToC - CCPM for better project management and timely completion.

Result :

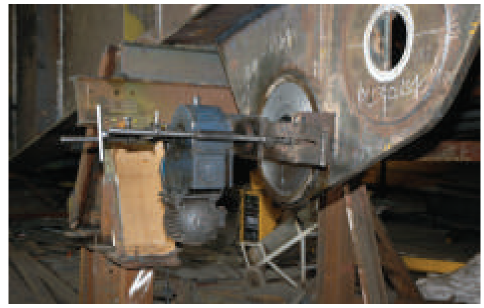
- Increase in number of drawings
- No. of revisions in G.A. drawings dropped
- Engineering outsourcing has stopped.
- With capacity enhancement engineering can complete more projects in a year.

SAP Covering modules across the organization

Mapping of more than 550 processes under following heads:

TRF Vision 2013 Mission
SAP
UPGRADE
REJUVENATE
EXPAND USAGE

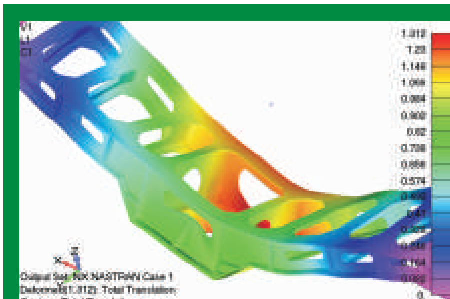
1. Order to Cash (O2C)
2. Procurement to Payment (P2P)
3. Finance Supply Chain Management (FSCM)
4. Enterprise Quality Management (EQM)
5. Equipment Plant Maintenance (EPM)
6. Recruitment to Retirement (R2R)



Out-of-the-box thinking

In situ machining

This innovative approach has yielded dramatic results by reducing the waiting time. The company is saving time by taking machine to the jobs placed outside the shop floor. This has helped to save time taken to complete jobs as they do not have to wait for the Skoda machines, installed in the shop floor, to deal with them. It has enabled the company to improve its commitment to its customers by undertaking multiple jobs simultaneously. Now jobs which waited for months are being completed earlier.



Use of Solidedge, Staddpro & Nastran

Modeling Software for fast and accurate engineering and design solutions.

Building Communities

- Vocational Training

- Recreation
- Literacy

- Health
- Empowerment

Excellence

Quality Circles

	Actual 31st Mar. 2009	Actual 31st Dec. 2009
Employees trained	48%	80%
No. of CFTs/QCs formed	42	74
Total employee involvement	47%	80%
No. of projects completed in current F.Y.	38	65
Total employee involvement in completed projects	43%	41%

Shop Floor Presentations

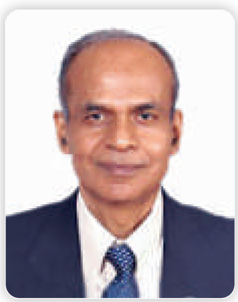
Board of Directors

Dr. J. J. Irani

Mr. S. J. Ghandy

Mr. S. K. Bhargava

Mr. B. D. Bodhanwala



Mr. R. P. Singh

Mr. Ranaveer Sinha

Mr. R. V. Raghavan

Mr. Dipankar Chatterji

Mr. Sudhir Deoras
Managing Director

Management

(As on May 29, 2010)

Sudhir Deoras	Managing Director
Hemant C. Kharkar	Chief Operating Officer
Ashim Roy	GM, Finance & Accounts
P. K. Tibdewal	Chief, BMHE & P & YE
P. P. Deshmukh	Chief, BMHS
Mediomah H. Patel	Chief, HR
Mukesh Prasad	Chief, BE
Subhasish Mukherjee	Deputy Chief, P & YE
N. K. Singh	Deputy Chief, BMHE
S. S. Chand	DGM, Construction, BMHS
V. K. Ram	DGM, Projects, BMHS
G. N. Chakraborty	DGM, Engineering, P & YE
Prashant Kumar	Company Secretary

Registered Office

11, Station Road, Burma Mines, Jamshedpur - 831 007

Bankers

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

Auditors

Deloitte Haskins & Sells, Kolkata

Registrars & Share Transfer Agent

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

Contents

47th Annual General Meeting will be held on Friday, July 23, 2010 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

NOTICE IS HEREBY GIVEN THAT THE FORTYSEVENTH 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 Friday, July 23, 2010 at 12:00 Noon to transact the following business:

1. To receive and adopt the audited Profit and Loss Account of the Company for the year ended March 31, 2010, 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, 2010.
3. To appoint a Director in place of Mr. B. D. Bodhanwala, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. R. V. Raghavan, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Mr. Dipankar Chatterji, who retires by rotation and is eligible for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:-

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the Company hereby approves the re-appointment of Mr. Sudhir Deoras as the Managing Director of the Company, for a further period of three years with effect from April 01, 2010, upon the terms and conditions as set out in the draft agreement submitted to this meeting and for identification signed by a director, authorizing the Board of Directors and/or a Committee of the Board to fix his salary within the scale from time to time, increasing thereby proportionately value of the benefits relating to the salary, as set out in the agreement, with the liberty to the Board of Directors and/or a Committee of the Board to alter and vary the terms and conditions of re-appointment and/or agreement in such manner as may be agreed to by and between the Board of Directors and Mr. Sudhir Deoras within the applicable provisions of the Companies Act, 1956."

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 Wednesday July 07, 2010 to Wednesday July 14, 2010 (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 14, 2010 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 06, 2010 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 & Share 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 Shares 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, 2004, and onwards, are requested to make their claims to the Registrars & Share Transfer Agents of the Company without any delay.

g) 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 Share Transfer Agents of the Company, for early transmission of Shares.

h) 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.

i) Members are requested to bring the admission slips along with their copies of the Annual Report to the meeting.

Registered Office:

11, Station Road,
Burma Mines,
Jamshedpur – 831 007.

May 29, 2010

By Order of the Board of Directors

Prashant Kumar
Company Secretary

ANNEXURE TO NOTICE

Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956

As required under Section 173 of the Companies Act, 1956 (hereinafter referred to as 'the Act') the following Explanatory Statement sets out all material facts relating to the special business mentioned in Item No.7 of the accompanying Notice dated May 29, 2010, convening the meeting.

ITEM No. 7

The three years term of Mr. Sudhir Deoras, Managing Director of the Company has expired on March 31, 2010. On March 11, 2010, the Board of Directors re-appointed Mr. Sudhir Deoras as the Managing Director of the Company for a further period of three years, with effect from April 01, 2010, subject to the approval of the Shareholders.

Mr. Sudhir Deoras has wide experience of over thirty seven years in various capacities. He was in charge of Tata Steel Bearing Division at Kharagpur before he took over as the Managing Director of Tata International Limited. From Tata International Limited he was moved to Tata Sponge Iron Limited as Joint Managing Director. Mr. Deoras was appointed as Managing Director of TRF with effect from April 01, 2007. He is instrumental in the accelerated growth of the Company. During his tenure, TRF has diversified itself into automotive applications business to hedge itself against any cyclic movement of economy and is set to achieve its future growth aspirations, as set out in Vision 2013. The re-appointment of Mr. Sudhir Deoras as the Managing Director would help the Company to achieve its future growth aspirations.

The Board of Directors of your Company, therefore, re-appointed Mr. Deoras as the Managing Director, subject to the approval of Shareholders.

The principal terms and conditions for re-appointment of Mr. Sudhir Deoras as Managing Director are as under:

1 REMUNERATION

A) SALARY

In the grade of Rs.50,000/- to Rs.5,00,000/- with the basic salary of Rs.2,80,000/- per month, with effect from April 01, 2010, with authority to the Board/Committee thereof to fix his salary within the said maximum amount from time to time. The annual increment, effective from April 01 each year, will be decided by the Board on merit and take into account Company's performance.

B) PERQUISITES AND ALLOWANCES

a) In addition to the salary and commission or performance linked remuneration, Mr. Sudhir Deoras, shall also be entitled to the following perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance and/or house maintenance allowance in lieu thereof, together with reimbursement of expenses and/or allowances as may be applicable from time to time; medical reimbursement/ allowances; leave travel concession/ allowances for himself and his family*; and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board or Committee thereof and Mr. Sudhir Deoras, subject to a maximum of 140% of the basic salary, provided that the total remuneration payable to Mr. Sudhir Deoras, as Managing Director, shall not exceed the limits stipulated under the Companies Act 1956. Further, Mr. Deoras will be entitled to transfer all his accumulated leave in any of the Tata Group Companies.

I) Rent free residential accommodation provided by the Company

OR

In case no residential accommodation is provided by the Company, the Managing Director shall be entitled to house rent and house maintenance allowance : - 85% of the salary

II)	i)	Allowance for helper/ education of children / personal accident insurance/ club membership fees/ other allowances	-	38.34% of salary
	ii)	Medical Allowance	-	8.33% of salary
	iii)	Leave travel concession/ Allowance	-	8.33% of salary
			-	55.00% of salary
			(Total I+II)	**140% of Salary**

III) The Managing Director shall be entitled to a provision of motor car maintained by the Company with driver and telecommunication facilities (expanding from telephone at residence to cover broadband, internet, fax, etc. apart from the telephone at residence).

IV) (i) The Managing Director shall be entitled to Medical expenses for major illness and hospitalisation expenses.

(ii) Income Tax valuation of Housing Loan perquisite (Presently computed at 8.5% less interest charged).

V) Such remuneration by way of commission, in addition to the salary and perquisites payable calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Act. The commission payable to Mr. Sudhir Deoras shall range between half and twice the amount of annual salary to be determined by the Board at the end of each Financial Year.

"OR"

Performance Linked remuneration not exceeding twice the annual salary as may be determined by the Board or committee thereof will be payable to Mr. Sudhir Deoras.

The specific amount payable to Mr. Sudhir Deoras will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board and adopted by the Shareholders.

b) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

c) Company's contribution to Provident Fund and Superannuation Fund will not be included for computation of perquisites to the extent these singly or put together are not taxable under the Income Tax Act. Gratuity payable and encashment of leave as per rules of the Company shall not be included for the computation of limits for the remuneration or perquisites aforesaid.

*Explanation: For the purpose of this clause family means the wife, dependent children and dependent parents of Mr. Sudhir Deoras.

(C) MINIMUM REMUNERATION :

Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of Mr. Sudhir Deoras, the Company has not made any profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites within the limits specified in Schedule XIII of the Companies Act, 1956 as modified from time to time.

2. Mr. Sudhir Deoras shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/ or minor children in any selling agency of the Company, without the prior approval of the Central Government and this agreement shall cease and determine upon the contravention of the provisions of this Clause.

3. The terms and conditions of the said re-appointment /agreement may be altered and/or varied from time to time by the Board or Committee thereof as it may in its discretion, deem fit, within the maximum amount payable to Mr. Sudhir Deoras in accordance with Schedule XIII to the Companies Act, 1956, or any amendments made hereafter in this regard or in excess of limits specified under Schedule XIII to the Companies Act with the approval of Central Government.

4. Earned / Privileged leave will be allowed to Mr. Sudhir Deoras as per the rules of the Company.

5. Mr. Sudhir Deoras as Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors of the Company or any Committee or Committees thereof.

6. Mr. Sudhir Deoras shall be entitled to reimbursement of entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company.

7. The Agreement may be terminated by either party giving the other party six month's notice or the Company paying six months' salary in lieu thereof.

8. If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.

9. If at any time Mr. Sudhir Deoras ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.

10. If at any time the Managing Director ceases to be a Managing Director of the Company for any cause whatsoever, he shall cease to be a Director of the Company.

11. The Managing Director shall not have the following powers :

    (i) power to make calls on shareholders in respect of monies unpaid on shares in the Company;

    (ii) power to issue debentures; and

    (iii) power to invest the funds of the Company in shares, stocks and securities.

In accordance with the provisions of Section 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, as amended up-to-date, the terms of re-appointment of Mr. Sudhir Deoras are placed before the Members in the Annual General Meeting for their approval. In the event the Company has no profits or inadequate profits in a financial year, approval of the shareholders is sought by way of Special Resolution for payment of remuneration to Mr. Sudhir Deoras, as Managing Director in terms of Notification dated January 16, 2002 issued by the Department of Company Affairs, containing amendments to Schedule XIII of the Companies Act, 1956, with respect to payment of monthly remuneration to a managerial person in the event the Company has no profits or inadequate profits in a financial year, as laid down in Part II of Section II of Schedule XIII of the Companies Act, 1956, depending upon the effective capital of the Company. This will be valid for the aforesaid period of his re –appointment.

The draft agreement to be entered into with Mr. Sudhir Deoras is available for inspection by Members of the Company at its Registered Office between 11.00 AM to 1.00 PM on any working day, except on Saturdays.

No other Director of the Company, except Mr. Sudhir Deoras, is concerned or interested in the resolution.

Registered Office:
11, Station Road,
Burma Mines,
Jamshedpur – 831 007.
May 29, 2010

By Order of the Board of Directors

Prashant Kumar
Company Secretary

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

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

Name of Director	**Mr. B. D. Bodhanwala**	**Mr. R. V. Raghavan**
Date of birth	02-11-1947	04-04-1942
Date of appointment	30-10-2000	23-10-2007
Expertise in specific functional areas	Civil Construction, Project & Material Handling	Finance, General Management
Qualifications	B.Com (Hons.)	B.Com, F.C.A. (England & Wales), A.M.P. (Harvard)
List of other companies in which outside Directorship held as on March 31, 2010	Adityapur Toll Bridge Co. Ltd.	Andhra Pradesh Paper Mills Ltd. Transport Corporation of India Ltd. Rane Engine Valve Ltd.
Chairman/ Member of the committees of the Boards of other companies on which he is a Director as on March 31, 2010	NIL	Andhra Pradesh Paper Mills Ltd. – Audit Committee - Member
Shareholding in TRF Limited	NIL	NIL
Name of Director	**Mr. Dipankar Chatterji**	**Mr. Sudhir Deoras**
Date of birth	23-08-1948	01.08.1951
Date of appointment	21-06-2008	22.01.2007
Expertise in specific functional areas	Finance & Accounts	Engineering
Qualifications	B.Com (Hons.), F.C.A.	B.E.(Mech.), PGDEM(JIT)
List of other companies in which outside Directorship held as on March 31, 2010	Hindusthan National Glass & Industries Ltd. West Bengal Industrial Development Corporation Ltd. United Credit Ltd. The Calcutta Stock Exchange Ltd. Nicco Ventures Ltd. Wireless-TT Info Services Ltd.	NIL
Chairman/ Member of the committees of the Boards of other companies on which he is a Director as on March 31, 2010	Hindusthan National Glass & Industries Ltd.- Audit Committee - Member West Bengal Industrial Development Corporation Ltd. – Audit Committee- Chairman United Credit Ltd. – Audit Committee - Chairman The Calcutta Stock Exchange Ltd. – Finance & Audit Committee - Chairman Wireless-TT Info Services Ltd.- Audit Committee - Chairman	NIL
Shareholding in TRF Limited	NIL	NIL

Information relevant to the re-appointment of Mr. Sudhir Deoras as the Managing Director as per Notification No. G.S.R. 36-E dated January 16, 2002 issued by the Department of Company Affairs:

I. GENERAL INFORMATION :

(1) Nature of Industry: Engineering

Over the last five decades, TRF has emerged as a pioneer in solutions for material handling equipment and processing systems required in the infrastructure development. In quest of rapid growth, TRF has also diversified into automotive applications business. It envisages to grow five times in five years and become a Rs. 2500 crores Company by financial year 2013 by enhancing focus on material handling business and auto applications business.

The Company has three business units which cater to the material handling requirements of customers in the core infrastructure sectors of the economy. TRF Limited undertakes turnkey projects for infrastructure development industries such as power and steel plants, cement, ports, fertilizers and mining projects. TRF's material handling products and systems are well known in the market, in India and overseas, for their reliability, productivity and longevity. The Company has been constantly upgrading and developing new products and systems with the help of internationally reputed enterprises who have cutting edge technical expertise.

The Company's subsidiary, York Transport Equipment (Asia) Pte Limited, Singapore is engaged in the business of trailer undergear, which includes axles, suspension and other components, with market presence in 27 countries. York Transport Equipment (Asia) Pte Ltd has manufacturing facilities in Singapore, Australia, China and India. TRF has also set up **A**dithya Automotive Applications Private Limited, an automotive applications unit for a fixed body truck application in India. The objective of this venture is to engage in automotive applications and provide end-to-end solutions through fabrication and machining for tippers, load bodies, refrigerated bodies, etc. TRF acquired the Dutch Lanka Trailer (DLT) Manufacturers Limited, Sri Lanka**.** DLT is a world class trailer manufacturing company and has manufacturing facilities in Sri Lanka, Oman and India. It exports trailers to as many as 30 countries.

TRF's skilled manpower meets the expectation of its customers by continuously adopting new technology, upgrading skills and serving its customers on time. They also use several process improvement tools and techniques like TOC-CCPM, quality circles, cross functional teams, etc to attain the highest level of productivity. TRF, with the help of advanced design and analysis software, constantly innovates, enhances efficiency and improves reliability of its products and systems which enable it to maintain leadership in the market.

(2) Expected date of commencement of commercial production: Not applicable.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

(4) Financial performance during last three years : **(Rs. in lakhs)**

Financial Parameters	2009-10	2008-09	2007-08
Turnover (Sales)	64994.95	53165.64	36284.53
Net Profit as per Profit and Loss Account as computed under Section 198 & 309(5) of the Companies Act, 1956	7515.96	7594.75	5241.03
Net Profit after Tax as per Profit and Loss Account	4717.87	4552.83	4216.99
Amount of dividend paid	825.33*	660.27	550.22
Rate of dividend declared (%)	75*	120	100

*Payable after approval by the members at the forthcoming AGM.

Note : The Company has allotted bonus shares in 1:1 ratio on August 06, 2009.

(5) Export performance and net foreign exchange earnings : **(Rs. in lakhs)**

	2009-10	2008-09	2007-08
Foreign exchange earnings including Deemed Export equivalent Rs. 32565.02 lakhs	32657.97	16546.34	7639.95
Foreign exchange outgoings equivalent Rs.	144.77	167.15	2449.50

(6) Foreign investments or collaborations, if any:

Marconi Corporation plc., UK holds 3.34% and Litton Systems Inc., U.S.A. holds 1.98% of the equity capital of the Company.

II. INFORMATION ABOUT THE APPOINTEES :

1. Mr. Sudhir Deoras

1(a) Educational Qualification :

Technical	a) Bachelor of Engineering (Hons.) Mechanical; b) Post Graduate Diploma in Electrical & Metallurgy from SNTI (formerly JTI) Jamshedpur;
Management	General Management training from CEDEP, INSEAD, France. Attended a programme on Globalisation at the Sloan School of Management, USA. International Business Course at IMD, Lussanne, Switzerland.

1(b) Experience :

Company	Nature of job
TRF Ltd.	Managing Director and overall in-charge of the Company with effect from April 01, 2007
Tata Sponge Iron Ltd.	Joint Managing Director from July 11, 2006 to March 31, 2007
Tata International Ltd.	In 1998, Sr. Executive Vice President and became the Managing Director and overall in-charge from April 15, 1999 to July 10, 2006
Tata Steel Ltd. (formerly The Tata Iron & Steel Co. Ltd.)	In 1973, joined as graduate trainee and worked in various operations and production departments. Was appointed as Works Manager at Tata Bearings and finally headed this profit centre. Appointed Principal Executive Officer in 1995 and responsible for TQM, Value Engineering & re-engineering.

2. Past remuneration (including contribution to PF, Superannuation fund and gratuity fund) for last 3 years:

2009-10	2008-09	2007-08
Rs. 73.60 lakhs	Rs. 61.88 lakhs	Rs. 37.02 lakhs

3. Recognition and awards:

a) A Member of the Eastern Regional Council of CII (ER) 2009-10;

b) A Member of the CII (ER)'s Mining & Construction Equipment Division for 2009-10;

c) A Member of CII (ER)'s Metallurgical Equipment Division for 2009-10;

d) Member of CII National Council on Export since 1999-2000 and was co- Chairman of CII National Committee on Export;

e) Member of Western Region Council of CII and was Chairman of its International Trade Committee;

f) Member of Managing Committee of Bombay Chamber of Commerce & Industry during 2000-01 & 2001-02 and was Chairman of the South Africa-India Business Committee.

4. **Job profile and his suitability:**

(a) **Job Profile**

Chief Executive Officer and overall in-charge of the TRF Ltd.

TRF is engaged in -

(i) Design, engineering, procurement, supply, civil and structural works, electrical and instrumentation systems, fabrication, erection and testing of bulk material handling equipment and systems;

(ii) Design, supply, installation and commissioning of Port & Yard equipment and services;

(iii) Project/Construction Management on EPC basis for setting up small and medium-size plants;

(iv) Providing EPCM services for project implementation;

His responsibilities include-

(i) Profitable operations of the Company through efficient and optimum utilisation of Company's resource viz., man, material and money.

(ii) Entering into strategic tie-ups and alliances for advancement of the business of the Company.

(iii) Development of new businesses.

(iv) Employee satisfaction.

(v) Customer satisfaction.

(vi) Enhancing shareholder value.

(b) **Suitability**

Mr. Deoras has served the Tata Group for over 37 years with distinction.

Mr. Deoras has to his credit turn-around of the Bearings Division of Tata Steel, a loss-making unit acquired by Tata Steel from Metal Box India Ltd into a profit centre.

Mr. Deoras was Managing Director of Tata International Limited from 1999 to July 10, 2006, a billion dollar trading House. From July 11, 2006 to March 31, 2007 he was Joint Managing Director of Tata Sponge Iron Limited, a fast growing Company in Sponge Iron Sector.

Mr. Deoras has been appointed as the Managing Director of TRF Limited with effect from April 01, 2007 and set a stretched target to "Grow five times in five years". To achieve this target TRF has systematically adopted strategy of inorganic growth in the bulk material handling sector and acquired a few well known companies of this sector.

Till date, Mr. Deoras has over 11 years of experience as Managing Director of various Tata companies, and 4 years as Head of Bearing Division of Tata Steel, a separate profit centre.

Mr. Deoras's vast experience in operations of different companies, successful record of turning around loss-making/sick companies and in view of the high esteem in which he is held in the corporate sector for his technical and commercial knowledge and business acumen, the Board considers Mr. Sudhir Deoras as the most suitable professional for shouldering the responsibilities of Managing Director of the Company.

5. **Remuneration proposed :**

Salary	In the grade of Rs. 50,000/- to Rs. 5,00,000/- with the basic salary of Rs. 2,80,000/- per month.
Perquisites & Allowances	Not exceeding 140% of the annual salary of Mr. Sudhir Deoras.
Commission	To be between half and twice the annual salary of Mr. Sudhir Deoras, as may be determined by the Board of Directors and/or a Committee of the Board within the stipulated limits under the Act. or
Performance Linked Remuneration	Not exceeding twice the annual salary as may be determined by the Board of Directors and/or a Committee of the Board, subject to the provisions of the Companies Act, 1956.
Minimum Remuneration only in case of absence or inadequacy of profits during any financial year	To be paid by way of salary, performance linked remuneration, perquisites & allowances, subject to the limits specified in Part II in Section II to Schedule XIII of the Companies Act, 1956.

III. OTHER INFORMATION :

(1) Inadequate profits:

The Company is seeking permission of the shareholders for making payment to the appointee remuneration in any of the three years of his re-appointment, as laid down in Part II in Section II to Schedule XIII of the Companies Act, 1956, only in the event the Company has no profit or inadequate profits in any such financial year.

(2) Steps taken or proposed to be taken for improvement:

a) strategic tie-ups & associations.

b) improvement in productivity and optimum utilisation of resources of the Company.

(3) Expected increase in productivity and profits in measurable terms:

The Company, by adoption of measures as aforesaid, expects higher turnover in future years with associated higher profits and productivity.

Highlights

Rupees in lakhs

	2009-10 Consolidated	2008-09 Consolidated	2007-08 Consolidated	2006-07	2005-06
Sales & Services (Net)	**865,91.86**	723,79.98	446,27.80	347,20.39	216,55.27
Other Income	**12,37.10**	269.76	4,13.11	2,16.07	24.01
Extraordinary Income	**—**	—	10,01.39	—	—
Employee Costs	**69,14.10**	56,82.92	39,53.52	25,88.45	24,00.26
Depreciation	**6,11.60**	3,82.62	2,26.61	1,31.88	1,29.86
Interest & brokerage	**12,50.76**	7,66.19	2,40.45	2,45.40	4,34.69
Profit before taxes	**73,86.77**	65,15.90	60,89.46	30,56.83	11,57.66
Provision for taxes (net)	**25,09.91**	24,67.08	18,61.89	10,39.77	4,50.19
Profit after taxes	**48,76.86**	40,48.82	42,27.57	20,17.06	7,07.47
Dividend (%)	**75 ***	120	100	60	40
Work Production	**200,09.86**	160,25.00	120,31.00	105,55.00	97,00.39
Progress billings	**540,46.76**	380,89.22	286,61.00	262,39.00	150,14.33
	As on 31.03.2010	As on 31.03.2009	As on 31.03.2008	As on 31.03.2007	As on 31.03.2006
Net fixed assets	**61,70.29**	35,41.08	26,72.02	8,72.44	8,53.76
Share Capital	**11,00.44 ****	5,50.22	5,50.22	5,50.22	5,50.22
Reserves and Surplus	**136,16.54**	11886.38	87,20.86	50,11.75	37,22.33
Net worth	**147,16.98**	12436.60	92,71.08	55,61.97	42,72.55
Borrowings	**216,61.95**	93,36.01	51,90.26	10,43.06	41,27.13
Net worth per share (Rs.)	**133.74**	226.03	1,68.50	1,01.09	77.65
Debt: Equity ratio	**1.47:1**	0.75:1	0.55:1	0.19:1	0.97:1
Number of employees	**1336**	928	897	761	753

* On post bonus equity shares.

** 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-seventh Annual Report and the audited statements of Accounts for the year ended March 31, 2010.

1.0 Financial Results

(Rupees in lakhs)

	TRF (Stand alone)		TRF (Consolidated)	
		Previous Year		*Previous Year*
Net Sales & Services / Income from Operations	649,94.95	531,65.64	865,91.86	723,79.98
Other income	3,65.31	9,18.67	12,37.10	2,69.76
Total income	653,60.26	540,84.31	878,28.96	726,49.74
Expenditure:				
a) (Increase)/Decrease in Inventories and Contracts in progress	(16,16.29)	5,27.47	(13,99.99)	(6,91.69)
b) (i) Consumption of raw materials & Components	361,31.61	277,03.49	508,44.79	421,41.82
(ii) Payment to sub-contractors	101,29.79	75,95.28	103,38.55	77,74.54
c) Employee Costs	43,08.51	37,50.60	69,14.10	56,92.68
d) Operations administration and selling expenses	77,40.11	53,78.63	118,08.19	87,35.90
e) Total Expenditure (a to d)	566,93.73	449,55.47	785,05.64	636,53.25
Profit before interest, depreciation, exceptional/extraordinary items and tax	86,66.53	91,28.84	93,23.32	89,96.49
Interest	9,72.82	5,78.51	12,50.76	7,66.19
Profit before depreciation, exceptional/extraordinary items and tax	76,93.71	85,50.33	80,72.56	82,30.30
Depreciation	3,19.50	1,89.80	6,11.60	3,82.62
Profit/(Loss) before exceptional/extraordinary items and tax	73,74.21	83,60.53	74,60.96	78,47.68
Amount transferred to Capital Account	—	—	(1,07.01)	—
Profit before exceptional/ extraordinary items and after amount transferred to Capital Account	73,74.21	83,60.53	75,67.97	78,47.68
Exceptional/Extraordinary items [gain/(loss)]: Prior period items	(2,39.91)	(13,31.78)	(1,81.20)	(13,31.78)
Profit / (Loss) before tax	71,34.30	70,28.75	73,86.77	65,15.90
Provision for Taxation for the year	25,75.00	24,13.73	26,61.38	24,04.89
Provision for Deferred Tax liability	(1,58.57)	20.19	(1,51.47)	20.19
Provision for Fringe Benefit Tax	—	42.00	—	42.00
Profit/(Loss) after tax	47,17.87	45,52.83	48,76.86	40,48.82
Less: Minority Interest	—	—	2,04.80	—
Profit after minority interest	47,17.87	45,52.83	46,72.06	40,48.82
Add: amount brought forward from previous year	18,02.03	20,21.68	10,55.19	17,78.85
Disposable Profit	65,19.90	65,74.51	57,27.25	58,27.67
Appropriations:				
(a) Proposed Dividend	8,25.33	6,60.26	8,25.33	6,60.27
(b) Tax on Dividend	1,37.08	1,12.21	1,38.32	1,12.21
(c) General Reserve	40,00.00	40,00.00	40,00.00	40,00.00
Balance carried forward	15,57.49	18,02.03	7,63.60	10,55.19
	65,19.90	65,74.51	57,27.25	58,27.67

(figures for previous year have been regrouped wherever necessary)

2.0 Dividend

The Directors recommend payment of dividend of 75% for the year ended March 31, 2010 on the post bonus capital (previous year: 120% on the pre bonus capital), if approved by the shareholders at the ensuing Annual General Meeting.

3.0 Increase in Authorized Capital

During the financial year your Company has increased its authorized Capital from Rs. 150,000,000/- (Rupees fifteen crores) to Rs. 300,000,000/- (Rupees thirty crores) only.

4.0 Issue of Bonus Shares

During the financial year your Company has allotted bonus Equity Shares in 1:1 ratio to its existing Equity Shareholders. After allotment of bonus Shares the Paid-up Share Capital of your Company is Rs. 110,044,120/- (Rupees eleven crores forty four thousand one hundred and twenty) only.

5.0 Issue of Commercial Papers

During the financial year your Company has issued Commercial Papers worth Rs. 150,000,000/- (Rupees fifteen crores) only.

6.0 Credit Rating

During the financial year your Company has got its credit rating done for Short Term Debt including Commercial Papers, by CARE. CARE has assigned 'PR1+' rating to the proposed issue of Commercial Papers, for an amount of Rs. 90.00 crores. This rating is the highest given to any Indian company, in our field of business.

7.0 Operations

7.1 During the financial year 2009-10 performance of your Company was as follows:

- ❑ Total income at Rs. 878,29 lakhs, (Previous Year Rs. 726,50 lakhs);
- ❑ Profit before tax at Rs. 73,87 lakhs, (Previous Year Rs. 65,16 lakhs);
- ❑ Profit after tax at Rs. 48,77 lakhs, (Previous Year Rs. 40,49 lakhs);
- ❑ Earning Per Share as on March 31, 2010 was Rs. 42.46 (Previous Year as on March 31, 2009 was Rs.36.79);
- ❑ All time high production of Rs. 200,00 lakhs, (Previous Year Rs. 160,00 lakhs);

7.2 The order book position at the end of the year was healthy.

7.3 During the financial year 2009-10 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 "Balance of Plant" MAHAGENCO, Bhusawal;

d) Coal Handling Plant for 2 x 600 MW Power Plant for DVC, Raghunathpur.

8.0 Subsidiaries

<u>Subsidiaries Performance</u>

8.1 <u>YORK Group</u>

During the year, the Automobile industry was affected by the global recession. The first half of the year was extremely difficult with all key markets curtailing capex spending resulting in very low economic activity, but the second half of the year has shown a recovery.

In India, York products command a premium over competition because of their brand value and product quality. Their presence in India was enhanced with a larger sales and service force. Many new OEM customers were acquired during the year. York expanded its spare parts network by increasing the distributors and service outlets. York also increased its market share in Australia, South Africa, Indonesia and Thailand by expanding its customer base. To provide better services and ensure availability of genuine spare parts to the customers, York set up the Group Application and Service department in Singapore.

During the year, the Company launched MFL (Maintenance Free Longlife bearing) axle at the Brisbane Show in May 2009. Another product, 25T mechanical suspension was exhibited at the Melbourne Show in March 2010. These products were developed by York's in-house R&D department. These products are expected to increase York's revenue in Australia & Indonesia and improve profitability. In January 2010, York participated at the Auto Expo in New Delhi and introduced four new products, suited for mining, ports, ODC segments and off road applications.

In October 2009, York has set up a new facility in Shanghai, China to increase its manufacturing capacity and to make the products more competitive. To cater to the expected steep growth in the trailer Industry as well as to meet the increased demand of York products in India, the Company has planned to set up a green field manufacturing Plant in India.

8.2 Adithya Automotive Applications

On June 1, 2009, your Company has entered into a Joint Venture Agreement with Tata Capital Limited and Jasper Industries Private Limited to form a Joint Venture, viz. Adithya Automotive Applications Private Limited ("AAA"). Your Company holds 51% Equity Stake in this Joint venture. "AAA" is engaged in the business of automotive applications to provide end to end solutions through fabrication and machining for vehicles to be used as tippers, load bodies, refrigerated bodies etc.

The company started its first year of operations in November 2009 and during the year it supplied tipper bodies to its major customer Tata Motors. AAA's own manufacturing facilities located close to the Tata Motors' Lucknow plant will be ready for operation during the second quarter of the current fiscal year.

8.3 DLT Group

On July 7, 2009 your Company has acquired 51% Equity Shares (77,676,137) of Dutch Lanka Trailer Manufacturers Limited based at Sri Lanka, at a consideration of USD 8.67 million (equivalent to Rs. 4203.22 Lakhs), through its wholly owned Subsidiary TRF Singapore Pte. Limited. Remaining 49% Equity Shares of DLT is subject to a Put & Call option. Put option can be exercised on or after October 1, 2011 and the call option can be exercised any day. The Company (DLT) has inherent strength of a good brand in Port Trailers across 30 countries and also significant presence in Road Trailers in South Asian markets.

The Sri Lankan operations depend primarily on exports. During the year the performance of DLT in Sri Lanka was impacted adversely due to overall economic slowdown and consequential postponement of investments all over the world, especially in ports and other infrastructure projects.

DLT has moved its manufacturing operations to a newly constructed workshop near Colombo. DLT now has a capacity to produce over 4200 Trailers per year. Going forward the company has aggressive growth plans to improve its business by reaching out in new markets and adding new products. Continued good business sentiments in India, South Asia and growing Africa demand will be focus markets.

Dutch Lanka Engineering (Private) Limited, a 100% subsidiary of DLT in Sri Lanka is engaged in repairs, maintenance and service business of trailers in Sri Lanka, has improved its performance, whereas DLT LLC OMAN, a subsidiary of DLT in Oman which manufactures and sells trailers in middle-east countries, was impacted due to overall economic slowdown. Through its joint venture with Tata International Limited in India known as TATA-DLT, it produces the largest number of Road Trailers in India.

A list of the Company's subsidiaries is given in Page No. 90 of this Report.

9.0 Exports

During the year, your Company earned foreign exchange worth Rs. 326,57.97 lakhs through exports, including deemed exports of Rs. 325,65.02 lakhs**,** as against previous year's earnings through exports (including deemed exports) of Rs. 165,46.34 lakhs.

10.0 Audit Report

The Auditors in their report to the members have commented on the misstatement on the financial reporting perpetrated on the Company. Such wrong costs and consequential revenue recorded have been reversed in the current year. Your Company has initiated an investigation into the matter and will take appropriate corrective action to improve the systems and processes.

11.0 Management Discussions and Analysis

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

12.0 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).

13.0 Business Excellence & Quality

13.1 Business Excellence

Your Company is a signatory of 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). During the year, your Company scored 530 points (out of maximum of 1000) in the TBEM assessment (Previous Year 504 Points), and committed to further improvements.

Numerous actions have been taken to further improve business processes:

- Greater thrust on 'safety' related issues (including training to contract workmen);
- Large no. of important projects have been completed by Quality Circles;
- Participation of workmen in knowledge sharing sessions (Manthan) at Tata Steel;
- Major initiatives during the year were as follows:
  - o SAP Up-gradation
  - o Implementation of TOC-CCPM (Theory of Constraints – Critical Chain Project Management) at BMHS and P&YE Divisions

- o Six-sigma / Flow Control System at BMHE Division.

13.2 Quality

Recertification of ISO 9001-2000 Version is being obtained by various divisions of your Company as and when due.

14.0 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 -

14.1 in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

14.2 they have, in the selection of the accounting policies, consulted the Statutory Auditors 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;

14.3 they have 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;

14.4 they have prepared the annual accounts on a going concern basis.

15.0 Corporate Social Responsibility

15.1 Further to the adoption of the Code for Affirmative Action by TRF, your Company continued with its policy of undertaking upliftment activities for the benefit of the members of the SC/ ST section of the community and to enable them to realize their potential as productive members of the society.

Your Company, with the commitment and voluntary support of its employees and the TRF Ladies Association, a registered body and an organization of TRF Officers' wives, carried out numerous programmes to improve the quality of life of the community with which it is identified. The beneficiaries were from the villages surrounding TRF Nagar, your Company's residential colony. The Company has identified the residents of these villages, which constitutes mostly of SC and ST members, as the key stakeholder group.

The TRF Ladies Association continued to identify, facilitate and sponsor the vocational training of children belonging to SC/ ST sections of society, under the Company's Affirmative Action Policy. During this period, training was provided in various disciplines to a number of youths from this section of society to increase their employability.

Your Company continued its support to "Akshar", a school run for the underprivileged children. Housed in TRF Nagar, the school continued to empower the community through its literacy programme. In addition to providing basic education, the school run by TRF Ladies Association, provides stationery and a nutritious mid-day meal to the children. Health check up as and when required and medicines are given to the students by the Ladies Association. During the year a number of children from these communities were enrolled in the school. In addition, the TRF Ladies Association started a new initiative whereby it facilitated the education of five visually impaired children from low income families located in the neighboring community.

15.2 Your Company along with the TRF Ladies Association successfully carried out its women empowerment programme through 'Astitva', its Mahila Kendra – a centre for women empowerment. It trained and enabled several women from the neighboring community through its short term courses on skills development, with the objective to enable them supplement their family earning.

15.3 The Company's commitment to the surrounding community on providing health support services continued during the period under review. It conducted a free health check-up camp and distributed medicines to the people residing in the vicinity of the Company premises. Your Company conducts Free Cataract Operation Camps with Lens implantation (IOL) for the under privileged every year. In the year 2009-10, 135 free cataract operations were conducted. Your Company along with the support of its employees actively participated in the pulse-polio immunization organized under the pulse polio eradication programme of the Government of India. This programme covered 209 children from the surrounding community.

15.4 During the year, your Company conducted two Blood Donation Camps which received an overwhelming response from the employees and their families. 405 units of blood were collected and handed over to the Jamshedpur Blood Bank.

15.5 Your Company continued to conduct its fortnightly health clinic programme at Birsanagar, Jamshedpur. For the past four years, a free fortnightly health clinic is being run in Birsanagar where along with TRF Doctors, the TRF Ladies Association has been extending OPD facilities to the patients and providing free medicines. The response from the community has been overwhelming.

15.6 Your Company continued to support the Valley View School (affiliated with CBSE), nestled in TRF Nagar, Jamshedpur a leading school in the city, to provide quality education to over 1450 children each year and to groom the students to become responsible and disciplined citizens.

15.7 During the year, your Company donated two tube wells to a High School in Birsanagar area and to the residents of Birsanagar Zone II. It also provided sanitation and potable water facilities to the residents of the 'bustee' adjoining the TRF Works. In line with the Tata Group Philosophy, TRF Ladies Association is actively working in the area of "Climate Change", and have started a rain water harvesting project in TRF Nagar to improve the water table in adjacent bustees, thereby increasing availability of water to the bustees throughout the year.

16.0 Environment

Although, the operations of your Company at Jamshedpur, and at its construction sites, are basically non-polluting in nature, adequate precautions are taken to comply with all regulatory requirements in this regard at all locations and construction sites. 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.

17.0 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.

18.0 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 71.50% of Company's Share Capital stood in dematerialized form as on March 31, 2010.

19.0 Industrial Relations

The Directors would like to place on record their sincere appreciation to 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.

20.0 Directors

20.1 Mr. B. D. Bodhanwala, Director, retires by rotation at the next Annual General Meeting in accordance with provisions of the Companies Act, 1956 and is eligible for re-appointment.

20.2 Mr. R. V. Raghavan, Director, retires by rotation at the next Annual General Meeting in accordance with the provisions of the Companies Act, 1956 and is eligible for re-appointment.

20.3 Mr. Dipankar Chatterji, Director, retires by rotation at the next Annual General Meeting in accordance with the provisions of the Companies Act, 1956 and is eligible for re- appointment.

20.4 Mr. Sudhir Deoras has been re-appointed as Managing Director for a further period of three years with effect from April 01, 2010.

21.0 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.

22.0 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.

23.0 Auditors

The existing Auditors, Messers Deloitte Haskins & Sells (DHS), Kolkata, Chartered Accountants, retire at the next 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 2010-11 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.

24.0 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 the employees of your Company.

On behalf of the Board of Directors

Kolkata,
May 29, 2010

Dr. Jamshed J. Irani
Chairman

Annexure to the Directors' Report 2009-10

(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 control
- Power factor improvement
- Shop floor illumination improvement through natural light & energy efficient lights.
- Energy efficient welding Machines.
- Acoustic cover 200 KVA Diesel generator set for Maximum Demand Control.

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

- To install soft starters for higher K.W. motors
- To install capacitor banks in the shop floor near to the load point

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 next column.

C. Foreign Exchange Earnings and Outgo

Earnings - Rs. 32657.97 Lakhs

Outgo - Rs. 144.77 Lakhs

Information on foreign exchange outgo is contained in Schedule 19 of Notes to Accounts

Form B

Research & Development

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

   Design development :
   - 3D Design completed for Plough Feeder for single shelf with Rotor diameter 4000mm of 2250 TPH
   - Unbalanced motor 6'x14' Single Deck Screen
   - Unbalance Motor Feeder (2400 x 4200 mm of 1750 TPH) capacity
   - Heavy Duty Feeder Breaker used as Primary Crusher (1500 x 1500 x1200 mm of 500 TPH) capacity
   - TA-1218/22 Reversible Impact Crusher of 650 TPH

2. **Benefits derived as a result of the above R&D**
   - Availability of designs/ drawings for wider range of products.
   - Introduction of products to meet customized requirements.

3. **Future Plan of Action**

   To introduce :
   - TA-1214/16 Reversible Impact Crusher (150 TPH).
   - 2 x 5 mtrs. Single Deck Screen with Single exciter unit.
   - Man Riding Chair Lift System for underground mines.

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

a)	Capital	:	Nil
b)	Recurring/Revenue	:	Rs. 0.86 lakhs
c)	Total	:	Rs. 0.86 lakhs
d)	Total R&D expenditure as a percentage of total turnover	:	0%

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

   Development of Stacker Reclaimer with remote communication system and on Board fire detection & fighting mechanism.

On behalf of the Board of Directors

Kolkata,
May 29, 2010

Dr. Jamshed J. Irani
Chairman

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. Industry, Structure and Development

During the financial year 2008-09, global downturn effected customers in Steel, Power and Mining industries, delaying their scheduled project, which resulted in slowing down of major order booking for the industry in which your Company operates. The Indian economy started to revive during second half of the financial year 2009-10 and your Company was successful in booking major orders taking its order book position to a healthy level.

Considering the investment targets set for the infrastructure sector during the 11th & 12th five year plans, by the Government of India, your Company is expected to maintain the healthy growth rate in the coming years.

The results of your Company's subsidiaries viz; Adithya Automobile Application Private Limited (AAA), TRF Singapore pte. Ltd. (holding Company of YORK Transport Equipment Asia Pte. Limited (YTEA) and Dutch Lanka Trailer Manufacturers Limited (DLT), were upto the expected levels. With the revival of economy, especially in the automotive sector, performance of these subsidiaries is expected to improve significantly during the current year.

2. Opportunities & Threats

- The Company is exploring opportunities for collaborations and tie-ups to upgrade the technology;
- To de-risk the business, your company has entered into Auto Application businesses as a hedge against any cyclic variation;
- Your company is investing in plant and machinery to enhance fabrication and machining capabilities to increase equipment production, required to meet the increased demand for its products.

Your Company does not perceive any major threat except for those attributable to intense competition and rising costs of inputs without commensurate increase in the net realizations.

3. Financial Performance

On standalone basis, total income of your Company during the year was Rs. 653,60.26 lakhs, (Previous year Rs. 540,84.31 lakhs). Profit before Tax for the year was Rs. 71,34.30 lakhs (Previous year Rs. 70,28.75 lakhs). Profit after Tax for the year was Rs. 47,17.87 lakhs (Previous year Rs. 45,52.83 lakhs).

On consolidated basis, total income of your Company during the year was Rs. 878,28.96 lakhs, (Previous year Rs. 726,49.74 lakhs). Profit before Tax for the year was Rs. 73,86.77 lakhs (Previous year Rs. 65,15.90 lakhs). Profit after Tax for the year was Rs. 48,76.86 lakhs (Previous year Rs. 40,48.82 lakhs). Improved performance has been made possible by continuous efforts of your Company's Management, on improving competitiveness through reduction in internal costs and better operating efficiencies.

4. Segment-wise Performance

Both the segments of your Company under which details have been reported, have done well during the year under review. The Projects and Services segment has posted revenue of Rs. 551,61.55 lakhs (Previous Year Rs. 438,40.66 lakhs) and the Products and Services segment has also posted revenue of Rs. 181,89.70 lakhs (Previous Year Rs. 165,91.47 lakhs), including inter segmental revenue of Rs. 83,56.30 lakhs (Previous year Rs. 72,66.49 lakhs).

5. Segmental Results

The Projects and Services segment posted segmental profits of Rs. 52,57.45 lakhs (Previous Year Rs. 59,24.53 lakhs) while the Products and Services segment have recorded a profit of Rs.26,40.12 lakhs (Previous Year Rs.17,40.82 lakhs). The Profit, of the Company, after deducting Interest and other unallocable expenditure/ income from the segmental results, has been Rs.71,34.30 lakhs (Previous Year Rs. 70,28.55 lakhs).

6. Outlook

In its quest to exploit new opportunities and to expand its business, your Company is looking forward to enter into technical tie-ups, acquisitions, Joint Ventures, etc.

7. Risk 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 to improve the existing Risk Management System.

8. 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 at each Board Meeting. The Company Secretary ensures compliance with the SEBI regulations and provisions of the Listing Agreement. The General Manager (F&A) as the Compliance Officer for prevention of insider trading ensures compliance with the Tata Guidelines on Insider Trading.

9. 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. During the year the Audit Committee of the Board regularly met to discharge its functions as per the guidelines of Clause 49 of the Listing Agreement. The internal audit activities are undertaken as per the Annual Audit Plan developed by the internal auditor based on the risk profile of business processes/ sub-processes. The audit plan is approved by the Audit Committee, which regularly reviews compliance with the plan.

The Audit Committee meets with the Statutory Auditors to ascertain their views on the adequacy of internal control and their observations on the financial reports. The Audit Committee advised on strengthening the processes, controls and systems relating to the accounting standard.

10. Developments in Human Resources/ Industrial Relations front

As in previous years, efforts towards human resource development have been continued during the year, with greater emphasis on training and improvement initiatives. With a very enlightened Workers Union, industrial relations in your Company continue to be healthy and cordial.

On behalf of the Board of Directors

Kolkata,
May 29, 2010

Dr. Jamshed J. Irani
Chairman

Corporate Governance Report for the year 2009-10

(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 an international leader in material handling equipment, processes and systems. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Company expects to realize its Vision by taking such actions as may be necessary to expand its business on a sustainable basis by building a team that is passionate about serving 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 strength of the Board as on March 31, 2010 was 9, comprising of:

Promoter, Non-Independent, Non-Executive Directors	:	2
Independent, Non-Executive Directors	:	6
Executive Director	:	1

There is no Nominee or Institutional Director on the Board of the Company.

The Company has a Non-Executive Non-Independent Chairman and the number of Independent Directors is more than 50% of the total number of Directors on the Board. The number of Non-Executive Directors is more than 50% of the total number of Directors.

No Director on the Board was a Member of more than 10 Committees and Chairman of more than 5 Committees, across all the companies in which he was a Director. All the Directors have made the necessary disclosures regarding Committee positions.

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 2009-10	Whether attended the AGM held on July 20, 2009	No. of Directorships in other companies as on March 31, 2010		No. of Committee positions held in other Companies as on March 31, 2010#	
				As Chairman	As Director	As Chairman	As Member
Dr. Jamshed J. Irani, (Chairman)	Promoter Non-Independent Non-Executive Director	9	Yes	2	7	–	2
Mr. S. J. Ghandy	Independent Non-Executive Director	8	Yes	–	6	1	2
Mr. S. K. Bhargava	Independent Non-Executive Director	6	Yes	3	8	4	4
Mr. B. D. Bodhanwala*	Independent Non-Executive Director	8	Yes	–	1	–	–
Mr. R. P. Singh	Promoter Non-Independent Non-Executive Director	8	Yes	–	2	–	1
Mr. Ranaveer Sinha	Independent Non-Executive Director	8	Yes	–	1	–	–
Mr. R. V. Raghavan*	Independent Non-Executive Director	9	Yes	–	3	–	1
Mr. Dipankar Chatterji*	Independent Non-Executive Director	9	Yes	2	4	4	1
Mr. Sudhir Deoras** (Managing Director)	Executive Director	9	Yes	–	–	–	–
Mr. R.C. Nandrajog, (upto 31.07.2009) (Executive Director)	Executive Director	3	Yes	–	–	–	–

* Retire by rotation at the 47th Annual General Meeting in accordance with the provisions of the Companies Act, 1956 and are eligible for re-appointment (refer para 20 of Directors' Report).

** Re-appointed as the Managing Director for a further period of three years, with effect from April 1, 2010.

\# Represents Chairmanships/ Memberships of Audit Committee and Shareholders'/ Investors' Grievance Committee.

The Board met nine times during the financial year 2009-10 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 19, 2009 (ii) June 16, 2009 (iii) July 20, 2009 (iv) September 07, 2009 (v) October 28, 2009 (vi) November 18, 2009 (vii) January 29, 2010 (viii) March 11, 2010 and (ix) March 22, 2010.

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 during each meeting.

The Tata Code of Conduct, as adopted by the Company, is applicable to the Executive Director(s) and Senior Management Personnel and other Executives of the Company. The Company has received confirmation from the Executive Director(s) 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. These codes are posted on the Website of the Company.

The Company did not have any pecuniary relationship with any Non-Executive Director during the financial year 2009-10.

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 Company has complied with the requirements of Clause 49II (A) of the Listing Agreement with regard to composition of the Committee. The composition of the Audit Committee and the details of the meetings of the Committee attended by the Directors during the financial year 2009-10, are given below:

Name of Member	Position	Category	No. of meetings attended
Mr. S. J. Ghandy	Chairman	Independent Non-Executive Director	7
Mr. S. K. Bhargava	Member	Independent Non-Executive Director	5
Mr. R. V. Raghavan	Member	Independent Non-Executive Director	8
Mr. Dipankar Chatterji	Member	Independent Non-Executive Director	8
Mr. B. D. Bodhanwala (upto 19.05.2009)	Member	Independent Non-Executive Director	1

Mr. S. J. Ghandy, Chairman of the Committee, was present at the last Annual General Meeting held on July 20, 2009.

The Committee met eight times during the financial year 2009-10 on the following dates:

(i) May 19, 2009 (ii) June 16, 2009 (iii) July 20, 2009 (iv) September 07, 2009, (v) October 28, 2009, (vi) November 18, 2009, (vii) January 29, 2010 and (viii) March 08, 2010.

Audit Committee meetings were attended by the General Manager (Finance & Accounts) and Head-Internal Audit. Other senior executives of the Company attended the meetings as and when invited by the Committee. Representatives of the Statutory Auditors were invited to the meetings as and when felt necessary. The Company Secretary acts as the Secretary to the Committee.

The necessary quorum was present at all the meetings.

Whistle Blower Policy

At its meeting held on March 23, 2005, the Board had adopted the Model Whistle Blower Policy, framed by the Tata Group General Counsel.

To further streamline the process, Tata Group General Counsel suggested modifications to the Model Whistle Blower Policy, in December 2005. The Board of Directors at their meeting held on December 26, 2005, approved the Whistler 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 protective disclosure about unethical behaviour, actual or 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. Under the policy, each employee of the Company has an assured access to the Ethics Counsellor/ Chairman of the Audit Committee.

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 Director(s), to recommend to the Board the salary (including annual increments), perquisites and commission/performance linked remuneration to be paid to the Managing/Whole-time Director(s) of the Company, finalizing perquisites package of the Managing/Whole-time Director(s) within the overall ceiling fixed by the Board, recommend retiral benefits to be paid to the Managing/Whole-time Director(s) 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 composition of the Committee and the details of the meetings attended by the Directors during the financial year 2009-10 are as follows:

Name of Member	Position	Category	No. of meetings attended
Mr. B. D. Bodhanwala	Chairman	Independent Non-Executive Director	3
Dr. Jamshed J. Irani	Member	Promoter Non-Independent Non-Executive Director	3
Mr. S. K. Bhargava	Member	Independent Non-Executive Director	2
Mr. R. V. Raghavan (w.e.f. 19.05.2009)	Member	Independent Non-Executive Director	2
Mr. R. P. Singh (upto 19.05.2009)	Member	Promoter Non-Independent Non-Executive Director	1

During the financial year 2009-10, the Committee met three times on the following dates:

(i) May 19, 2009 (ii) July 20, 2009 and (iii) March 11, 2010.

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 of the Company (computed in accordance with Sec 309 (5) of the Companies Act, 1956). Total sitting fees paid to the Non-Executive Directors for attending meetings of the Board and Committees thereof during the financial year 2009-10 amounted to Rs. 19, 80,000/- (Rupees nineteen lakhs eighty thousand) only. A provision has also been made in the Accounts for the financial year 2009-10 to the extent of Rs. 50,00,000/- (Rupees fifty lakhs) for payment of Commission from the net profits to the Directors other than the Managing/ Whole-time Director(s), as per resolution adopted by the Shareholders at the Annual General Meeting held on June 21, 2008. 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 Company paid sitting fees of Rs. 15,000/- per meeting to its Non-Executive Directors, for attending Board and its Committees meetings, except for the Shareholder's Grievances and Share Transfer Committee, for which the sitting fees is Rs. 7,500/- per meeting. The Company has not granted any stock options to the Non-Executive Directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and Commission (variable component) to the Managing/Whole-time Director(s). The salary is paid within the range approved by the Shareholders. Annual increment is effective from 1st April each year, as recommended by the Remuneration Committee and approved by the Board. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board and within the prescribed ceiling; the perquisites package is recommended by the Remuneration Committee and approved by the Board. Commission/ Performance Linked Remuneration payable to the Managing/ Whole-time Director(s) are 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. Specific amount payable to each such Director is based on the performance criteria laid down by the Board.

Details of remuneration paid to Non-Executive Directors in the financial year 2009-10 towards sitting fees for attending the Board/Committee meetings along with the proposed Commission for the financial year 2009-10 are as follows:

Name of Director	Sitting Fees for 2009-10 (A) Rs.	Commission for 2009-10* (B) Rs.	Total (A+B) Rs.
Dr. Jamshed J. Irani	2,70,000	10,57,000	13,27,000
Mr. S. J. Ghandy	2,25,000	7,05,000	9,30,000
Mr. S. K. Bhargava	1,95,000	4,17,000	6,12,000
Mr. B. D. Bodhanwala	2,85,000	6,41,000	9,26,000
Mr. R. P. Singh	2,25,000	5,13,000	7,38,000
Mr. Ranaveer Sinha	1,95,000	4,17,000	6,12,000
Mr. R.V. Raghavan	2,85,000	6,09,000	8,94,000
Mr. Dipankar Chatterji	3,00,000	6,41,000	9,41,000
Total	**19,80,000**	**50,00,000**	**69,80,000**

Mr. Ranaveer Sinha, (Independent, Non-Executive Director) holds 10 (ten) Equity Shares of the Company as on March 31, 2010.

* Payable for the financial year 2009-10 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 2009-10 are as follows:

Name	Salary Rs. lakhs	Perquisites & Allowances* Rs. lakhs	Commission ** Rs. lakhs	Stock Options
Mr. Sudhir Deoras (Managing Director)	29.40	47.22	40.00	NIL
Mr. R. C. Nandrajog (Executive Director) (Upto 31.07.2009)	7.00	12.32	6.00	NIL

* Includes contribution to Provident Fund & Superannuation Fund.

** Payable for the financial year 2009-10 after adoption of the Annual Accounts by the Shareholders in the forthcoming Annual General Meeting.

Period of contract of Managing Director : Re-appointed for a further period of three years with effect from April 01, 2010, subject to the approval of the Shareholders.

The contract may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof.

5. Shareholders' Committee

The terms of reference of the Shareholders' Grievances and Share Transfer Committee are to specifically look into the redressal of Investors' complaints like transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend, etc. The Committee met twice during the financial year 2009-10 on the followings dates:

i) August 06, 2009 and ii) March 27, 2010.

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	Position	Category	No. of meetings attended
Mr. B. D. Bodhanwala	Chairman	Independent Non-Executive Director	2
Mr. R. P. Singh	Member	Promoter, Non-Independent Non-Executive Director	2
Mr. Sudhir Deoras (Managing Director)	Member	Executive Director	NIL

Name, designation & address of Compliance Officer : Mr. Prashant Kumar
Company Secretary
TRF Limited,
11, Station Road, Burma Mines,
Jamshedpur-831 007.

Tel. No. : (0657) 2345727 / 3046326

Fax : (0657) 2345727 / 2345732

E-mail : investors@trf.co.in

No. of complaints received from the investors during the financial year 2009 – 10 : 4

No. not solved to the satisfaction of the investors as on 31.03.2010 : Nil

No. of pending complaints as on 31.03.2010 : Nil

6. Other Committees

In addition to the above Committees on Corporate Governance, the Board has also constituted following committees to ensure more 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) Financial matters requiring special attention (3) Long term financial projections and cash flow (4) Capital and Revenue Budgets and Capital expenditure programmes (5) Senior management succession planning etc. The composition of Executive Committee and details of meetings attended by the members during the financial year 2009-10 are as follows:

Name of Director/Executive	Position	Category	No. of meetings attended
Dr. Jamshed J. Irani	Chairman	Promoter, Non-Independent, Non-Executive Director	6
Mr. B. D. Bodhanwala	Member	Independent, Non-Executive Director	6
Mr. R. P. Singh	Member	Promoter, Non-Independent, Non-Executive Director	5
Mr. Ranaveer Sinha	Member	Independent, Non-Executive Director	5
Mr. Sudhir Deoras (Managing Director)	Member	Executive Director	6
Mr. H. C. Kharkar (w.e.f. 20.07.2009)	Permanent Invitee	Company Executive	4
Mr. R. C. Nandrajog (Executive Director) (upto 20.07.2009)	Member	Executive Director	2
Mr. Ashim Roy (upto 20.07.2009)	Permanent Invitee	Company Executive	2

The Executive Committee met six times during the financial year 2009-10 on the following dates: (i) May 19, 2009 (ii) July 20, 2009 (iii) September 07, 2009 (iv) October 28, 2009 (v) January 29, 2010 and (vi) March 11, 2010

(B) Finance Committee

During the financial year 2009-10, a Finance Committee of the Board was constituted to deal with the regular financial requirements of the Company with Banks/Financial Institutions (FI)/ Foreign Institutional Investment (FII).

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.

The composition of Finance Committee and details of meetings attended by the members during the financial year 2009-10 are as follows:-

Name of Director/Executive	Position	Category	No. of meetings attended
Mr. Dipankar Chatterji	Chairman	Independent, Non-Executive Director	3
Mr. Sudhir Deoras (Managing Director)	Member	Executive Director	3
Mr. H.C. Kharkar	Permanent Invitee	Company Executive	1
Mr. Ashim Roy	Permanent Invitee	Company Executive	3

The Finance Committee met three times during the financial year 2009-10 on the following dates:

(i) September 02, 2009, (ii) October 01, 2009 and (iii) November 18, 2009.

7. Subsidiary Companies

The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company. The Audit Committee also reviewed the financial statements of the subsidiary companies. The Board and Audit Committee also periodically reviewed investments made by the Company's non-listed subsidiaries during the year under review.

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
2009	20.07.2009	12.00 Noon	Auditorium of Shavak Nanavati Technical Institute, N-Road, Bistupur, Jamshedpur-831001
2008	21.06.2008	12.00 Noon	Auditorium of Shavak Nanavati Technical Institute, N-Road, Bistupur, Jamshedpur-831001
2007	14.07.2007	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
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.
21.06.2008	(i) Re-appointment of Mr. Ramesh Chander Nandrajog as Executive Director for a period of one year, with effect from August 01, 2008 to July 31, 2009. (ii) Revision in terms of remuneration of Mr. Sudhir Deoras, Managing Director; (iii) Extension of payment of commission to the Non-Executive Directors for a further period of five years from the financial year 2008-09
14.07.2007	(i) Revision in terms of remuneration of Mr. Ramesh Chander Nandrajog, Executive Director; (ii) Appointment of Mr. Sudhir Deoras as Managing Director for a period of three years with effect from April 01, 2007 to March 31, 2010. (iii) Re-appointment of Mr. Ramesh Chander Nandrajog as Executive Director for a period of one year, with effect from August 01, 2007 to July 31, 2008; and (iv) Shifting of registered office of Company's Registrars and Share Transfer Agents.

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

No special resolutions were 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

i) The Company had no transaction of material nature with its Promoters, Directors or the management, their subsidiaries or relatives, etc. that may have had potential conflict of interest with the Company at large. The Register of Contracts is placed at each meeting of the Board of Directors as per the requirements of the Companies Act, 1956.

ii) 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.

iii) The Board at its meeting held on December 26, 2005, has adopted the Risk Management framework and the same is subject to periodic review by the Company Management.

iv) The Company has complied with all the applicable Accounting Standards.

v) Management Discussion and Analysis Report forms a part of the Director's Report.

vi) The relevant disclosures on the remuneration of directors have been included under "Remuneration Policy" in this report.

vii) The Company has not raised any proceeds from public issue, rights issue, preferential issue, etc. during the year.

viii) On August 6, 2009, the Company had issued bonus shares in the ratio of 1:1 to its existing equity shareholders.

ix) National Stock Exchange of India Limited (NSE) vide its circular NSE/CML/13860 dated January 6, 2010, commenced trading of Company's equity shares under "Permitted Category" with effect from January 8, 2010. The Company took a step forward and listed its equity shares at NSE with effect from March 26, 2010, vide circular NSE/LIST/133553-B, dated March 23, 2010. Your Company has also listed itself on the Calcutta Stock Exchange Limited with effect from May 18, 2010, vide letter CSE/LD/554/2010 dated May 17, 2010.

x) The Details of adoption / non-adoption of the non-mandatory requirements as specified in Annexure ID of Clause 49 are as under:

a) The Board

i) The Company does not maintain any office for its Non-Executive Chairman.

ii) The Board at its meeting held on March 19, 2001 adopted the Tata Group Guidelines for Composition of the Board of Directors.

b) Remuneration Committee

The Board has a Remuneration Committee whose terms of reference, composition and other relevant particulars have been mentioned in this report.

c) Shareholders rights

The Company does not send any communication to shareholders covering financial performance or summary of the significant events on half-yearly basis. Instead, the Company publishes the quarterly financials results in major newspapers and posts the same on its website www.trf.co.in. Further, significant events are informed to the Stock Exchanges from time to time and then the same is posted on the website of the Company.

d) Audit qualifications

Observations of the Statutory Auditors in their report to the members have been appropriately addressed in the Directors' Report and notes to the accounts.

e) Training of Board Members

The members of the Board, being business leaders in their respective area of functioning, are aware of their responsibilities as directors and the best ways to discharge them.

f) Whistle Blower Policy

The functioning of the Whistle Blower Policy has been mentioned in this Report.

10. Secretarial Audit

A qualified Practicing Company Secretary carried out the Secretarial 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 General Manager (Finance & Accounts), who heads the Finance function, have submitted the required Certificate to the Board at its meeting held on May 29, 2010, wherein the Audited Accounts of the Company for the financial year 2009-10 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, Uditvani, Chamakta Aiyna and New Ispat Mail (in Hindi) and also displayed on the website of the company 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 23, 2010 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 23, 2010.

iii) **Financial calendar** : April to March

Annual General Meeting : July 23, 2010

Dividend Payment : Immediately after the Annual General Meeting

iv) **Date of book closure** : Wednesday, July 07, 2010 to Wednesday, July 14, 2010 (both days inclusive)

v) **Dividend Payment date** : The dividend warrants will be posted on or after July 24, 2010.

vi) **Listing on Stock Exchanges** : The Company's shares are listed on - Bombay Stock Exchange Limited (BSE); National Stock Exchange of India Limited (NSE) with effect from March 26, 2010; Calcutta Stock Exchange Limited (CSE) with effect from May 18, 2010.

The Company has paid the annual listing fees to all the Stock Exchanges for the financial year 2009-10.

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:

		Bombay Stock Exchange			National Stock Exchange		
		High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High	Low	Volume (No. of Shares)
April	2009	395.00	229.00	2,33,716			
May	2009	649.10	329.90	91,368			
June	2009	944.00	660.00	3,73,507			
July	2009	953.00	413.05*	1,96,772			
August	2009	523.55	406.30	3,09,652			
September	2009	537.70	435.25	3,06,901			
October	2009	620.00	490.00	3,77,238			
November	2009	645.90	520.00	3,03,988			
December	2009	690.00	606.00	1,96,274			
January	2010	741.00	624.05	1,27,109	720.05	636.50	43,102**
February	2010	857.00	664.00	4,02,890	847.10	736.50	3,97,652
March	2010	975.00	855.00	1,81,937	940.55	883.05	1,47,655***

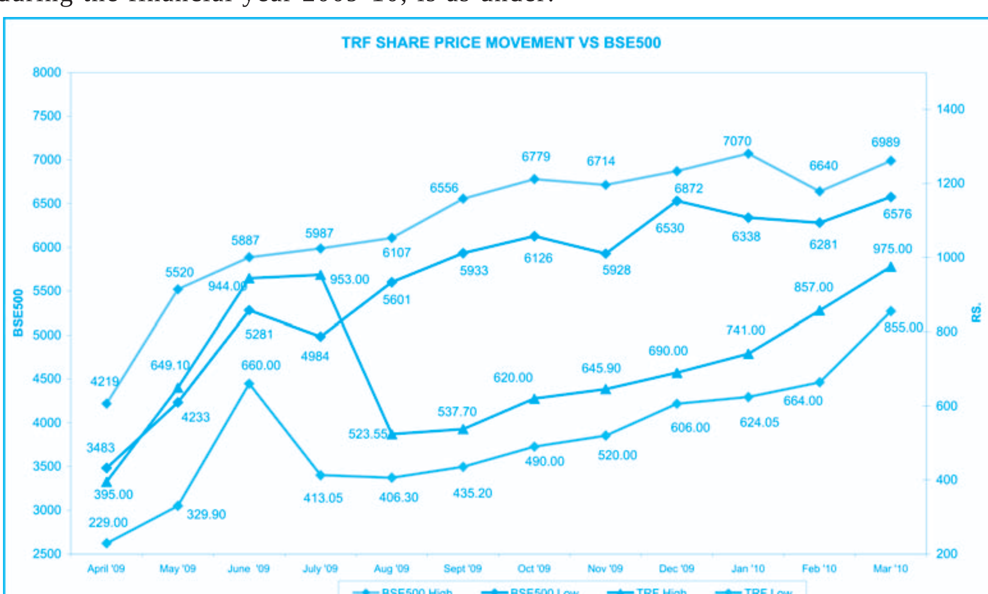
* Ex- Bonus price

** Allowed TRF's shares for trading under "Permitted Category" w.e.f. 08.01.2010

*** Officially listed w.e.f. 26.03.2010

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 2009-10, is as under:



Note: July 31, 2009 was ex-bonus date.

x) **Registrars & Share Transfer Agents :**

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

Contact person : Ms. Shehnaz Billimoria
Tel. No. : (022) 6656-8484
Fax No. : (022) 6656-8494
E-mail : csg-unit@tsrdarashaw.com
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 Registrars and Share 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 31.03.2010 :**

Shareholding of nominal value of	Shareholders		Share Amount	
Rs.	Number	% to total	Rs.	% to total
UPTO - 5000	15261	92.08	17,395,120	15.81
5001 - 10000	765	4.62	5,571,150	5.06
10001 - 20000	282	1.70	4,214,020	3.83
20001 - 30000	104	0.63	2,578,450	2.34
30001 - 40000	33	0.20	1,193,570	1.08
40001 - 50000	30	0.18	1,393,170	1.27
50001 - 100000	44	0.26	3,122,000	2.84
100001 and above	54	0.33	74,576,640	67.77
TOTAL	16573	100.00	110,044,120	100.00

b) **Shareholding pattern as on 31.03.2010 :**

Sl.No.	Category	No. of Shares	%
I.	Promoters/Associate companies, etc.	4601174	41.82
II.	Financial Institutions	1357924	12.33
III.	Foreign Financial Institutions	130508	1.19
IV.	Other Bodies Corporate/Trusts	845479	7.68
V.	Directors & their Relatives	10	—
VI.	General Public	4069317	36.98
	TOTAL	**11004412**	**100.00**

c) **Shareholders holding more than 1% of the Equity Share capital as on 31.03.2010 :**

Sl.No.	Name of shareholders	No. of shares held	%
1.	Tata Steel Ltd.	3826628	34.77
2.	Marconi Corporation plc. , UK	367500	3.34
3.	Sundaram BNP Paribas Mutual Fund A/c Sundaram BNP Paribas Select Thematic Funds Energy Opportunities	286000	2.60
4.	Madhu Vadera Jayakumar	250360	2.28
5.	Litton Systems Inc., USA	217500	1.98
6.	ICICI Prudential Emerging Star (Stock Targeted at Returns) Fund	210000	1.91
7.	Kalimati Investment Co. Ltd.	187586	1.70
8.	Franklin India Smaller Companies Fund	167520	1.52
9.	DSP Blackrock Micro Cap Fund	166153	1.51
10.	Sundaram BNP Paribas Mutul Fund A/c Sundaram BNP Paribas Select Thematic Funds Capex Opportunities - Dividend	112788	1.02
	TOTAL	5792035	52.63

xiii) **Dematerialization of shares and liquidity :**

71.50 % of the share capital of the Company had been dematerialised till March 31, 2010. The Company's shares are frequently traded on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

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

xv) **Plant location** : 11, Station Road, Burma Mines,
Jamshedpur – 831 007 (Jharkhand).

xvi) **Address for correspondence** : TRF LIMITED
A TATA Enterprise
11, Station Road, Burma Mines,
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.

On behalf of the Board of Directors

Kolkata,
May 29, 2010

Dr. Jamshed J. Irani
Chairman

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 31stst March, 2010, 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 explanations 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)

Saira Nainar
Partner
(Membership No. 40081)

Kolkata: May 29, 2010

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 Directors. 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, 2010, 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. However, one Senior Manager indulged in recording incorrect costs in one of the contracts. The appropriate disciplinary action has been taken by the management.

For the purpose of this declaration, Senior Management Team means the employees in the cadre of Deputy General Manager and above, including Company Secretary, as on March 31, 2010.

Place : Kolkata
Date : May 29, 2010

Sudhir Deoras
Managing Director

Funds Flow Statement

Rupees in lakhs

	2009-10	2008-09	2007-08	2006-07	2005-06
SOURCES					
1. Cash generated from Operations :					
— Profit / (Loss) before taxes	**7134**	7029	6013	3057	1158
— Less : Taxation (net)	**(2416)**	(2476)	(1796)	(1040)	(450)
— Add : Depreciation (net)	**(23)**	101	99	82	(38)
Total	**4695**	4654	4316	2099	670
2. Increase in Loan Funds					
— Bank Borrowings	**10080**	2865	607	—	—
3. Decrease in Working Capital	**—**	—	—	2596	1867
4. Decrease in Miscellaneous Expenditure	**10**	10	10	10	27
5. Decrease in Investment	**—**	—	—	—	3
Total	**14785**	7529	4933	4705	2567
UTILISATION					
1. Capital Expenditure (net)	**735**	1033	286	200	(4)
2. Increase in Investments	**5308**	—	2281	337	—
3. Dividend including tax on dividend, if applicable	**962**	772	644	386	251
4. Decrease in Loan Funds					
— Bank Borrowings	**—**	—	—	2584	2278
— Others	**—**	—	—	500	—
5. Increase in Working Capital	**7622**	5744	2149	—	—
6. Deferred Tax (net) for the year	**158**	(20)	(120)	357	42
7. Adjusted in General Reserves	**—**	—	(307) (Note 1)	341	—
Total	**14785**	7529	4933	4705	2567

Note :

1. 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 as on April 1, 2007.

Summarised Balance Sheet as at March 31, 2010

		Rupees in lakhs	As at 31.3.2009
WHAT THE COMPANY OWNED			
1.	Fixed Assets		
	Gross Block	5,580.44	4,891.23
	Less : Depreciation	2,833.26	2,855.82
	Net Block	2,747.18	2,035.41
2.	Capital Work-in-progress	174.19	128.74
3.	Investments	7,966.45	2,658.70
4.	Net Current Assets	20,434.53	12,812.20
5.	Deferred Tax Assets	251.53	92.95
6.	Misc. Expenditure	—	9.93
7.	Total Assets (Net)	31,573.88	17,737.93
WHAT THE COMPANY OWED			
8.	Borrowings	14,595.73	4,515.24
9.	Deferred Tax Liability		
THE COMPANY'S NET WORTH			
10.	**Shareholders' Equity** (i.e., the excess of what the Company owned over what the Company owed)	16,978.15	13,222.69
	Represented by		
	Share Capital : Rs.1,100.44 lakhs (Previous year : Rs. 550.22 lakhs)		
	Reserves : Rs.15,877.71lakhs (Previous year : Rs.12,672.47 lakhs)		
11.	**Total Capital Employed**	31,573.88	17,737.93

Summarised Profit and Loss Account for the year 2009-10

		Rupees in lakhs	Previous year
1.	**Income**		
	Net Sales & Services	64,994.95	53,165.64
	Other Income	365.31	918.67
	Total Income	65,360.26	54,084.31
2.	**Profit/(Loss) before Interest, Depreciation, Exceptional/ Extraordinary Items and Taxes**	8,666.53	9,138.60
	Less : Depreciation	319.50	189.80
	Interest	972.82	578.51
3.	**Profit/(Loss) before Exceptional/Extraordinary Items and Taxes**	7,374.21	8,370.29
	Prior Period Items	(239.91)	(1,331.78)
4.	**Exceptional/Extraordinary Items [Gain/(Loss)]**	—	(9.76)
5.	**Profit/(Loss) before Taxes**	7,134.30	7,028.75
6.	**Provision for Taxes / (Write back)**	2,416.43	2,475.92
7.	**Profit/(Loss) after Taxes**	4,717.87	4,552.83
8.	**Balance in Profit and Loss Account brought forward**	1,802.03	2,021.68
9.	**Amount available for appropriation**	6,519.90	6,574.51
10.	**Appropriations**		
	Proposed Dividend	825.33	660.27
	Tax on proposed dividend	137.08	112.21
	General Reserve	4,000.00	4,000.00
	Balance carried to Balance Sheet	1,557.49	1,802.03
		6,519.90	6,574.51

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, 2010, the Profit and Loss Account 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 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. 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 Profit and Loss Account 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 Profit and loss Account 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) as stated in note (i)(h) of Schedule 20 for recognising profit on contracts, the stage of completion is determined as a proportion that contract costs incurred for the work performed upto the closing date bear to the estimated total costs. Further, as stated in that note, the expected loss on contracts is recognised when it is probable that the total contract costs will exceed the total contract revenue. For this purpose, total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the Management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by us. Additionally, as stated in note (v) of Schedule 20 revisions in projected profit/loss arising from change in estimate etc. are reflected during the course of work in each accounting period in which the revisions have been made; the effect of these revisions has not been disclosed separately in the accounts, as the amounts thereof cannot be accurately determined;

   (vi) as stated in Note (xiii) of Schedule 19, the Company is in the process of investigating recording of costs without underlying transactions and payments made there against, if any. Quantification of the impact of such investigation is not possible at this stage.

   (vii) 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 *subject to our comments in paragraphs (v) and (vi)* above, give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

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

      (iii) 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, 2010 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 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)

Saira Nainar
Partner
(Membership No.: 40081)

KOLKATA, 29th May, 2010

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/activities/transactions, etc., clauses (x), (xii), (xiii), (xiv) and (xix) of CARO are not applicable.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification of fixed assets over a period of three years and in accordance therewith Office Equipment, Furniture & Fixtures and Laboratory Equipments 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 and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified by the Management at regular 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) 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.

(v) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered by the register maintained under Section 301 of the Companies Act, 1956.

(vi) In our opinion and according to the information and explanations given to us, *except for internal controls with regard to purchase of inventory for contracts, where the internal controls are not adequate,* 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 *except in respect of purchase of inventory for contracts.*

(vii) 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 Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction 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 except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

(viii) In our opinion, the Company has an internal audit system *which needs to be further strengthened.*

(ix) According to the information and explanations given to us in respect of statutory 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 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.

(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, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax and Excise duty which have not been deposited as on March 31, 2010 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, Cuttack	1998-99	4.91
		Tax Demand due to Change in the method of assessment from bills raised to collection	Sales Tax Applelate Tribunal Hyderabad, Andhra Pradesh	1996-97	7.58
		Sales Tax on steel received at site for fabrication	Joint Commissioner Commercial Taxes (Appeals), Gulbarga	2001-02	11.71
		Local sales tax on sale in transit	Asst. Commissioner Commercial Taxes, Ernakulam	2003-04	65.30
		Non-submission of Form 29	Deputy Commissioner (Appeals), Durg	2004-05 & 2005-06	20.33
		Non Payment of Entry tax	Deputy Commissioner (Commercial Taxes), Hooghly	2005-06	11.85
		Non-submission of 'C' Forms	Jt. Commissioner of Sales Tax, Kolkata	2006-07	15.86
2	Excise duty & Service tax	Wrong Availment of Modvat Credit	Asst. commissioner Central Excise Custom & Service tax	1992-93	10.17
		Demand on Bought out materials	CESTAT, Kolkata	2001-02 to 2006-07	955.06
		Levy of Service tax on job executed as Works Contract	Commissioner Central Excise (Appeals), Kolkata	2002-03 to 2006-07	19.70
		Non-payment of service tax calculated as per segment report	Addl. Commisioner, Service Tax Kolkata	2003-04 to 2004-05	98.69
		Levy of service tax on commissioning & installation services as sub-contractor	CESTAT, Kolkata	2005-06 to 2006-07	63.16
3	Income Tax	Disallowance of certain expenses and levy of interest on shortfall of payment of tax	Income Tax Appellate Tribunal	1998-99, 2002-03 & 2005-06	22.60
		Interest imposed	CIT (Appeals)	2001-02 & 2002-03	2.87
		Demand u/s 143 (3)	Comissioner of Income Tax (Appeals)	2006-07	1,357.21
					2,667.00

According to the information and explanations given to us, there are no dues of wealth tax, customs duty, and cess as on March 31, 2010 which have not been deposited by the Company on account of any dispute.

(x) 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.

(xi) 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.

(xii) 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.

(xiii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, funds raised on short-term basis have not been used for long term investments.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xv) The Company has not raised any money during the year from the public.

(xvi) To the best of our knowledge and according to the information and explanations given to us, no material fraud on or by the Company has been noticed during the year *except for the misstatement in the financial reporting having a net effect of Rs. 239.90 lakhs as disclosed in Note (xiii) on Schedule 19 which was perpetrated on the Company.*

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

Saira Nainar
Partner
(Membership No.: 40081)

KOLKATA, 29th May, 2010

Balance Sheet as at March 31, 2010

	Schedule	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	March 31, 2009 Rupees in lakhs
FUNDS EMPLOYED					
SHARE CAPITAL	1		1,100.44		*550.22*
RESERVES AND SURPLUS	2		15,877.71		*12,672.47*
TOTAL SHAREHOLDERS' FUNDS				16,978.15	*13,222.69*
SECURED LOANS	3		13,095.73		*4,515.24*
UNSECURED LOAN	4		1,500.00	14,595.73	
TOTAL				**31,573.88**	***17,737.93***
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5		5,580.44		*4,891.23*
Less : Depreciation			2,833.26		*2,855.82*
Net Block				2,747.18	*2,035.41*
Capital work-in-progress (including Capital Advance)				174.19	*128.74*
INVESTMENTS	6			7,966.45	*2,658.70*
DEFERRED TAX ASSETS (NET) (Refer note (xv) on Schedule 20)				251.53	*92.95*
CURRENT ASSETS					
(including loans and advances)					
Interest Accrued On Investments			5.31		*5.32*
Inventories and contracts in progress	7		6,902.32		*4,594.67*
Debtors	8		37,620.34		*27,042.64*
Cash and bank balances	9		2,568.88		*505.54*
Loans and advances	10		12,935.80		*14,408.03*
			60,032.65		*46,556.20*
Less:					
CURRENT LIABILITIES AND PROVISIONS					
Current liabilities	11	36,780.31			*31,435.43*
Provisions	12	2,817.81			*2,308.57*
			39,598.12		*33,744.00*
NET CURRENT ASSETS				20,434.53	*12,812.20*
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)					
Employee Separation Compensation				—	*9.93*
TOTAL ASSETS (Net)				**31,573.88**	**17,737.93**
NOTES	20				

The annexed Schedules and Notes referred to above form an integral part of the Accounts.

For and on behalf of the Board

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Dr. JAMSHED J. IRANI
Chairman

SAIRA NAINAR
Partner
Kolkata, 29th May, 2010

PRASHANT KUMAR
Company Secretary

SUDHIR DEORAS
Managing Director
Kolkata, 29th May, 2010

Profit and Loss Account for the year ended March 31, 2010

	Schedule	Rupees in lakhs	Year ended March 31, 2009 Rupees in lakhs
INCOME			
Sales and Services (Gross)		65,899.59	54,137.47
Less-Excise Duty		904.64	971.83
Net Sales and Services	13	64,994.95	53,165.64
Other income	14	365.31	918.67
		65,360.26	54,084.31
EXPENDITURE			
Raw materials and components		36,131.61	27,703.49
Payments to sub-contractors		10,129.79	7,595.28
Employee costs	15	4,308.51	3,750.60
Operation, administration and selling expenses	16	7,740.11	5,378.63
		58,310.02	44,428.00
(Increase)/Decrease in inventories	17	(1,616.29)	527.47
and contracts in progress		56,693.73	44,955.47
Depreciation		319.50	189.80
Interest	18	972.82	578.51
TOTAL EXPENDITURE		57,986.05	45,723.78
PROFIT BEFORE PRIOR PERIOD, EXTRAORDINARY AND EXCEPTIONAL ITEMS AND TAXATION		7,374.21	8,360.53
Prior Period items (Refer note (xiii) on schedule 19)		(239.91)	(1,331.78)
PROFIT BEFORE TAXATION		7,134.30	7,028.75
Provision for Taxation			
Current Tax (Refer note (xiv) on schedule 19)		2,575.00	2,413.73
Deferred Tax (Refer note (xv) on schedule 20)		(158.57)	20.19
Fringe Benefit Tax		—	42.00
PROFIT AFTER TAXATION		4,717.87	4,552.83
Balance in Profit and Loss Account brought forward		1,802.03	2,021.68
AMOUNT AVAILABLE FOR APPROPRIATION		6,519.90	6,574.51
APPROPRIATIONS			
Proposed dividend - refer Directors' Report, Page 13		825.33	660.27
Tax on dividend		137.08	112.21
		962.41	772.48
Transfer to General Reserve		4,000.00	4,000.00
Balance carried to Balance Sheet		1,557.49	1,802.03
		6,519.90	**6,574.51**
STATEMENT FORMING PART OF THE PROFIT AND LOSS ACCOUNT	19		
Earning per share in Rs.-Basic/Diluted (Refer note (xi) on schedule 19)		42.87	41.37
NOTES	20		

The annexed Schedules and Notes referred to above form an integral part of the Accounts.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

SAIRA NAINAR
Partner

Kolkata, 29th May, 2010

PRASHANT KUMAR
Company Secretary

For and on behalf of the Board

Dr. JAMSHED J. IRANI
Chairman

SUDHIR DEORAS
Managing Director

Kolkata, 29th May, 2010

Cash Flow Statement for the year ended March 31, 2010

	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Year Ended March 31, 2009 Rupees in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and after exceptional and extraordinary Items		7,134.30		7,028.75
Adjustments for :				
Depreciation	319.50		189.80	
(Profit)/Loss on sale of Assets/discarded assets written off	39.22		7.35	
Interest income	(7.19)		(21.76)	
Income from Investments	(31.36)		(25.29)	
Interest expenses	980.01		600.27	
ESS Compensation amortised	9.93		9.76	
		1,310.11		760.12
Operating Profit before working capital changes		**8,444.41**		7,788.87
Adjustments for :				
Trade and other receivables	(9,066.01)		(9,146.15)	
Inventories	(2,307.65)		(1,961.05)	
Trade payables and Other Liabilities	5,438.11		4,864.03	
		(5,935.55)		(6,243.17)
Cash Generated from Operations		2,508.86		1,545.70
ESS Compensation paid	(40.59)		(34.31)	
Direct Taxes paid (net) (including Fringe Benefit Tax)	(2,358.53)	(2,399.12)	(1,959.41)	(1,993.72)
Net Cash from/(used) in Operating Activities		**109.74**		**(448.02)**
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets(refer note 2)	(1,120.96)		(1,132.61)	
Sale of Fixed Assets	5.02		4.24	
Purchase of Investments in subsidiary	(5,307.75)		-	
Advance against Equity	(39.46)		-	
Income from Investments	31.37		25.22	
Income from Interest received	7.19		21.76	
Net Cash used in Investing Activities		**(6,424.59)**		**(1,081.39)**
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Short term Borrowings from banks(net)	10,080.49		2,865.17	
Interest paid	(946.84)		(600.33)	
Dividend paid (including Income tax on Dividend)	(755.46)		(638.79)	
Net Cash from Financing Activities		**8,378.19**		**1,626.05**
Net increase/(Decrease) in Cash and Cash equivalents (A+B+C)		**2,063.34**		**96.65**
Cash and Cash equivalents as at April 1, 2009		505.54		408.88
Cash and Cash equivalents as at March 31, 2010		2,568.88		505.54

Notes :

1. Figures in brackets indicate outflows.
2 Purchase of fixed assets include payments for items in capital work in progress.
3 Cash and Cash equivalents represent Cash and Bank balances.
4 Previous period figures have been regrouped/restated wherever necessary.

For and on behalf of the Board

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Dr. JAMSHED J. IRANI
Chairman

SAIRA NAINAR
Partner
Kolkata, 29th May, 2010

PRASHANT KUMAR
Company Secretary

SUDHIR DEORAS
Managing Director
Kolkata, 29th May, 2010

Schedules forming part of the Balance Sheet

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
1. SHARE CAPITAL		
Authorised :		
3,00,00,000 equity shares of Rs. 10 each	3,000.00	1,500.00
(Previous year 1,50,00,000 equity shares of Rs. 10 each)		
Issued and Subscribed :		
1,10,04,412 equity shares of Rs. 10 each fully paid	**1,100.44**	**550.22**
(Previous year 55,02,206 equity shares of Rs. 10 each)		

(i) Of the above shares

(a) 50,000 shares of Rs.10 each were issued as fully paid, for consideration other than cash (conversion of loan into equity by ICICI).

(b) 56,64,706 equity shares of Rs.10 each were issued by way of fully paid up bonus shares by capitalisation of General Reserve (previous year 1,62,500 equity shares).

(c) 6,90,000 equity shares of Rs. 10 each were allotted to holders of 13.5% convertible bonds, on conversion of part of the bonds into fully paid shares.

(d) 11,11,672 equity shares of Rs. 10 each were allotted to holders of 12.5% convertible debentures, on conversion of part of the debentures into fully paid shares.

(e) 8,20,333 equity shares of Rs.10 each allotted as fully paid up for consideration other than cash pursuant to the scheme of amalgamation with erstwhile Tata Material Handling Systems Limited (TMHS) and Tata Technodyne Limited (TTDL).

ii) 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.

		March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
2. RESERVES AND SURPLUS			
Amalgamation Reserve		61.81	61.81
General Reserve			
Balance as on March 31, 2009	10,808.63		6,808.63
Less : Issue of Bonus shares (Refer note (vi) on schedule 20)	550.22		-
Add : Transfer from Profit and Loss Account	4,000.00		4,000.00
		14,258.41	10,808.63
Profit and Loss Account		1,557.49	1,802.03
		15,877.71	**12,672.47**
3. LOANS - Secured			
(A) From Banks			
(i) Buyers' Line of Credit		756.68	–
(ii) Cash Credit Accounts			
(a) Canara Bank		228.12	897.39
(b) IDBI Bank		–	1,222.07
(c) Central Bank of India		–	199.80
(d) State Bank of India		–	67.68
(e) Indian Bank		796.20	193.06
(f) Bank of Baroda		528.91	1,935.24
(g) Axis Bank		201.78	–
(h) Citi Bank		18.60	–
(iii) Short Term Loan			
(a) HDFC Bank		2,512.74	–
(b) IDBI Bank		4,000.00	–
(iv) Long Term Loan			
(a) DBS Bank, Singapore		4,052.70	–
		13,095.73	**4,515.24**

Schedules forming part of the Balance Sheet

Notes on Schedule 3

1. The Buyers' credit from Banks is repayable at the end of 180 days from the drawdown dates. All the repayments are due in 2010-11.
2. 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 are also secured, by hypothecation ranking pari passu, of fixed assets, present and future, except on an asset hypothecated to SIDBI as first charge.
3. Long Term Loan from DBS Bank is secured by pari passu first charge on the fixed assets of the Company.

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
4. LOANS - Unsecured		
(i) Commercial Papers (Maximum balance outstanding during the year Rs.1,500 lakhs, previous year Rs. Nil.) (Amount payable within one year Rs. 1,500 lakhs, previous year Rs. Nil.)	1,500.00	–
	1,500.00	–

5. FIXED ASSETS

Rupees in lakhs

Particulars	Cost as at 31.03.2009	Additions	Deductions	Cost as at 31.03.2010	Depreciation as at 31.03.2009	Depreciation for the year	Deductions	Depreciation as at 31.03.2010	Net Block as at 31.03.2010	Net Block as at 31.03.2009
INTANGIBLE ASSETS										
TECHNICAL KNOW-HOW	356.53	–	–	356.53	340.27	5.98	–	346.25	10.28	*16.26*
COMPUTER SOFTWARE	180.14	140.57	59.20	261.51	55.76	42.01	28.66	69.11	192.40	*124.38*
	536.67	140.57	59.20	618.04	396.03	47.99	28.66	415.36	202.68	*140.64*
TANGIBLE ASSETS										
BUILDINGS AND ROADS	899.38	271.24	–	1,170.62	273.25	33.23	–	306.48	864.14	*626.13*
PLANT AND MACHINERY	2,767.24	580.06	288.44	3,058.86	1,812.26	159.44	288.44	1,683.26	1,375.60	*954.98*
FURNITURE AND FIXTURES	232.83	20.52	7.35	246.00	150.20	8.95	7.34	151.81	94.19	*82.63*
OFFICE EQUIPMENT	95.46	8.01	–	103.47	48.01	7.81	–	55.82	47.65	*47.45*
MOTOR VEHICLES	231.01	54.79	30.30	255.50	95.17	57.37	16.62	135.92	119.58	*135.84*
ELECTRICAL INSTALLATION	118.23	0.32	1.01	117.54	73.13	4.49	1.00	76.62	40.92	*45.10*
LABORATORY EQUIPMENT	10.41	–	–	10.41	7.77	0.22	–	7.99	2.42	*2.64*
	4,354.56	934.94	327.10	4,962.40	2,459.79	271.51	313.40	2,417.90	2,544.50	*1,894.77*
GRAND TOTAL	4,891.23	1,075.51	386.30	5,580.44	2,855.82	319.50	342.06	2,833.26	2,747.18	*2,035.41*
	3,926.23	*1,064.80*	*99.80*	*4,891.23*	*2,754.22*	*189.80*	*88.20*	*2,855.82*	*2,035.41*	

Previous year's figures in italics

Schedules forming part of the Balance Sheet

	Rupees in lakhs	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
6. INVESTMENTS			
A. LONG TERM INVESTMENTS			
(At cost less provision for diminution in value)			
Trade Investments			
Unquoted			
1. 67,500 (Previous year 67,500) equity shares of Rs. 100 each fully paid in Tata Projects Limited		233.75	233.75
2. 3,750 (Previous year 3,750) 8% Debentures (non convertible portion) of Rs. 3,000 each fully paid in Tata Projects Limited		112.50	112.50
Investment in Subsidiary Companies			
Unquoted			
3. Adithya Automotive Applications Private Limited, India (35,70,000 shares, Face value of Rs. 10 each subscribed during the year)		357.00	—
4. TRF Singapore Pte. Ltd. Singapore (2,33,92,000 shares (Previous year 85,00,000 shares) (Face value of SGD 1 each)		7,240.65	2,289.90
Other Investments			
Quoted			
5. 500 equity shares of Rs. 10 each fully paid in HDFC Bank Ltd.		0.05	0.05
Unquoted			
6. 1,37,500 equity shares of Rs. 10 each fully paid in Rujuvalika Investments Limited		22.50	22.50
7. 5 shares of Rs. 50 each fully paid in Twin Star Jupiter Co-operative Housing Society Limited (Book value Rs.250/-)		—	—
8. 30,000 equity shares of Rs. 10 each in Nicco Jubilee Park Ltd. (Net of provision for diminution in value) (Book value NIL)		—	—
		7,966.45	**2,658.70**
Notes :-			
(a) Aggregate amount of quoted investments Market value as at 31.03.2010 Rs.9.66 Lakhs (as at 31.03.2009 : Rs. 4.86 lakhs)		0.05	0.05
(b) Aggregate amount of unquoted investments		7,996.40	2,658.65
		7,966.45	**2,658.70**
7. INVENTORIES AND CONTRACTS IN PROGRESS			
Contracts in progress		1,900.34	2,631.07
Inventories			
Stores and spare parts		72.76	46.43
Loose tools		56.00	44.79
Raw materials		1,105.86	588.73
Work-in-progress		2,491.83	746.84
Finished products	1,091.46		463.49
Excise duty on finished products not assessed to duty	184.07		73.32
		1,275.53	536.81
		6,902.32	**4,594.67**
8. DEBTORS			
Unsecured			
Over six months old			
Considered good		15,629.63	12,383.49
Considered doubtful		638.45	485.51
Other debts			
Considered good		21,990.71	14,659.15
		38,258.79	27,528.15
Provision for doubtful debts		(638.45)	(485.51)
		37,620.34	**27,042.64**

Note : Unbilled Revenue forms part of Loans and Advances (Schedule 10)

Schedules forming part of the Balance Sheet

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
9. CASH AND BANK BALANCES		
Cash on hand	18.97	15.79
Cheques on hand	944.89	22.06
Current accounts with scheduled bank #	1,605.02	467.69
	2,568.88	**505.54**

#Includes debit balances in Cash Credit account Rs. 888.03 lakhs (Previous year Rs. Nil)

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
10. LOANS AND ADVANCES		
Unsecured, considered good unless otherwise specified		
Advances recoverable in cash or in kind or for value to be received		
Considered good		
Advance against equity (TRF Singapore Pte Ltd.)	24.12	—
Advances to subsidiary companies	15.34	39.83
Other advances	12,862.70	14,317.25
Considered doubtful	51.23	51.23
	12,953.39	14,408.31
Provision for doubtful items	(51.23)	(51.23)
	12,902.16	14,357.08
Excise Deposits	33.64	50.95
	12,935.80	**14,408.03**

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
11. CURRENT LIABILITIES		
Acceptances *	799.44	556.52
Sundry Creditors		
(i) For goods and services supplied		
– Micro, Medium & Small Enterprises	–	23.30
– Others	21,215.71	16,761.65
(ii) For Accrued wages and salaries	306.60	270.52
(iii) For other liabilities	901.03	736.74
Dues to Subsidiary companies**	2.29	27.38
Interest accrued but not due	33.17	–
Employee Separation Compensation ***	95.01	135.60
Investor Education & Protection Fund ****		
Unclaimed dividends	35.73	18.70
	23,388.98	18,530.41
Advances received from customers	9,912.85	7,411.99
Dues to customers for contracts in progress	3,478.48	5,493.03
	13,391.33	12,905.02
	36,780.31	**31,435.43**

* Bills discounted by suppliers with Small Industries Development Bank of India

** Maximum amount due during the year to York Group of Companies Rs.58.93 lakhs (Previous Year Rs 27.38 lakhs)

*** Includes payable within one year under the various schemes Rs. 24.17 lakhs (Previous years Rs. 37.31 lakhs)

**** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
12. PROVISIONS		
Warranty expenses	99.00	92.00
Provisions for employee benefits		
(i) Leave salaries	358.99	296.56
(ii) Pension for whole-time directors	494.70	450.10
(iii) Retiring Gratuity	21.03	27.71
(iv) Other benefits	28.96	33.47
Taxation, less payments (Net)	852.72	632.86
Fringe benefit tax, less payments (Net)	–	3.39
Proposed Dividend	825.33	660.27
Tax on Dividend	137.08	112.21
	2,817.81	**2,308.57**

Schedules forming part of the Profit and Loss Account

13. CAPACITIES, STOCKS, PRODUCTION AND TURNOVER

Rupees in lakhs
(Previous year's figures in italics)

Sl. No.		Quantitative Denomination	Capacity Installed	Opening Stock Units	Opening Stock Rs. in Lakhs	Production Units	Turnover Units	Turnover Rs. in Lakhs	Closing Stock Units	Closing Stock Rs. in Lakhs
1.	Idler Rollers	Units	48,000	1,177	22.20	34,718	30,215	1,194.69	5,680	169.50
			48,000	*349*	*11.45*	*38,350*	*37,442*	*1,878.86*	1,177	*22.20*
	Components for Idler Rollers		—	—	40.49	—	—	453.40	—	19.24
			—	—	*53.10*	—	—	*790.03*	—	*40.49*
2.	Vibrating Screens, etc.	Units	240	7	*75.02*	70	72	1,458.57	5	22.61
			240	5	*95.41*	*57*	*55*	*973.83*	*7*	*75.02*
	Components for Vibrating Screens, etc.		—	—	9.38	—	—	743.26	—	21.49
			—	—	*25.35*	—	—	*820.78*	—	*9.38*
3.	Sectional and Mine Conveyors	Units	40	—	186.97	—	—	2,787.97	—	464.62
			40		*70.95*	—		*1,496.68*		*186.97*
4.	Industrial Chains	Feet	—	—	—	—		—	—	—
			—	—	—	—		—	—	—
5.	Wire Screen Cloth	Pieces	2,400	—	—	76	76	11.54	—	—
			2,400	*4*	*1.23*	*31*	*35*	*24.78*	—	—
6.	Winders	Units	4	—	—	—	—	—	—	—
			4	—	—	—	—	—	—	—
7.	Tipplers	Units	8	—	60.36	10	9	2,658.06	1	156.04
			8	—	*1.04*	*7*	*7*	*1,765.34*	—	*60.36*
	Components for Tipplers		—	—	–	–	–	193.17	—	54.76
			—	—	*4.30*	–	–	*218.04*	—	—
8.	Crushers	Units	26	1	36.41	26	26	927.62	1	26.22
			26	*2*	*88.64*	*27*	*28*	*921.23*	1	*36.41*
	Components for Crushers		—	—	28.67	—	—	713.16	—	82.69
			—	—	*12.61*	—	—	*738.29*	—	*28.67*
9.	Ore, Coal Preparation Equipment	Units	3	—	—	—	—	—	—	—
			3	—	—	—	—	—	—	—
10.	(a) Material handling equipment including stackers, reclaimers, stacker-cum-reclaimers, shiploaders/unloaders, general conveyors, ore/coal handling plants and wagon loaders; (b) Ore dressing plant and coal preparation plant including coal washeries	Tonnes	6,600	—	—	14,258	14,258	51,956.94	—	—
			6,600	—	—	*10,444*	*10,444*	*40,537.56*	—	—
11.	Stamping Charging Pushing Machines	Units	1	—	—	—	—	—	—	—
			1	—	—	—	—	—	—	—
12.	Charging Gas Cleaning Cars	Units	1	—	—	—	—	—	—	—
			1	—	—	—	—	—	—	—
13.	Crawler Mounted Side Dump Loaders and under carriages for Underground Mining	Units	10	—	—	5	5	79.50	—	—
			10	—	—	*13*	*13*	*240.00*	—	—
14.	Wheel Mounted Front Dump Loaders and under carriagesfor Underground Mining	Units	10	—	—	—	—	—	—	—
			10	—	—	—	—	—	—	—
15.	Coal Cutters (Shearer-cum-loaders)	Units	—	—	—	—	—	—	—	—
			—	—	—	—	—	—	—	—
16.	Components other than those above		—	—	3.99	—	—	753.13	—	74.29
			—	—	*26.00*	—	—	*1,563.82*	—	*3.99*
17.	Jobbing/Machining charges							29.91		
								—		
18.	Engineering,Procurement,Construction and Management jobs							491.31		
								209.52		
19.	Maintenance service contract, Agency commission etc.							542.72		
								986.87		
20.	Excise duty on finished goods not assessed to duty				73.32					184.07
					79.28					*73.32*
					536.81			64,994.95		1275.53
					469.37			*53,165.64*		*536.81*

NOTES :

(a) Licensed capacity is not applicable in terms of the Government of India's Notification no. S.O. 477 (E) dt. 25th July, 1991.

(b) Installed capacity is as certified by the Managing Director and accepted by the auditors, this being a technical matter.

(c) Quantitative information in respect of item 3 above has not been furnished, as these constitute components, etc. which it is not practicable to aggregate.

(d) The weight shown under item 10 above is the finished weight of fabrication work done by the Company for material handling equipment, etc. This is certified by the Managing Director and relied on by the auditors, being a technical matter.

(e) 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.

(f) Quantity/ value of stocks shown above is after adjustment of shortages/ excesses found on physical count, write-off of unserviceable items etc.

(g) Quantitative information in respect of components has not been furnished as these are of dissimilar nature and the aggregation of the quantities will not be meaningful.

(h) (i) Production figures shown above are net of returns.

(ii) Production figures for item 1 to 9 include items for use on contracts.
Accordingly turnover shown under items 1 to 9 above includes quantity and value at internal works transfer rates of Company manufactured products transferred during the year to contracts. The aggregate value of such transfers is adjusted from the turnover value shown in item 10.

(iii) The manufacture and supply of some of the components and equipments is spread over more than one year. The Company simultaneously manufactures components parts and equipment for more than one order including for use by Project and Services Segment. The manufactured components and equipment are transferred to Project and Service Segment or invoiced on delivery to customers and the value is reflected in the turnover of the year in which they are so transferred or delivered. However, production of the equipment is reflected in the year in which it is considered fully or substantially complete on the basis of technical estimates by the management.

(iv) Production figures for item 10(a) and 10(b) include production at project sites.

(i) Sales shown item 10(a) above includes sales and services erroneously recognised in the previous year, which has been reversed in the current year. Refer note (xiii) on schedule 19.

Schedules forming part of the Profit and Loss Account

	Year ended March 31, 2010 Rupees in lakhs	Year ended March 31, 2009 Rupees in lakhs
14. OTHER INCOME		
Income from long term investments - Trade (Gross inclusive of tax deducted at source Rs. 2.04 lakhs, previous year Rs. 2.04 lakhs)		
Trade	29.25	23.15
Other than trade	2.11	2.14
Gains on Foreign Exchange Fluctuation (net)	153.06	741.01
Bad Debts Recovered	2.48	21.59
Sale of Scraps & Stores	4.26	13.70
Excess Liability written back	84.17	104.47
Rent recoveries	21.78	11.09
Miscellaneous receipts	68.20	1.52
	365.31	**918.67**
15. EMPLOYEE COSTS		
Salaries, wages, other benefits and provision for bonus	3,309.44	2,949.08
Company's contribution to provident fund, superannuation fund and gratuity fund	486.76	357.84
Workmen and staff welfare expenses	376.27	310.24
Leave salaries	136.04	133.44
	4,308.51	**3,750.60**
16. OPERATION, ADMINISTRATION AND SELLING EXPENSES		
Stores, spare parts and loose tools consumed	491.56	502.41
Repairs to buildings	229.41	166.93
Repairs to plant and machinery	95.67	61.14
Repairs to office equipment	53.49	22.93
Power, fuel and water charges	217.34	181.82
Travelling, conveyance and car running expenses	822.62	513.83
Rent	324.66	134.61
Rates, taxes and licences	33.45	68.35
Sales Tax	907.60	515.88
Excise duty	494.47	533.45
Service tax	421.23	488.67
Insurance	95.20	57.73
Freight and handling charges	629.98	391.32
Bank charges	330.97	210.37
Service charges	316.57	394.06
Professional fees	726.10	251.86
Telephone expenses	93.30	77.76
Directors' fees and Commission	19.80	15.30
Bad debts written off	550.82	40.20
Provision for doubtful debts & advances	153.00	295.51
Provision of Warranty Expenses	7.00	27.00
Loss on sale of Fixed Assets (Net)	39.22	7.35
Other expenses	686.65	420.15
	7,740.11	**5,378.63**

Schedules forming part of the Profit and Loss Account

	Year ended March 31, 2010 Rupees in lakhs	Year ended March 31, 2009 Rupees in lakhs
17. (INCREASE)/DECREASE IN INVENTORIES AND CONTRACTS IN PROGRESS		
Opening inventories and contracts in progress		
Finished products	536.81	469.37
Work-in-progress	746.84	848.93
Contracts in progress	2,631.07	684.47
	3,914.72	2,002.77
Add : Prior Period Adjustment for contracts in progress (Refer note (xiii) on schedule 19)	136.69	2,439.42
	4,051.41	4,442.19
Less:		
Closing Inventories and contracts in progress		
Finished products	1,275.53	536.81
Work-in-progress	2,491.83	746.84
Contracts in progress	1,900.34	2,631.07
	5,667.70	3,914.72
	(1,616.29)	**527.47**
18. INTEREST		
On loans for fixed periods from banks	105.28	—
On cash credit and other facilities from banks	828.09	578.39
Others	46.64	21.88
	980.01	600.27
Less: Interest received on deposits, advance etc. (Gross inclusive of tax deducted at source Rs.1.28 Lakhs, previous year Rs. 4.60 lakhs)	7.19	21.76
	972.82	**578.51**

19. STATEMENT FORMING PART OF THE PROFIT AND LOSS ACCOUNT

i) Managerial remuneration to the Managing Director & Wholetime Director Rs.141.93 lakhs (Previous year Rs. 178.43 lakhs) includes commission of Rs.46.00 lakhs (previous year Rs. 65.00 lakhs).

ii) Commission @1% of net profit as per Section 309(5), restricted to Rs.50.00 lakhs (previous year Rs.40.00 lakhs) to Non-Wholetime Directors as computed below.

iii) Computation of net profit in accordance with Section 309(5) of the Companies Act,1956

	Year ended March 31, 2010	Year ended March 31, 2009
Profit before taxation as per Profit and Loss Account	7,134.30	7,028.75
Add : a) Directors' remuneration	191.93	218.43
b) Directors' fees	19.80	15.30
c) Employee Separation/Voluntary Retirement Compensation	9.93	9.76
d) Depreciation charged in the books	319.50	189.80
e) Loss on sale of assets	39.22	7.35
f) Provision for warranty expenses	7.00	27.00
g) Provision for Doubtful debts	153.00	295.51
	7,874.68	7,791.90
Less : a) Provision for depreciation under Section 350 of the Companies Act	319.50	189.80
b) Loss on sale of assets	39.22	7.35
Net Profit as per Section 309(5)	**7,515.96**	**7,594.75**

Notes :

In addition, the Managing Director and other Whole time Director are entitled to use of company motor car and telephone with internet facilities. The above figures do not include certain retirement benefits like pension, gratuity, leave encashment etc. for the Managing Director and other Whole time Director as separate figures are not available and pension of Rs.27.28 lakhs (previous year Rs. 18.08 lakhs) paid to former Directors and retirement benefits of Rs. 23.75 Lakhs (previous year Rs. Nil) paid to a former Executive Director.

Schedules forming part of the Profit and Loss Account

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
19. STATEMENT FORMING PART OF THE PROFIT AND LOSS ACCOUNT *(Contd.)*		
iv) Auditors' remuneration (excluding service tax)		
Audit fees	38.58	24.50
In other Capacities :		
– Tax Audit	3.50	2.25
– Corporate Governance Certification	0.50	0.40
Reimbursement of Out of pocket expenses	1.17	2.66

v) Raw materials and components consumed	Quantitative denomination	March 31, 2010 Quantity	March 31, 2010 Rupees in lakhs	March 31, 2009 Quantity	March 31, 2009 Rupees in lakhs
1. Steel	Tonnes	24,526	7,784.64	16,611	6,037.40
2. Forgings	Tonnes	340	214.19	650	477.76
3. Tubes	Metres	64,568	356.02	106,361	742.89
4. Castings	Units	57,474	80.37	305,870	368.74
5. Bearings	Units	180,940	791.45	268,516	901.14
6. Beltings	Metres	22,478	950.24	19,335	328.03
7. Others *			25,954.70		18,847.53
			36,131.61		27,703.49

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. 406.65 lakhs (previous year Rs.588.39 lakhs).

* Others represent electrical and bought out items. These items being dissimilar in nature it is impracticable to furnish the quantitative information in this regard. Others for previous year includes Rs. 60.96 lakhs which has been reversed in the current year as stated in note (xiii) on schedule 19.

vi) Consumption of imported and indigenous raw materials and components, stores and spare parts and the percentage of each to total consumption

	March 31, 2010 %	March 31, 2010 Rupees in lakhs	March 31, 2009 %	March 31, 2009 Rupees in lakhs
Raw materials and components				
Imported	3.48%	1,256.49	19.70%	5,458.86
Indigenously obtained	96.52%	34,875.12	80.30%	22,244.63
	100.00%	36,131.61	100.00%	27,703.49
Stores and spare parts				
Imported	9.48%	46.59	7.35%	36.93
Indigenously obtained	90.52%	444.97	92.65%	465.48
	100.00%	491.56	100.00%	502.41

vii) CIF value of imports	March 31, 2010	March 31, 2009
(a) Raw materials and components	1,304.64	5,538.35
(b) Stores and spare parts	15.82	14.72
(c) Capital Goods	378.25	213.33

Schedules forming part of the Profit and Loss Account

19. STATEMENT FORMING PART OF THE PROFIT AND LOSS ACCOUNT *(Contd.)*

		March 31, 2010 Rupees in lakhs		March 31, 2009 Rupees in lakhs
viii) Earnings in foreign exchange:				
F.O.B. value of exports (including deemed export of Rs.32,565.02 lakhs, previous year : Rs 10,953.17 lakhs)		32,657.97		16,546.34
ix) Expenditure in foreign currency (on payment basis)				
(a) Travel		37.01		52.05
(b) Engineering Support Service		19.59		115.10
(c) Professional fees		4.40		—
(d) Interest		65.45		—
(e) Other		18.32		—
x) Remittance in foreign currency on account of dividends for 2008-09		—		10.88
Number of non-resident shareholders	Nil		1	
Number of shares	Nil		108750	
In addition, in respect of 3,53,788 (previous year: 4,07,504) shares held by 182 (previous year: 198) non-resident shareholders an amount of Rs.42.45 lakhs (previous year: Rs. 40.75 Lakhs) has been paid in India. The Company does not have information whether this amount has been remitted in foreign currency by the non-resident shareholders.				
(xi) EARNINGS PER SHARE				
(a) Profit after tax as per the Profit and Loss Account		4,717.87		4,552.83
(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.)		42.87		41.37
* Number of shares has been adjusted for bonus issue approved in the Annual General Meeting of the Company held on July 20, 2009 as referred to in note (vi) on Schedule 20.				
(xii) Excise Duty (including education cess and higher education cess) included under Operation, Administration and Selling expenses comprises:				
Excise Duty on Finished Goods not assessed to duty		110.75		(5.96)
Excise Duty on construction contracts inclusive of duties		361.83		525.69
Excise Duty on warranty despatches, differential duty etc.		21.89		13.72
		494.47		533.45
(xiii) Certain contract costs recorded without underlying transactions in earlier years were noted during years ended March 31, 2010 and March 31, 2009. Management has now initiated an investigation into the matter as well as payments made thereagainst, if any. Pending completion of investigation, such wrong costs and consequential revenues recorded in the earlier years have been reversed in the current year and the previous year to the extent identified by management as summarized below:				
Prior period items				
Sales & services erroneously recognised in previous year, reversed		1,149.56		4,615.08
Corresponding adjustment/reversal in				
– Raw Material and components		60.96		843.88
– Payments to sub-contractors		712.00		—
– Contracts in progress		136.69		2,439.42
(Net)		(239.91)		(1,331.78)

(xiv) Provision for current tax is net of Rs. Nil (previous year Rs.106.27 lakhs) being provision for income tax of earlier years written back.

Schedules forming part of the Accounts

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

(i) SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF ACCOUNTS

The financial statements have been prepared in compliance with the generally accepted accounting principles in India and the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant presentation requirements of the Companies Act, 1956

(b) FIXED ASSETS

All fixed assets are stated at original cost net of tax/duty credits availed, if any less amortisation/ 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.

(c) DEPRECIATION AND AMORTISATION

Tangible Assets

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.

Intangible Assets

Technical know-how fees are amortised over a period of six years. Computer software is amortised over a period of five years.

(d) IMPAIRMENT OF ASSETS

The carrying amount of fixed assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its recoverable amount which is higher of net realisable value and value in use.

(e) INVESTMENTS

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

(f) INVENTORIES

Raw materials, work-in- progress and finished goods are valued at lower of cost and net realisable value. Stores and spare parts and loose tools are carried at cost less obsolescence.

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

(g) REVENUE RECOGNITION (OTHER THAN CONTRACTS)

Revenue is recognised on completion of sale of goods / rendering of services. Sales excludes sales tax collected from customers.

(h) ACCOUNTING OF CONTRACTS

Contract Revenue is recognised on percentage completion method as required under revised 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. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably and for contracts valued up to Rs.100 crores, profit is recognised when stage of completion is 40% or more, and for contracts valued more than Rs. 100 crores, profit is recognised either at 25% stage of completion or an expenditure of Rs.40 crores whichever is higher. When it is probable that the total cost will exceed the total contract revenue, the expected loss is recognised immediately. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc.

Schedules forming part of the Accounts

(i) **FOREIGN EXCHANGE TRANSACTIONS**

1. Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities relating to foreign currency transactions are translated at year end exchange rates. The difference in translation and realised gains/losses are recognised in the Profit and Loss Account.
2. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any Profit or Loss arising on cancellation or renewal of such a forward exchange contract is recognised in the Profit and Loss Account.

(j) **EMPLOYEE BENEFITS**

1. All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. Short -term Employee Benefits are recognised as an expense in the profit and loss account of the year in which the related service is rendered
2. Company's contributions towards Provident Fund and Superannuation Fund paid /payable during the year are charged to the Profit and Loss Account of the year in which the employee renders the related service
3. Company's liabilities towards Gratuity [other than Port & Yard Equipment (P&YE Division)] and pension for whole-time directors are ascertained by an independent actuarial valuation as per the requirements of Accounting Standard-15 (revised 2005) on "Employee Benefits".The gratuity liability in respect of P & YE division is determined based on premiums paid to the Life Insurance Corporation of India (LIC) under the group gratuity scheme. Provision for leave salaries is made on the basis of an independent actuarial valuation.
4. Company's liabilities towards post -retirement medical benefits for separated employees, farewell gifts, long service awards and Early Separation Compensation (ESS) are measured at the present value of estimated future cash flows as per the requirements of Accounting Standard-15 (revised 2005) on "Employee Benefits".
5. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account

(k) **SEGMENT REPORTING**

Segments are identified based on the dominant source and nature of risks and return and the internal organisation and management structure.

Revenue and expenses has been identified to segments on the basis of their relationship to the operating activities of the segment.

(l) **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised 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. Reimbursement against a provision is recognised as a separate asset based on virtual certainty. Provision for anticipated warranty costs is made on the basis of technical and available cost estimates.

(m) **TAXES ON INCOME**

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961.

Deferred tax is recognised, subject to the consideration of prudence in respect of Deferred tax assets, on timing differences, being the difference between taxable Income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax can be realised.

(n) **MISCELLANEOUS EXPENDITURE**

Compensation to employees who have opted for retirement under Early Separation / Voluntary Retirement offered under various schemes of the Company is amortised over two to ten years depending upon the maximum balance period of service of the employees under the relevant schemes so as to amortise it entirely upto March 31, 2010. Accordingly the balance as on March 31, 2010 is Nil.

Schedules forming part of the Accounts

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010 *(Contd.)*

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
(ii) **CONTINGENT LIABILITIES**		
(a) Sales tax matters in dispute	106.33	291.52
In respect of the above sales tax matters in dispute, the Company has deposited Rs.34.10 lakhs (previous year Rs.19.54 lakhs) against various orders, pending disposal of the appeals. This amount is included under Schedule 10 - Loans and Advances, considered good.		
(b) The excise authorities have issued demand notices/show cause notices concerning excise duty / service tax and penalty which have been refuted by the Company and are pending disposal.	967.74	12.67
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 Schedule 10 - Loans and Advances, considered good.		
(c) Service Tax matters in dispute	146.55	28.16
(d) Taxation matters in dispute	1,382.68	25.47
(e) Corporate guarantee on behalf of subsidiary company (SGD 9.5 million)	3,051.12	3,167.30
(f) Others	23.42	23.42
(iii) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,089.97	989.21

(iv) Provision of Rs. 99.00 lakhs (Previous year :Rs 92.00 lakhs) has been made for anticipated warranty costs relating to certain products manufactured and sold by the Company upto March 31, 2010 on the basis of technical and available cost estimates, which being technical matters have been relied upon by the auditors.

(v) 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.

(vi) The Board of Directors of the Company at its meeting held on June 16, 2009 approved the issue of bonus shares in the ratio of 1:1 (one share for every share held by the existing shareholders of the Company). The share holders at the annual general meeting held on July 20, 2009 approved the Bonus issue and the bonus shares were alloted on August 6, 2009. These bonus shares amounting to Rs.550.22 lakhs were issued by capitalisation of General Reserves of the Company.

(vii) The Company has entered into a Shareholders Agreement on June 1, 2009 with M/s Jasper Industries Pvt. Ltd. and M/s Tata Capital Ltd to form a subsidiary Adithya Automotive Applications Pvt. Ltd.(AAA). Pursuant to the Shareholders Agreement, the Company has subscribed to 20,40,000 equity shares of Rs. 10 each in AAA Pvt. Ltd. by investing Rs. 204.00 lakhs. The Company has further subscribed 15,30,000 equity shares of Rs. 10 each during the year by investing Rs. 153.00 lakhs.

The Shareholding pattern of AAA as on March 31, 2010 is as follows:

a. TRF Ltd. – 51%

b. Jasper Industries Pvt Ltd. – 29.05%

c. Tata Capital Ltd. – 19.95%

(viii) The Company through further infusion of capital in its wholly owned subsidiary TRF Singapore Pte Ltd has acquired 51% shares of Dutch Lanka Trailer Manufacturers Limited (DLT) a Sri Lanka based Company engaged in manufacture of trailers by investing USD 8.67 million. This has been funded by raising an External Commercial Borrowing of USD 9 million from DBS Bank, Singapore to be repaid over a period of 5 years.

(ix) 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.

(x) 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.

Stock of Works division scrap and off-cuts have been brought into account as on March 31, 2010 in accordance with past practice.

Schedules forming part of the Accounts

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010 *(Contd.)*

(xi) Construction Contracts Disclosure :

Information relating to Construction Contracts as per Accounting Standard 7 (Revised) 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, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
Contract revenue recognised as revenue during the year (including prior period items Refer note (xiii) on schedule 19)	53,777.13	42,488.35
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	152,744.47	105,210.21
Advance payments received (Un-adjusted)	8,426.15	6,479.69
Retention amount	16,120.79	11,857.80
Gross amount due from customers for contract work *	7,849.08	9,898.42
Gross amount due to customers for contract work **	3,434.86	5,417.09

For the Method used to determine the contract revenue recognised and the stage of completion of contract in progress, refer note 20 (i)(h) above

* Included in 'Advances recoverable in cash or in kind or for value to be received - considered good' - Schedule 10 -Loans & Advances

** Included in "dues to customers for contract in progress" - Schedule 11 - Current Liabilities

(xii) (a) The company has recognized in the Profit and Loss account an amount of Rs.352.07 lakhs (previous year Rs. 268.57 lakhs) under defined contribution plans.

Rupees in lakhs

Benefit (Contribution to)	March 31, 2010	March 31, 2009
Provident Fund *	174.29	141.03
Superannuation Fund	134.05	88.18
Employees Pension Scheme	43.73	39.36
	352.07	**268.57**

* Includes an amount of Rs. 32.00 lakhs(previous year Rs. 21.45 lakhs) provided for shortfall of interest.

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

a. Unfunded
   1. Leave encashment
   2. Pension to Directors
   3. Farewell Gifts
   4. Post Retirement Medical benefits of ex-employees.

b. Funded
   1. Gratuity

(c) Details of unfunded retirement defined benefit obligations are as follows: Rupees in lakhs

Description	Leave encashment				Pension to Directors			
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1. Reconciliation of opening and closing balances of obligation								
a. Opening Obligation	296.56	232.68	203.67	185.51	450.10	334.92	247.31	205.63
b. Current Service Cost	42.99	35.12	30.85	25.14	74.36	62.28	44.80	42.16
c. Interest Cost	19.22	15.78	14.68	12.72	32.29	26.07	19.69	15.22
d. Contribution by plan participants #	—	1.39	—	—	—	—	—	—
e. Actuarial (Gain)/loss	73.83	82.54	35.03	33.34	(34.77)	44.91	40.40	(10.42)
f. Benefits paid	(73.61)	(70.95)	(51.55)	(53.04)	(27.28)	(18.08)	(17.28)	(5.28)
g. Closing Obligation	358.99	296.56	232.68	203.67	494.70	450.10	334.92	247.31

\# Amount transferred from associate companies Rs. Nil (Previous year Rs. 1.39 lakhs)

Schedules forming part of the Accounts

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010 *(Contd.)*

(c) Unfunded Post retirement defined benefit obligations *(Contd.)*

Rupees in lakhs

Description	Leave encashment				Pension to Directors			
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
2. Expense recognized in the period								
a. Current service cost	42.99	35.12	30.85	25.14	74.36	62.28	44.80	42.16
b. Interest cost	19.22	15.78	14.68	12.72	32.30	26.07	19.69	15.22
c. Actuarial (Gain)/loss	73.83	82.54	35.03	33.34	(34.77)	44.91	40.40	(10.42)
d. Expense recognized in the period	136.04	133.44	80.56	71.20	71.89	133.26	104.89	46.96
The expense is disclosed in the line item - Employee Costs (Schedule 15)								
3. Assumptions								
a. Discount rate (per annum)	7.70%	7.40%	8.00%	8.25%	7.70%	7.40%	8.00%	8.25%
4. Experience Adjustment								
a. Defined Benefit Obligation	(358.99)	(296.56)	(232.68)	(203.67)	(494.70)	(450.10)	(334.92)	(247.31)
b. Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
c. Surplus/ (Deficit)	(358.99)	(296.56)	(232.68)	(203.67)	(494.70)	(450.10)	(334.92)	(247.31)
d. Experience Adjustments on Plan Liabilities	(54.87)	(70.40)	(31.00)	(36.95)	19.78	(19.10)	(7.38)	(7.61)
e. Experience Adjustments on Plan Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

(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:- *

Rupees in lakhs

Description	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1. Reconciliation of opening and closing balances of obligation				
a. Opening Obligation	964.28	892.67	827.79	828.43
b. Current Service Cost	45.81	39.39	34.12	33.28
c. Interest Cost	64.38	66.18	62.68	64.99
d. Contribution by Plan participants #	5.73	4.22	—	—
e. Actuarial (Gain)/Loss	101.01	92.73	104.07	(9.15)
f. Benefits paid	(188.60)	(130.91)	(135.99)	(89.79)
g. Closing Obligation	992.61	964.28	892.67	827.79
The defined benefit obligation as at 31.03.10 is funded by the company				
2. Change in Plan Assets (Reconciliation of opening & closing balances)				
a. Opening fair value of plan assets	938.10	882.94	865.29	809.30
b. Expected return on Plan assets	73.13	68.22	67.50	31.37
c. Actuarial Gain/(loss)	10.35	47.31	(6.86)	7.38
d. Contributions	135.00	70.54	93.00	107.00
e. Benefits paid	(188.60)	(130.91)	(135.99)	(89.76)
f. Closing fair Value of Plan assets	967.98	938.10	882.94	865.29
3. Reconciliation of fair value of assets and obligations				
a. Closing fair value of Plan assets	973.71	938.10	882.94	865.29
b. Closing obligation	992.61	964.28	892.67	827.78
c. Amount recognised in the balance sheet * (Schedule 12)	(18.90)	(26.18)	(9.73)	37.51
4. Expense recognized in the period				
a. Current service cost	45.81	39.39	34.12	33.28
b. Interest cost	64.38	66.18	62.68	64.99
c. Expected return on Plan assets	(73.13)	(68.22)	(67.50)	(31.37)
d. Actuarial (gain)/loss	90.66	45.42	110.92	(16.53)
e. Expense recognized in the period *	127.72	82.77	140.22	50.37
The expense is disclosed in the line item – Employees Cost (Schedule 15)				

20. **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010** *(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:- * *(Contd.)*

Rupees in lakhs

Description	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
	%age invested	%age invested	%age invested	%age invested
5. Investment Details				
a. GOI Securities	15.30	15.11	15.82	13.91
b. Public Sector unit (PSU) Bonds	30.27	28.27	25.40	26.06
c. State / Central Guaranteed Securities	8.55	9.89	9.23	10.62
d. Special Deposit Schemes	43.49	44.55	46.83	48.98
e. Private Sector Bonds	1.79	1.83	0.77	—
f. Others (including bank balances)	0.60	0.35	1.95	1.43
	100.00	100.00	100.00	100.00
6. Assumptions				
a. Discount rate (per annum)	7.70%	7.40%	8.00%	8.25%
b. Estimated rate of return on Plan assets (per annum)	8.00%	8.00%	8.00%	8.00%
c. Rate of escalation in salary (per annum)	6.00%	5.00%	5.00%	5.00%
The estimate of future salary increases take into account inflation, seniority, promotion and other relavent factors.				
7. Experience Adjustments				
a. Defined Benefit Obligation	(992.61)	(964.28)	(892.67)	(827.78)
b. Plan Assets at the end of the Period	973.71	938.10	882.94	865.29
c. Surplus/ (Deficit)	(18.90)	(26.18)	(9.73)	37.51
d. Experience Adjustments on Plan Liabilities	(66.32)	(62.83)	(92.52)	(30.51)
e. Experience Adjustments on Plan Assets	10.35	47.31	(6.86)	7.38

Amount transferred from associate companies Rs. 5.73 lakhs (previous year Rs.4.22 lakhs)

* The gratuity liability in respect of P&YE division of the Company is determined based on premiums charged by LIC under the group gratuity scheme. Expenses recognised in the period as disclosed above excludes Rs.6.99 lakhs (previous year Rs. 4.18 lakhs) contributions made by P& YE division to LIC. Amount recognised in the balance sheet as disclosed above excludes Rs.2.13 lakhs (previous year Rs. 1.53 lakhs) pertaining to P & YE division. Disclosures pursuant to AS - 15 (revised 2005) 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.

Disclosures pursuant to AS - 15 (revised 2005) have not been made in respect of Farewell Gifts and Post Retirement Medical Benefits of ex-employees as the amounts are not expected to be material.

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010 *(Contd.)*

(xiii) SEGMENT REPORTING :

Rupees in lakhs

	2009 - 2010				2008 - 2009			
BUSINESS SEGMENT	PRODUCTS & SERVICES	PROJECTS & SERVICES	ELIMINATION	TOTAL	PRODUCTS & SERVICES	PROJECTS & SERVICES	ELIMINATION	TOTAL
SEGMENT REVENUE								
External Sales	9,833.40	55,161.55		64,994.95	9,324.98	43,840.66		53,165.64
Inter-segment Revenue	6,425.05	—	(6,425.05)	—	7,266.49		(7,266.49)	—
Total Revenue	16,258.45	55,161.55	(6,425.05)	64,994.95	16,591.47	43,840.66	(7,266.49)	53,165.64
SEGMENT RESULT- Profit before Prior Period items	2,640.12	5,497.36		8,137.48	1,740.82	7,256.51		8,997.33
Prior Period item (Refer note xiii on schedule 19)		(239.91)		(239.91)		(1,331.78)		(1,331.78)
SegmentResult - Profit after Prior Period items	2,640.12	5,257.45		7,897.57	1,740.82	5,924.73		7,665.55
Unallocated corporate expenditure (net)				149.97				103.02
Operating Profit				7,747.60				7,562.53
Interest Expenses (net)				972.82				578.51
Other Income				359.52				44.73
Profit Before Tax				7,134.30				7,028.75
Income Tax				2,575.00				2,413.73
Deferred Tax				(158.57)				20.19
Fringe Benefit Tax				—				42.00
Net Profit				4,717.87				4,552.83
OTHER INFORMATION	PRODUCTS & SERVICES	PROJECTS & SERVICES	UNALLOCATED	TOTAL	PRODUCTS & SERVICES	PROJECTS & SERVICES	UNALLO-CATED	TOTAL
SEGMENTAL POSITION								
Segment Assets	13,402.31	47,175.53		60,577.84	8,039.39	39,986.48		48,025.87
Unallocated Corporate Assets			10,342.61	10,342.61			3,363.11	3,363.11
Deferred Tax Assets (Net)			251.53	251.53			92.95	92.95
Total Assets	13,402.31	47,175.53	10,594.14	71,171.98	8,039.39	39,986.48	3,456.06	51,481.93
Segment Liabilities	9,248.99	26,954.98		36,203.97	4,963.97	26,434.13		31,398.09
Unallocated Corporate Liabilities			17,989.86	17,989.86			6,861.14	6,861.14
Total Liabilities	9,248.99	26,954.98	17,989.86	54,193.83	4,963.97	26,434.13	6,861.14	38,259.24
Capital Expenditure	756.14	138.54	180.82	1,075.51	936.99	109.32	18.49	1,064.80
Depreciation	143.68	83.15	92.67	319.50	128.46	56.48	4.86	189.80
Non-cash expenses other than depreciation (ESS amortised)				9.93				9.76

Notes :

1. 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.
2. Unallocated corporate expenditure includes common service expenses. Unallocable income includes primarily dividend income from investments.
3. Unallocated assets includes investments.
4. Inter-segment revenue are at market driven agreed price.

Schedules forming part of the Accounts

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010 *(Contd.)*

(xiv) 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
	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 Eadda Pte Ltd YTE Special Products Pte Ltd Qingdao YTE Special Products Co. Ltd. YORK Transport Equipment India Pvt. Ltd. Dutch Lanka Trailer Manufacturers Limited # Dutch Lanka Engineering Pvt. Ltd. # Dutch Lanka Trailers LLC # # w.e.f. August 1, 2009	Subsidiary - The Ownership of which is directly or indirectly through subsidiary (ies)
b)	Adithya Automotive Application Pvt. Ltd * * w.e.f. June 1, 2009	Subsidiary
c)	Tata Steel Limited	Associate - Tata Steel holds 34.77% of the voting powers of the Company
d)	Key Management Personnel	
	Mr. Sudhir Deoras	Managing Director
	Mr. Ramesh Chander Nandrajog	Executive Director till 31.07.2009

Schedules forming part of the Accounts

B) Related Party Transaction

Rupees in lakhs
(Previous year's figures in italics)

	Subsidiary	Associate	Key Management Personnel
A Transactions during the year ended March 31, 2010.			
(i) Sales and Services (net of discounts)			
Tata Steel Ltd		2,144.11	
		3,798.49	
(ii) Purchase of raw materials			
Tata Steel Ltd		2,734.16	
		1,458.90	
York Transport Equipment (Asia) Pte Ltd.	—		
	26.65		
(iii) Payment towards various services obtained			
Tata Steel Ltd		190.42	
		165.41	
(iv) Lease hold rent			
Tata Steel Ltd		10.87	
		9.10	
(v) Rendering of Services (including Rent)			
York Transport Equipment (India) Pvt Ltd	78.77		
	3.00		
(vi) Expenses /Overheads charged			
York Transport Equipment (Asia) Pte Ltd	2.33		
	48.53		
York Transport Equipment (India) Pvt Ltd	98.67		
	37.99		
Dutch Lanka Trailer Manufacturers Ltd	*15.34*		
	—		
(vii) Dividend Paid			
Tata Steel Ltd		229.60	
		191.31	
(viii) Unsecured Advances given /(repaid)			
TRF Singapore Pte Ltd	—		
	10.10		
(ix) Unsecured Advances accepted			
York Transport Equipment (India) Pvt Ltd	—		
	0.44		
(x) Remuneration Paid			
Mr. Sudhir Deoras			116.62
			105.24
Mr Ramesh Chander Nandrajog			49.07
			73.19
(xi) Bad Debts Written Off			
Tata Steel Ltd.		32.28	
		11.80	
B) Balance as on March 31, 2010.			
(i) Guarantees Outstanding			
Given by the Company on behalf of TRF Singapore Pte. Ltd. (SGD 9,500,000)	3,051.12		
	3,167.30		
(ii) Receivables			
Tata Steel Ltd.		1,578.45	
		1,761.57	
York Transport Equipment (India) Pvt Ltd	30.42		
	39.83		
Dutch Lanka Trailer Manufacturers Ltd	*15.34*		
	—		
TRF Singapore Pte Ltd	24.12		
	—		
(iii) Payables			
Tata Steel Ltd		333.01	
		235.15	
York Transport Equipment (Asia) Pte Ltd	2.30		
	27.38		

C) The Company does not have any transactions that needs to be reported under clause 32 of the Listing Agreement.

Schedules forming part of the Accounts

20. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010 *(Contd.)*

(xv) DEFERRED TAX (arising out of timing differences)

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
(a) Deferred Tax Assets		
Provision for doubtful debts & advances	229.10	182.44
Provision for Contingencies	66.44	—
Provision for Warranty	32.89	—
Others, including employee leave encashment	119.25	100.80
	447.68	283.24
(b) Deferred Tax Liabilities		
Early Separation Compensation to employees	—	3.37
Depreciation	196.15	186.92
	196.15	190.29
Net Deferred Tax (Liability)/Asset	251.53	92.95

(xvi) Sundry creditors include dues to parties covered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31,2010 (Schedule 11 - Current liabilities) is as under.

	March 31, 2010 Rupees in lakhs	Year ended March 31, 2009 Rupees in lakhs
(i) Amount outstanding at balance sheet date - Principal		23.30
(ii) Amount outstanding at balance sheet date - Interest	0.10	0.10
(iii) Interest paid during the year on delayed payment	—	—
(iv) Amount of interest unpaid on delayed principal payment made	—	—
(v) Interest accrued and unpaid as at the balance sheet date	0.10	0.10
(vi) Total interest due and payable	0.10	0.10

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.

(xvii) The Company has not hedged its foreign currency exposures. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

	March 31, 2010		March 31, 2009	
	Currency Equivalent (Million)	INR Equivalent (Rs. in Lakhs)	Currency Equivalent (Million)	INR Equivalent (Rs. in Lakhs)
A. Amount receivable in foreign curency on account of the following				
Exports of Goods & Services	46.01	2,073.95	47.54	2,460.82
Advance towards Import of goods & services	7.01	317.21	3.53	17.88
B. Amount payable in foreign currency on account of the following:				
Import of goods and services	19.70	886.59	17.00	879.79
Advance against Export of Goods & Services	6.30	234.62	4.10	212.10
Capital Imports	90.00	4,052.70	0.40	20.83
Interest Payable	0.72	32.33	—	—

(xviii) Figures for the previous year have been regrouped and restated wherever necessary.

Signature to Schedules 1 to 20
For and on behalf of the Board

Dr. JAMSHED J. IRANI
Chairman

Kolkata, 29th May, 2010

PRASHANT KUMAR
Company Secretary

SUDHIR DEORAS
Managing Director

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I. **Registration Details :**

Registration No.	L 7 4 2 1 0 J H 1 9 6 2 P L C 0 0 0 7 0 0
Balance Sheet Date	31 03 10
State Code	03

II. **Capital Raised during the Year : (Amount in Rs. Thousand)**

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	55022	Private Placement	NIL
		Others	NIL

III. **Position of Mobilisation and Deployment of Funds : (Amount in Rs. Thousand)**

Total Liabilities	3157388	Total Assets	3157388
Sources of Funds			
Paid-up Capital	110044	Reserves & Surplus	1587771
Secured Loans	1309573	Unsecured Loans	150000
Application of Funds			
Net Fixed Assets	274718	Investments	796645
Net Current Assets	2043453	Misc. Expenditure	NIL
Deferred Tax	25153		

IV. **Performance of Comapany : (Amount in Rs. Thousand)**

Turnover	6499495	Total Expenditure	5798605
Profit/(Loss) before Tax	+ ✓ 713430	Profit/Loss after Tax	+ ✓ 471787
	(Please tick appropriate box + for profit, — for loss)		*(Please tick appropriate box + for profit, — for loss)*
Earning Per Share	+ 42.87	Dividend Rate %	75

V. **Generic Names of Three Principal Products/Services of Company**

Item Code No. (ITC Code)	84283200
Product Description	All types of material handling machinery/equipment such as stackers, reclaimers, stacker-cum-reclaimers, ship loaders/unloaders, general conveyors. All types of material handling systems such as coal/ore handling plants, ore dressing plant, coal preparation plant, coal washeries.
Item Code No. (ITC Code)	84313901
Product Description	All types of Idler Rollers
Item Code No. (ITC Code)	84741001 & 84741009
Product Description	All types of machinery/equipment for sorting, screening, separating, etc.

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 March 31, 2010, the Consolidated Profit and Loss Account 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 financial 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 whose financial statements reflect total assets of Rs. 23,946.58 lakhs as at March 31, 2010, total revenues of Rs. 22,206.21 lakhs and net cash outflows amounting to Rs. 247.39 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries 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) as notified under the Companies (Accounting Standards) Rules, 2006.

5. As stated in note (ii)(h) of Schedule 19, for recognizing profit on contracts, stage of completion is determined as a proportion that contract costs incurred for the work performed bear to the estimated total costs. Further, as stated in that note, expected loss on contracts is recognized when it is probable that the total contract costs will exceed the total contract revenue. For this purpose, total contract costs are ascertained on the basis of the contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied upon by us. As stated in note (vi) of Schedule 19 revisions in projected profit/loss arising from change in estimate, etc. are reflected during the course of work in each accounting period in which the revisions have been made; the effect of these revisions has not been disclosed separately in the accounts, as the amounts thereof cannot be accurately determined.

6. *As stated in Note (xi)(b) of Schedule 19, the Company is in the process of investigating recording of costs without underlying transactions and payments made there against, if any. Quantification of the impact of such investigation is not possible at this stage.*

7. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, *subject to our comments in paragraph 5 & 6 above*, 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 March 31, 2010;
   - (ii) in the case of the Consolidated Profit and Loss Account, 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)

Saira Nainar
Partner
Membership No. 40081

Kolkata, May 29, 2010

TRF LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheet as at March 31, 2010

	Schedule	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	March 31, 2009 Rupees in lakhs
FUNDS EMPLOYED					
SHARE CAPITAL	1		1,100.44		550.22
RESERVES AND SURPLUS	2		13,616.54		11,886.38
TOTAL SHAREHOLDERS' FUNDS				14,716.98	12,436.60
MINORITY INTEREST (Refer note (i)(f) on Schedule 19)				5,974.51	4,084.22
SECURED LOANS	3		19,964.43		9,336.01
UNSECURED LOANS	4		1,697.52		—
TOTAL LOANS				21,661.95	9,336.01
DEFERRED TAX LIABILITY (NET) [Refer note (xx) on schedule 19]				13.48	22.67
TOTAL				42,366.92	25,879.50
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5		12,398.22		9,148.19
Less : Depreciation			6,227.93		5,607.11
Net Block				6,170.29	3,541.08
Capital work-in-progress (including Capital Advance)				1,355.66	128.74
INVESTMENTS	6			369.00	368.80
GOODWILL ON CONSOLIDATION				4,654.23	1,410.92
DEFERRED TAX ASSETS (NET) [Refer note (xx) on Schedule 19]				285.86	92.95
CURRENT ASSETS (including loans and advances)					
Interest Accrued on Investment			5.31		5.32
Inventories and contracts in progress	7		15,543.87		11,340.87
Debtors	8		41,984.49		29,758.51
Cash and bank balances	9		4,345.96		2,149.20
Loans and advances	10		14,458.42		14,581.77
			76,338.05		57,835.67
Less:					
CURRENT LIABILITIES AND PROVISIONS					
Current liabilities	11	43,754.83			35,059.14
Provisions	12	3,051.34			2,449.45
			46,806.17		37,508.59
NET CURRENT ASSETS				29,531.88	20,327.08
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)					
Employee Separation Compensation				—	9.93
TOTAL ASSETS (Net)				42,366.92	25,879.50
NOTES	19				

The annexed Schedules and Notes referred to above form an integral part of the Accounts.

For and on behalf of the Board

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Dr. JAMSHED J. IRANI
Chairman

SAIRA NAINAR
Partner
Kolkata, 29th May, 2010

PRASHANT KUMAR
Company Secretary

SUDHIR DEORAS
Managing Director
Kolkata, 29th May, 2010

TRF LIMITED AND ITS SUBSIDIARIES

Consolidated Profit and Loss Account for the year ended March 31, 2010

	Schedule	Rupees in lakhs	Year Ended March 31, 2009 Rupees in lakhs
INCOME			
Sales and Services (Gross)		87,796.06	73,351.81
Less - Excise Duty		1,204.20	971.83
Net Sales and Services	13	86,591.86	72,379.98
Other income	14	1,237.10	269.76
		87,828.96	72,649.74
EXPENDITURE			
Raw materials and components		50,844.79	42,141.82
Payments to sub-contractors		10,338.55	7,774.54
Employee costs	15	6,914.10	5,692.68
Operation, administration and selling expenses	16	11,808.19	8,735.90
		79,905.63	64,344.94
(Increase) / Decrease in inventories and contracts in progress	17	(1,399.99)	(691.69)
		78,505.64	63,653.25
Depreciation		611.60	382.62
Interest	18	1,250.76	766.19
TOTAL EXPENDITURE BEFORE TRANSFER TO CAPITAL ACCOUNT		80,368.00	64,802.06
Amount Transferred to Capital Account		(107.01)	—
TOTAL EXPENDITURE		80,260.99	64,802.06
PROFIT BEFORE PRIOR PERIOD, EXTRAORDINARY & EXCEPTIONAL ITEMS AND TAXATION		7,567.97	7,847.68
Prior Period items (Refer Note (xi)(a) & (xi)(b) on Schedule 19)		(181.20)	(1,331.78)
PROFIT BEFORE TAXATION		7,386.77	6,515.90
Provision for Taxation			
Current Tax (Refer Note (v) on Schedule 19)		2,661.38	2,404.89
Deferred Tax (Refer Note (xx) on Schedule 19)		(151.47)	20.19
Fringe Benefit Tax		—	42.00
PROFIT AFTER TAXATION		4,876.86	4,048.82
Minority Interest (Refer note (i)(f) on Schedule 19)		204.80	—
PROFIT AFTER MINORITY INTEREST		4,672.06	4,048.82
Balance in Profit and Loss Account brought forward		1,055.19	1,778.85
AMOUNT AVAILABLE FOR APPROPRIATION		5,727.25	5,827.67
APPROPRIATIONS			
Proposed dividend		825.33	660.27
Tax on dividend		138.32	112.21
		963.65	772.48
Transfer to General Reserve		4,000.00	4,000.00
Balance carried to Balance Sheet		763.60	1,055.19
		5,727.25	5,827.67
Earning per share in Rs.-Basic/Diluted (Note (xix) on schedule 19)		42.46	36.79
NOTES	19		

The annexed Schedules and Notes referred to above form an integral part of the Accounts.

For and on behalf of the Board

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Dr. JAMSHED J. IRANI
Chairman

SAIRA NAINAR
Partner
Kolkata, 29th May, 2010

PRASHANT KUMAR
Company Secretary

SUDHIR DEORAS
Managing Director
Kolkata, 29th May, 2010

TRF LIMITED AND ITS SUBSIDIARIES

Consolidated Cash Flow Statement for the year ended March 31, 2010

					Year Ended March 31, 2009
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs	Rupees in lakhs
	Net Profit Before Tax and after exceptional and extraordinary Items		7,386.77		6,515.90
	Adjustments for :				
	Depreciation	611.60		382.62	
	(Profit)/Loss on Sale of Assets/discarded assets written off	41.82		6.95	
	Interest income	(8.01)		(28.68)	
	Income from Investments	(31.89)		(25.29)	
	Interest expenses	1,251.29		794.87	
	ESS Compensation amortised	9.93		9.76	
			1,874.74		1,140.23
	Operating Profit before working capital changes		9,261.51		7,656.13
	Adjustments for :				
	Trade and other receivables	(10,696.02)		(7,661.42)	
	Inventories	(2,567.96)		(3,109.43)	
	Trade payables and Other Liabilities	8,053.83		4,938.14	
			(5,210.15)		(5,832.71)
	Cash Generated from Operations		4,051.36		1,823.42
	ESS Compensation paid	(40.59)		(34.31)	
	Direct Taxes paid (net) (including Fringe Benefit Tax)	(2,395.94)	(2,436.53)	(2,213.97)	(2,248.28)
	Foreign Exchange Gain/(loss) on consolidation		(805.17)		(23.56)
	Net Cash from/(used) in Operating Activities		**809.66**		**(448.42)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Fixed Assets(refer note 2)	(2,694.73)		(1,245.57)	
	Sale of Fixed Assets	11.02		6.78	
	Purchase of Investments in subsidiary	(4,778.43)		—	
	Income from Investments	31.90		25.22	
	Income from Interest received	8.01		28.68	
	Net Cash used in Investing Activities		**(7,422.23)**		**(1,184.89)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from Borrowings	10,486.78		3,508.34	
	Issue of share Capital	329.29		—	
	Interest Paid	(1,251.29)		(794.93)	
	Dividend paid	(755.45)		(638.79)	
	Net Cash from Financing Activities		**8,809.33**		**2,074.62**
	Net increase/(Decrease) in Cash and Cash equivalents (A+B+C) (See note 3)		**2,196.76**		**441.31**
	Cash and Cash equivalents as at 1st April 2009 (see note 4)		2,149.20		1,707.89
	Cash and Cash equivalents as at 31st March 2010		4,345.96		2,149.20

Notes:

1. Figures in brackets indicate outflows.
2. Purchase of fixed assets include payments for items in capital work in progress.
3. Cash and Cash equivalents includes gain on foreign exchange revaluation of Rs.55.87 Lakhs (Previous year Rs. 226.53 lakhs)
4. Cash and Cash equivalents represent Cash and Bank balances.
5. Previous periods figures have been regrouped/restated wherever necessary.

For and on behalf of the Board

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Dr.JAMSHED J.IRANI
Chairman

SAIRA NAINAR
Partner
Kolkata, 29th May, 2010

PRASHANT KUMAR
Company Secretary

SUDHIR DEORAS
Managing Director
Kolkata, 29th May, 2010

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Balance Sheet

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
1. SHARE CAPITAL		
Authorised :		
3,00,00,000 equity shares of Rs. 10 each	**3,000.00**	**1,500.00**
(Previous year 1,50,00,000 Equity shares of Rs. 10 each)		
Issued and Subscribed :		
1,10,04,412 equity shares of Rs.10 each fully paid	**1,100.44**	**550.22**
(Previous year 55,02,206 equity shares of Rs.10 each)		

(i) Of the above shares

(a) 50,000 shares of Rs.10 each were issued as fully paid, for consideration other than cash (conversion of loan into equity by ICICI).

(b) 56,64,706 shares of Rs.10 each were issued by way of fully paid up bonus shares by capitalisation of General Reserve.

(c) 6,90,000 equity shares of Rs. 10 each were allotted to holders of 13.5% convertible bonds, on conversion of part of the bonds into fully paid shares.

(d) 11,11,672 equity shares of Rs. 10 each were allotted to holders of 12.5% convertible debentures, on conversion of part of the debentures into fully paid shares.

(e) 8,20,333 equity shares of Rs.10 each allotted as fully paid up for consideration other than cash pursuant to the scheme of amalgamation with erstwhile Tata Material Handling Systems Limited (TMHS) and Tata Technodyne Limited (TTDL).

(ii) 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.

	March 31, 2010 Rupees in lakhs		March 31, 2009 Rupees in lakhs
2. RESERVES AND SURPLUS			
Amalgamation Reserve		61.81	61.81
Legal Reserve		(0.05)	—
General Reserve			
Balance as on March 31, 2009	10,808.63		6,808.63
Less: Issue of Bonus Shares (Refer note (vii) on Schedule 19)	550.22		—
Transfer from Profit and Loss Account	4,000.00		4,000.00
		14,258.41	10,808.63
Foreign Currency Translation Reserve			
Balance as on March 31, 2009	(39.25)		71.57
Add/ (less) : Prior Period Items (Refer note (xi)(a) on Schedule 19)	(620.57)		—
Add/(less) : Profit/(Loss) on re-statement of net investment in foreign operations (see note below)	(16.25)		(200.71)
Add/(less): Exchange differences arising out of consolidation	(791.16)		89.89
		(1,467.23)	(39.25)
Profit and Loss Account		763.60	1,055.19
		13,616.54	**11,886.38**

Note :

Certain advances due from York Transport Equipment Pty Ltd., Australia to York Transport Equipment (Asia) Pte Ltd. have been considered as net investment in foreign operations effective January 1, 2008. Loss on foreign exchange fluctuations thereon of Rs. 16.25 lakhs (as at March 31, 2009 - loss of Rs. 200.71 lakhs) have been included in the Foreign Currency Translation Reserve.

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Balance Sheet

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
3. LOANS - Secured		
Buyers Line of credit	756.68	—
Cash Credits/Bank Overdraft from Banks	1,888.02	4,515.24
Long Term Loans from Banks	9,240.89	4,799.61
Short Term Loans from Banks	7,809.97	—
Lease Finance from Banks	18.55	—
Hire Purchase Creditors	250.32	21.16
	19,964.43	**9,336.01**
4. LOANS - Un Secured		
(i) Commercial Papers	1,500.00	—
(Maximum balance outstanding during the year Rs. 1,500 lakhs, previous year Rs. Nil.)		
(Amount payable within one year Rs. 1,500 lakhs, previous year Rs. Nil)		
(ii) Inter Company Deposits	197.52	—
	1,697.52	—

5. FIXED ASSETS

Rupees in lakhs

	Cost as at 31.03.2009	Prior Period items (See note 2 below)	Cost of assets of new Companies (See note 1 below)	Additions	Deductions	Currency Realignment	Cost as at 31.03.2010	Depreciation as at 31.03.2009	Prior Period items (See note 2 below)	Accumulated Depreciation of New Companies (see note 1 below)	Depreciation for the period	Deduction	Currency Realignment	Total Depreciation as at 31.03.2010	Net Block as at 31.03.2010	Net Block as at 31.03.2009
INTANGIBLE ASSETS																
TECHNICAL KNOW-HOW	669.60	(6.33)	3.39	—	—	72.96	739.62	650.25	(6.31)	—	8.15	—	64.30	716.39	23.23	19.35
COMPUTER SOFTWARE	180.14	—	—	207.48	59.20	(3.55)	324.87	55.76	—	0.50	52.90	28.66	(0.53)	79.97	244.90	124.38
	849.74	(6.33)	3.39	207.48	59.20	69.41	1,064.49	706.01	(6.31)	0.50	61.05	28.66	63.77	796.36	268.13	143.73
TANGIBLE ASSETS																
LAND	—	—	794.16	101.26	5.24	(29.71)	860.47	—	—	—	—	—	—	—	860.47	—
BUILDINGS & ROADS	2,959.51	(69.33)	150.11	876.51	—	30.15	3,946.95	1,063.80	(31.93)	34.91	134.85	—	13.20	1,214.83	2,732.12	1,895.71
PLANT & MACHINERY	3,701.40	(18.56)	408.93	818.81	288.89	(56.54)	4,565.15	2,647.32	(19.33)	235.57	249.22	288.57	(37.35)	2,786.86	1,778.29	1,054.08
FURNITURE & FIXTURES	354.36	(3.19)	43.12	52.09	7.35	(16.90)	422.13	260.52	(3.20)	25.18	22.53	7.35	(13.38)	284.30	137.83	93.84
OFFICE EQUIPMENT	723.25	(20.58)	1.98	32.02	—	30.36	767.03	597.09	(23.97)	0.37	37.25	—	36.17	646.91	120.12	126.16
MOTOR VEHICLES	431.29	(0.72)	138.24	91.14	35.82	(15.52)	608.61	251.47	(1.95)	69.84	100.31	19.08	(4.23)	396.36	212.25	179.82
ELECTRICAL INSTALLATION	118.23	—	26.44	10.82	1.01	(1.50)	152.98	73.13	—	17.03	6.17	1.01	(1.00)	94.32	58.66	45.10
LABORATORY EQUIPMENT	10.41	—	—	—	—	—	10.41	7.77	—	—	0.22	—	—	7.99	2.42	2.64
	8,298.45	(112.38)	1,562.98	1,982.65	338.31	(59.66)	11,333.73	4,901.10	(80.38)	382.90	550.55	316.01	(6.59)	5,431.57	5,902.16	3,397.35
GRAND TOTAL	9,148.19	(118.71)	1,566.37	2,190.13	397.51	9.75	12,398.22	5,607.11	(86.69)	383.40	611.60	344.67	57.18	6,227.93	6,170.29	3,541.08
	7,870.64	—	—	*1,177.66*	*108.20*	*207.99*	*9,148.19*	*5,198.62*	*382.62*	—	—	*95.76*	*121.63*	*5,607.11*	*3,541.08*	—

Note:

1) Represents assets & accumulated depreciation of Dutch Lanka Trailer Manufacturers Ltd. & its subsidiaries and Adithya Automotive Applications Pvt. Ltd which have become subsdiaries of the Company during the year.
2) For prior period adjustments refer note (xi)(a) on Schedule 19.
3) Previous year figures in italics

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Balance Sheet

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
6. INVESTMENTS		
A. LONG TERM INVESTMENTS		
(At cost less provision for diminution in value)		
Trade Investments		
Unquoted		
1. 67,500 (Previous year 67,500) equity shares of Rs. 100 each fully paid in Tata Projects Limited	233.75	233.75
2. 3,750 (Previous year 3,750 8% debentures (non convertible portion) of Rs. 3,000 each fully paid in Tata Projects Limited	112.50	112.50
Other Investments		
Quoted		
3. 500 equity shares of Rs. 10 each fully paid in HDFC Bank Ltd.	0.05	0.05
Unquoted		
4. 1,37,500 equity shares of Rs. 10 each fully paid in Rujuvalika Investments Limited	22.50	22.50
5. 5 shares of Rs. 50 each fully paid in Twin Star Jupiter Co-operative Housing Society Limited (Book value Rs.250/-)	—	—
6. 30,000 equity shares of Rs. 10 each in Nicco Jubilee Park Ltd. (Net of provision for diminution in value) (Book value NIL)	—	—
7. 2,800 equity shares of Lanka IOC Ltd.	0.20	—
	369.00	**368.80**

Notes :-

	March 31, 2010	March 31, 2009
(a) Aggregate amount of quoted investments : Market value as at 31.03.2010, Rs. 9.66 lakhs (As at 31.03.2009 Rs. 4.86 Lakhs)	0.05	0.05
(b) Aggregate amount of unquoted investments	368.95	368.75
	369.00	368.80

	Rupees in lakhs	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
7. INVENTORIES AND CONTRACTS IN PROGRESS			
Contracts in progress		1,900.34	2,631.07
Inventories			
Stores and spare parts		72.76	46.43
Loose tools		56.00	44.79
Raw materials		7,484.35	4,914.69
Work-in-progress		2,697.66	745.51
Finished products	3,148.69		2,885.06
Excise duty on finished products not assessed to duty	184.07		73.32
		3,332.76	2,958.38
		15,543.87	**11,340.87**

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Balance Sheet

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
8. DEBTORS		
Unsecured		
Over six months old		
Considered good	15,786.23	13,111.16
Considered doubtful	704.23	519.39
Other debts		
Considered good	26,198.26	16,647.35
Considered doubtful	—	2.07
	42,688.72	30,279.97
Provision for doubtful debts	(704.23)	(521.46)
	41,984.49	**29,758.51**

Note : Unbilled revenue forms part of Loans and Advances (Schedule 10)

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
9. CASH AND BANK BALANCES		
Cash on hand	26.90	21.54
Cheques on hand	944.89	22.06
Remittance in Transit	172.96	—
Current and deposit accounts with Scheduled banks #	1,992.39	467.69
With Other banks	1,208.82	1,637.91
	4,345.96	**2,149.20**

Includes debit balances in cash credit account Rs. 888.03 lakhs (Previous year Rs. Nil)

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
10. LOANS AND ADVANCES		
Unsecured, considered good unless otherwise specified		
Advances recoverable in cash or in kind or for value to be received		
Considered good	14,255.68	14,530.82
Considered doubtful	51.23	51.23
	14,306.91	14,582.05
Provision for doubtful items	(51.23)	(51.23)
	14,255.68	14,530.82
Excise Deposits	202.74	50.95
	14,458.42	**14,581.77**
11. CURRENT LIABILITIES		
Acceptances*	1,800.69	1,319.56
Sundry Creditors		
i) For goods and services supplied	25,939.10	18,440.77
ii) For Accrued wages and salaries	677.62	402.28
iii) For other liabilities	1,664.34	1,726.21
Employee Separation Compensation**	95.01	135.60
Investor Education & Protection Fund ***		
Unclaimed dividends	35.73	18.70
Interest accrued but not due on loans	78.88	48.36
	30,291.37	22,091.48
Advances received from customers	9,984.98	7,474.63
Dues to customers for contracts in progress	3,478.48	5,493.03
	13,463.46	12,967.66
	43,754.83	**35,059.14**

* Bills discounted by suppliers with Small Industries Development Bank of India and ABN AMRO Bank N.V, Singapore

** Includes payable within one year under the various schemes Rs. 24.17 lakhs (Previous years Rs. 37.31 lakhs)

*** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Balance Sheet

	Rupees in lakhs	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
12. PROVISIONS			
Warranty expenses		190.18	186.47
Provisions for employee benefits			
(i) Leave salaries		403.58	327.85
(ii) Pension for whole-time directors		495.49	450.10
(iii) Retiring Gratuity		49.07	27.71
(iv) Other benefits		30.25	33.47
Taxation, less payments (Net)		920.36	647.98
Fringe benefit tax, less payments (Net)		—	3.39
Proposed Dividend		825.33	660.27
Tax on Dividend		137.08	112.21
		3,051.34	**2,449.45**
13. SALES AND SERVICES			
Projects and services		55,161.55	43,840.66
Products and services (Gross)	32,634.51		29,511.15
Less : Excise Duty	(1,204.20)		(971.83)
Net Sales & Services		31,430.31	28,539.32
		86,591.86	**72,379.98**
14. OTHER INCOME			
Income from long term investments			
Trade		29.25	23.15
Other than trade		2.11	2.14
Gain on foreign Exchange Fluctuation (net)		953.34	5.28
Bad Debts Recovered		3.01	34.08 \
Sale of scrap & stores		20.72	40.40
Royalty income		—	26.58
Excess Liability written back		88.17	115.36
Rent recoveries		21.78	11.09
Miscellaneous receipts		118.72	11.68
		1,237.10	**269.76**
15. EMPLOYEE COSTS			
Salaries, wages, other benefits and provision for bonus		5,567.81	4,629.23
Company's contribution to provident fund, superannuation fund and gratuity fund		667.71	490.49
Workmen and staff welfare expenses		490.66	388.18
Leave salaries		187.92	184.78
		6,914.10	**5,692.68**
16. OPERATION, ADMINISTRATION AND SELLING EXPENSES			
Stores, spare parts and loose tools consumed		769.99	795.68
Repairs to buildings		292.84	223.64
Repairs to plant and machinery		151.02	64.63
Repairs to office equipment		70.46	41.59
Power, fuel and water charges		336.59	265.44
Travelling, conveyance and car running expenses		1,319.88	842.96
Rent		582.05	295.57
Rates, taxes and licences		68.23	80.43
Sales Tax (net)		929.67	515.88

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Balance Sheet

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
16. OPERATION, ADMINISTRATION AND SELLING EXPENSES (Contd.)		
Excise duty (net)	494.47	533.45
Service tax (net)	422.85	488.67
Insurance	233.50	188.40
Freight and handling charges	1,911.00	1,588.49
Bank charges	427.69	316.49
Service charges (Collection and order procurement)	511.71	633.05
Professional fees	1,084.14	439.50
Telephone expenses	186.89	127.72
Directors' fees	27.42	64.35
Bad Debts written off	566.89	171.02
Provision for warranty expenses	112.79	135.20
Provision for doubtful debts & advances (net)	159.19	295.70
Loss on sale of fixed assets (net)	41.82	5.66
Other expenses	1,107.10	622.38
	11,808.19	**8,735.90**

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
17. (INCREASE)/DECREASE IN INVENTORIES AND CONTRACTS IN PROGRESS		
Opening Inventories and contracts in progress		
Finished products	2,958.38	1,670.45
Work-in-progress	745.51	848.93
Contracts in progress	2,631.07	684.47
	6,334.96	3,203.85
Add: Inventory of new companies #	348.91	—
Add:Foreign Exchange Movement	(273.96)	—
Add: Prior period adjustment for contracts in progress (Refer note xi (b) on Schedule 19)	136.69	2,439.42
Add: Prior period adjustments (Refer note xi (a) on Schedule 19)	(15.83)	—
	6,530.77	5,643.27
Less:		
Closing Inventories and contracts in progress		
Finished products	3,332.76	2,958.38
Work-in-progress	2,697.66	745.51
Contracts in progress	1,900.34	2,631.07
	7,930.76	6,334.96
	(1,399.99)	**(691.69)**

#Represents Inventory of Dutch Lanka Trailer Manufacturers Limited and its subsidiaries that have become subsidiaries during the period.

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
18. INTEREST		
On loans for fixed periods from banks	239.58	121.70
On cash credit and other facilities from banks	940.25	651.29
Others	79.47	21.88
	1,259.30	794.87
Less: Interest received on deposits, advance etc.	8.54	28.68
	1,250.76	**766.19**

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Accounts

19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010

(i) Principles of Consolidation :

The Consolidated Financial Statements relate to TRF Limited (“ the Company”) and its subsidiary Companies. The Consolidated Financial Statements have been prepared on the following basis :

(a) 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, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or losses as per Accounting Standard 21 - Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006.

(b) In case of foreign subsidiaries, 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.

(c) 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, 2010.

(d) 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.

(e) 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:

i) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

ii) 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 which are included in the consolidation and the Company’s holdings therein are as under :

Name of the Company	Ownership in % either directly or indirectly through Subsidiaries		Country of Incorporation
Subsidiaries	2009-10	2008-09	
TRF Singapore Pte Ltd.	100%	100%	Singapore
YORK Transport Equipment (Asia) Pte Ltd.	51%	51%	Singapore
YORK Transport Equipment Pty Ltd.	51%	51%	Australia
YORK Sales (Thailand) Co. Ltd	51%	51%	Thailand
YTE Transport Equipment (SA) (Pty) Limited	51%	51%	South Africa
YORK Transport Equipment (Malaysia) Sdn Bhd	51%	51%	Malaysia
Rednet Pte Ltd.	51%	51%	Singapore
PT YORK Engineering	51%	51%	Indonesia
Eadda Pte Ltd	51%	51%	Singapore
YTE Special Products Pte Ltd	51%	51%	Singapore
Qingdao YTE Special Products Co. Ltd.	51%	51%	China
YORK Transport Equipment India Pvt. Ltd.	51%	-	India
Adithya Automotive Applications Pvt. Limited *	51%	-	India
* w.e.f June 1, 2009			
Dutch Lanka Trailer Manufacturers Limited #	51%	-	Sri Lanka
Tata International DLT Private Limited #	25%	-	India
Dutch Lanka Engineering Pvt Ltd #	51%	-	Sri Lanka
Dutch Lanka Trailers LLC #	35%	-	Oman
# w.e.f August 1, 2009			

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Accounts

19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

(ii) **SIGNIFICANT ACCOUNTING POLICIES**

(a) **BASIS OF PREPARATION OF ACCOUNTS**

The financial statements have been prepared in compliance with the generally accepted accounting principles in India and the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant presentation requirements of the Companies Act, 1956.

(b) **FIXED ASSETS**

All fixed assets are stated at original cost net of tax/duty credits availed, if any less amortisation/ 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.

(c) **DEPRECIATION AND AMORTISATION**

Tangible Assets

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.

In case of foreign subsidiaries depreciation on the assets is provided on a straight line basis over estimated useful life of the assets.

Intangible Assets

Technical know-how fees are amortised over a period of six years. Computer software is amortised over a period of five years.

(d) **IMPAIRMENT OF ASSETS**

The carrying amount of fixed assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its recoverable amount which is higher of net realisable value and value in use.

(e) **INVESTMENTS**

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

(f) **INVENTORIES**

Raw materials, work-in- progress and finished goods are valued at lower of cost and net realisable value. Stores and spare parts and loose tools are carried at cost less obsolescence.

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

(g) **REVENUE RECOGNITION (OTHER THAN CONTRACTS)**

Revenue is recognised on completion of sale of goods / rendering of services. Sales excludes sales tax collected from customers.

Revenue from royalty income in case of foreign subsidiary is recognised on a straight line basis over the license period stipulated in the related licencing agreement.

(h) **ACCOUNTING OF CONTRACTS**

Contract Revenue is recognised on percentage completion method as required under revised 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. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably and for contracts valued up to Rs.100 crores, profit is recognised when stage of completion is 40% or more, and for contracts valued more than Rs. 100 crores, profit is recognised either at 25% stage of completion or an expenditure of Rs.40 crores whichever is higher. When it is probable that the total cost will exceed the total contract revenue, the expected loss is recognised immediately. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc.

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Accounts

19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

(i) **FOREIGN EXCHANGE TRANSACTIONS**

1. Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities relating to foreign currency transactions are translated at year end exchange rates. The difference in translation and realised gains/losses are recognised in the Profit and Loss Account.
2. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any Profit or Loss arising on cancellation or renewal of such a forward exchange contract is recognised in the Profit and Loss Account.
3. Exchange differences relating to monetary items that are in substance forming part of the Company's net investment in non integral foreign operations are accumulated in Foreign Exchange Translation Reserve Account.

(j) **EMPLOYEE BENEFITS**

1. All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. Short -term Employee Benefits are recognise as an expense in the profit and loss account of the year in which the related service is rendered.
2. Company's contributions towards Provident Fund and Superannuation Fund paid /payable during the year are charged to the Profit and Loss Account during the year in which the employee renders the related service
3. Company's liabilities towards Gratuity (other than P & YE Division) and pension for whole-time directors are ascertained by an independent actuarial valuation as per the requirements of Accounting Standard-15 (revised 2005) on "Employee Benefits". The gratuity liability in respect of P & YE division is determined based on premiums paid to the Life Insurance Corporation of India (LIC) under the group gratuity scheme. Provision for the leave salaries is made on the basis of an independent actuarial valuation.
4. Company's liabilities towards post -retirement medical benefits for separated employees, farewell gifts, long service awards and Early Separation Compensation (ESS) are measured at the present value of estimated future cash flows as per the requirements of Accounting Standard-15 (revised 2005) on "Employee Benefits".
5. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

(k) **SEGMENT REPORTING**

Segments are identified based on the dominant source and nature of risks and return and the internal organisation and management structure. Revenue and expenses has been identified to segments on the basis of their relationship to the operating activities of the segment.

(l) **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised when 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. Reimbursement against a provision is recognised as a separate asset based on virtual certainty.

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

(m) **TAXES ON INCOME**

In respect of the Indian parent Company the tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961. Foreign Companies recognise tax liabilities and assets in accordance with the applicable tax Laws.

Deferred tax is recognised, subject to the consideration of prudence in respect of Deferred tax assets, on timing differences, being the difference between taxable Income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax can be realised.

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Accounts

19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

(n) **MISCELLANEOUS EXPENDITURE**

Compensation to employees who have opted for retirement under Early Separation / Voluntary Retirement offered under various schemes of the Company is amortised over two to ten years depending upon the maximum balance period of service of the employees under the relevant schemes so as to amortise it entirely upto March 31, 2010. Accordingly the balance as on March 31, 2010 is Nil.

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
(iii) **CONTINGENT LIABILITIES**		
(a) Sales tax matters in dispute	106.33	291.52
In respect of the above sales tax matters in dispute, the Company has deposited Rs. 34.10 lakhs (previous year Rs.19.54 lakhs) against various orders, pending disposal of the appeals. This amount is included under Schedule 10 - Loans and Advances, considered good.		
(b) The excise authorities have issued demand notices/show cause notices concerning excise duty / service tax and penalty which have been refuted by the Company and are pending disposal.	967.74	12.67
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 Schedule 10 - Loans and Advances, considered good.		
(c) Service Tax matter in dispute	146.55	28.16
(d) Taxation matters in dispute	1,382.68	25.47
(e) Corporate guarantee on behalf of subsidiary company (SGD 9.5 million)	3,051.12	3,167.30
(f) Others	23.44	23.44
(iv) Estimated amount of contracts remaining to be executed on capital account and not provided for.	1,089.97	989.21

(v) Provision for current tax is net of Rs.Nil (previous year Rs. 106.27 lakhs) being provision for income tax of earlier years written back.

(vi) 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.

(vii) The Board of Directors of the Company at its meeting held on June 16, 2009 approved the issue of bonus shares in the ratio of 1:1 (one share for every share held by the existing shareholders of the Company). The shareholders at the annual general meeting held on July 20, 2009 approved the Bonus issue and the bonus shares were alloted on August 6, 2009. These bonus shares amounting to Rs.550.22 lakhs were issued by capitalisation of General Reserves of the Company.

(viii) The Company has entered into a Shareholders Agreement on June 1, 2009 with M/s Jasper Industries Pvt. Ltd. and M/s Tata Capital Ltd to form a subsidiary Adithya Automotive Applications Pvt. Ltd.(AAA). Pursuant to the Shareholders Agreement, the Company has subscribed to 20,40,000 equity shares of Rs. 10 each in AAA Pvt. Ltd. by investing Rs. 204.00 lakhs. The Company has further subscribed 15,30,000 equity shares of Rs. 10 each during the year by investing Rs. 153.00 lakhs.

The Shareholding pattern of AAA as on March 31, 2010 is as follows:

a. TRF Ltd. - 51%

b. Jasper Industries Pvt Ltd. - 29.05%

c. Tata Capital Ltd. - 19.95%

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Accounts

19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

(ix) The Company through further infusion of capital in its wholly owned subsidiary TRF Singapore Pte Ltd has acquired 51% shares of Dutch Lanka Trailers Manufacturers Limited (DLT) a Sri Lanka based Company engaged in manufacture of trailers by investing USD 8.67 million. This has been funded by raising an External Commercial Borrowing of USD 9 million from DBS Bank, Singapore to be repaid over a period of 5 years.

(x) There has been a change in the accounting policy of certain foreign subsidiaries with respect to the change in functional currency. Such change has been given effect by restatement of the financial statements of the subsidiaries with effect from January 1, 2006 in accordance with IAS 21 on “The Effect of Changes in Foreign Exchange rates”. The impact of the change in the accounting policy on the current period is not disclosed separately as the effect cannot be accurately determined. The restated figures used for consolidation are based on audited financial statements received from the statutory auditors of the subsidiary.

(xi) (a) As a result of the restatement as referred to in note (x) above, the Company has recognised a prior period income of Rs 58.71 lakhs in the current period. The foreign currency translation reserve includes an adjustment of Rs. 620.57 lakhs (Dr) as prior period items. Other items of prior period included in the financials statements of the company for the current period are as follows:

Minority Interest	Rs.	364.40 lakhs (Cr)
Secured Loans	Rs.	12.03 lakhs (Dr)
Deferred Tax Liabilities	Rs.	0.15 lakhs (Dr)
Fixed Assets	Rs.	32.02 lakhs (Cr)
Goodwill	Rs.	150.29 lakhs (Cr)
Net Current Assets	Rs.	53.95 lakhs (Cr)

(xi) (b) Certain contract costs recorded without underlying transactions in earlier years were noted during the years ended March 31, 2010 and March 31, 2009. Management has now initiated an investigation into the matter as well as payments made thereagainst, if any. Pending completion of investigation, such wrong costs and consequential revenue recorded in earlier years have been reversed in the current year and the previous year to the extent identified by the management as summarised below:

	Year ended March 31, 2010	Year ended March 31, 2009
Prior period items for contracts in progress		
Sales & Services erroneously recognised in previous year, now reversed	1,149.56	4,615.08
Corresponding adjustment/reversal in		
— Raw Materials and components	60.96	843.88
— Payments to sub-contractors	712.00	—
— Contracts in progress	136.69	2,439.42
(Net)	(239.91)	(1,331.78)

(xii) Provision for anticipated warranty costs relating to certain products manufactured and sold by the Company upto March 31, 2010 is made on the basis of technical and available cost estimates, which being technical matters have been relied upon by the auditors.

Provision for warranty at other subsidiaries is recognised based on past experience of the level of repairs and returns.

(xiii) 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.

(xiv) 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.

Stock of Works division scrap and off-cuts have been brought into account as on March 31, 2010 in accordance with past practice.

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Accounts

19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

(xv) Construction Contracts Disclosure :

Information relating to Construction Contracts as per Accounting Standard 7 (Revised) 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, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
Contract revenue recognised as revenue during the year(including prior period items Refer note (xi)(b) on schedule 19)	53,777.13	42,488.35
Aggregate amount of contract costs incurred and recognised profits (less recognised losses)	152,744.47	105,210.21
Advance payments received (Un-adjusted)	8,426.15	6,479.69
Retention amount	16,120.79	11,857.80
Gross amount due from customers for contract work *	7,849.08	9,898.42
Gross amount due to customers for contract work **	3,434.86	5,417.09

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

* Included in 'Advances recoverable in cash or in kind or for value to be received - considered good' - Schedule 10 -Loans & Advances.

** Included in "dues to customers for contract in progress" - Schedule 11 - Current Liabilities.

(xvi) (a) The company has recognized in the Profit and Loss account an amount of Rs. 352.07 lakhs (previous year Rs. 268.57 lakhs) under defined contribution plans.

Benefit (Contribution to)	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
Provident Fund *	174.29	141.03
Superannuation Fund	134.05	88.18
Employees Pension Scheme	43.73	39.36
	352.07	268.57

* Includes an amount of Rs. 32.00 lakhs (previous year Rs.21.45 lakhs) provided for shortfall of interest.

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

a. Unfunded

1. Leave encashment
2. Pension to Directors
3. Farewell Gifts
4. Post Retirement Medical benefits of ex-employees

b. Funded

1. Gratuity

TRF LIMITED AND ITS SUBSIDIARIES

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19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

(c) Details of unfunded defined benefit obligations are as follows : Rs. In lakhs

Description	Leave encashment				Pension to Directors			
	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1. Reconciliation of opening and closing balances of obligation								
a. Opening Obligation	296.56	232.68	203.67	185.51	450.10	334.92	247.31	205.63
b. Current Service Cost	42.99	35.12	30.85	25.14	74.36	62.28	44.80	42.16
c. Interest Cost	19.22	15.78	14.68	12.72	32.29	26.07	19.69	15.22
d. Contribution by plan participants #	–	1.39	–	–	–	–	–	–
e. Actuarial (Gain)/loss	73.83	82.54	35.03	33.34	(34.77)	44.91	40.40	(10.42)
f. Benefits paid	(73.61)	(70.95)	(51.55)	(53.04)	(27.28)	(18.08)	(17.28)	(5.28)
g. Closing Obligation	358.99	296.56	232.68	203.67	494.70	450.10	334.92	247.31
2. Expense recognized in the period								
a. Current service cost	42.99	35.12	30.85	25.14	74.36	62.28	44.80	42.16
b. Interest cost	19.22	15.78	14.68	12.72	32.30	26.07	19.69	15.22
c. Actuarial (Gain)/loss	73.83	82.54	35.03	33.34	(34.77)	44.91	40.40	(10.42)
d. Expense recognized in the period	136.04	133.44	80.56	71.20	71.89	133.26	104.89	46.96
The expense is disclosed in the line item - Employee Costs (Schedule 15)								
3. Assumptions								
a. Discount rate (per annum)	7.70%	7.40%	8.00%	8.00%	7.70%	7.40%	8.00%	8.00%
4. Experience Adjustment								
a. Defined Benefit Obligation	(358.99)	(296.56)	(232.68)	(203.67)	(494.70)	(450.10)	(334.92)	(247.31)
b. Plan Assets	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
c. Surplus/ (Deficit)	(358.99)	(296.56)	(232.68)	(203.67)	(494.70)	(450.10)	(334.92)	(247.31)
d. Experience Adjustments on Plan Liabilities	(54.87)	(70.40)	(31.00)	36.95	19.78	(19.10)	(7.38)	(7.61)
e. Experience Adjustments on Plan Assets	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

Amount transferred from associate companies Rs.Nil (Previous year Rs. 1.39 lakhs)

(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:- *

Rupees in lakhs

Description	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
1. Reconciliation of opening and closing balances of obligation				
a. Opening Obligation	964.28	892.67	827.79	828.43
b. Current Service Cost	45.81	39.39	34.12	33.28
c. Interest Cost	64.38	66.18	62.68	64.99
d. Contribution by Plan participants #	5.73	4.22	–	–
e. Actuarial (Gain)/Loss	101.01	92.73	104.07	(9.15)
f. Benefits paid	(188.60)	(130.91)	(135.99)	(89.79)
g Closing Obligation	992.61	964.28	892.67	827.79
The defined benefit obligation as at 31.03.10 is funded by the company				

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Accounts

19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

Description	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
2. Change in Plan Assets (Reconciliation of opening & closing balances)				
a. Opening fair value of plan assets	938.10	882.94	865.29	809.30
b. Expected return on Plan assets	73.13	68.22	67.50	31.37
c. Actuarial Gain/(loss)	10.35	47.31	(6.86)	7.38
d. Contributions	135.00	70.54	93.00	107.00
e. Benefits paid	(188.60)	(130.91)	(135.99)	(89.76)
f. Closing fair Value of Plan assets	967.98	938.10	882.94	865.29
3. Reconciliation of fair value of assets and obligations				
a. Closing fair value of Plan assets	973.71	938.10	882.94	865.29
b. Closing obligation	992.61	964.28	892.67	827.79
c. Amount recognised in the balance sheet * (Schedule 11)	(18.90)	(26.18)	(9.73)	37.50
4. Expense recognized in the period				
a. Current service cost	45.81	39.39	34.12	33.28
b. Interest cost	64.38	66.18	62.68	64.99
c. Expected return on Plan assets	(73.13)	(68.22)	(67.50)	(31.37)
d. Actuarial (gain)/loss	90.66	45.42	110.92	(16.53)
e. Expense recognized in the period *	127.72	82.77	140.22	50.37
The expense is disclosed in the line item – Employees Cost (Schedule 15)				
5. **Investment Details**	%age invested	%age invested	%age invested	%age invested
a. GOI Securities	15.30	15.05	15.82	13.91
b. Public Sector unit Bonds	30.27	28.17	25.40	26.06
c. State / Central Guaranteed Securities	8.55	9.86	9.23	10.62
d. Special Deposit Schemes	43.49	44.40	46.83	48.98
e. Private Sector Bonds	1.79	1.82	0.77	—
f. Others (including bank balances)	0.60	0.70	1.95	1.43
	100.00	100.00	100.00	100.00
6. **Assumptions**				
a. Discount rate (per annum)	7.70%	7.40%	8.00%	8.25%
b. Estimated rate of return on Plan assets (per annum)	8.00%	8.00%	8.00%	8.00%
c. Rate of escalation in salary (per annum)	6.00%	5.00%	5.00%	5.00%
The estimate of future salary increases take into account inflation, seniority, promotion and other relavent factors.				
7. Experience Adjustments				
a. Defined Benefit Obligation	(992.61)	(964.28)	(892.67)	(827.79)
b. Plan Assets at the end of the Period	973.71	938.10	882.94	865.29
c. Surplus/ (Deficit)	(18.90)	(26.18)	(9.73)	37.50
d. Experience Adjustments on Plan Liabilities	(66.32)	(62.82)	(92.52)	(36.95)
e. Experience Adjustments on Plan Assets	10.35	47.30	(6.86)	—

Amount transferred from associate companies Rs. 5.33 lakhs (previous year Rs. 4.22 lakhs)

* The gratuity liability in respect of P&YE division of the Company is determined based on premiums charged by LIC under the group gratuity scheme. Expenses recognised in the period as disclosed above excludes Rs. 6.99 lakhs (previous year Rs. 4.18 lakhs) contributions made by P& YE division to LIC. Amount recognised in the balance sheet as disclosed above excludes Rs.2.13 lakhs (previous year Rs.1.53 lakhs) pertaining to P & YE division. Disclosures pursuant to AS - 15 (revised 2005) 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.

Disclosures pursuant to AS - 15 (revised 2005) have not been made in respect of Farewell Gifts and Post Retirement Medical benefits of ex-employees as the amounts are not expected to be material.

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19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

Rupees in Lakhs

(xvii) SEGMENT REPORTING	2009-10				2008-09			
PRIMARY BUSINESS SEGMENTS								
BUSINESS SEGMENT	PRODUCTS & SERVICES	PROJECTS & SERVICES	ELIMINA-TION	TOTAL	PRODUCTS & SERVICES	PROJECTS & SERVICES	ELIMINA-TION	TOTAL
SEGMENT REVENUE								
External Sales	31,430.31	55,161.55		86,591.86	28,539.32	43,840.66		72,379.98
Inter-segment Revenue	6,425.05	—	(6,425.05)	—	7,266.49		(7,266.49)	
Total Revenue	37,855.36	55,161.55	(6,425.05)	86,591.86	35,805.81	43,840.66	(7,266.49)	72,379.98
SEGMENT RESULT- Profit before Prior Period	3,111.81	5,497.36		8,609.17	1,410.93	7,251.47		8,662.40
Prior Period item (Refer note (xi)(b) on Schedule 19)	58.71	(239.91)		(181.20)	—	(1,331.78)		(1,331.78)
SEGMENT RESULT- Profit after prior period	3,170.52	5,257.45	—	8,427.97	1,410.93	5,919.69	—	7,330.62
Unallocated corporate expenditure (net)				149.96				93.26
Operating Profit				8,278.01				7,237.36
Interest Expenses (net)				1,250.76				766.19
Other Income				359.52				44.73
Profit Before Tax				7,386.77				6,515.90
Income Tax				2,661.38				2,404.89
Deferred Tax				(151.47)				20.19
Fringe Benefit Tax				—				42.00
Net Profit				4,876.86				4,048.82
OTHER INFORMATION	PRODUCTS & SERVICES	PROJECTS & SERVICES	UNALLOCA-TION	TOTAL	PRODUCTS & SERVICES	PROJECTS & SERVICES	UNALLOCA-TION	TOTAL
SEGMENTAL POSITION								
SegmentAssets	34,312.29	47,175.53		81,487.82	20,824.53	39,986.48		60,811.01
Unallocated Corporate Assets			7,399.39	7,399.39			2,484.13	2,484.13
Deferred Tax Assets (net)			285.86	285.86			92.95	92.95
Total Assets	34,312.29	47,175.53	7,685.25	89,173.07	20,824.53	39,986.48	2,577.08	63,388.09
Segment Liabilities	16,457.04	26,954.98		43,412.02	8,751.23	26,434.13		35,185.36
Unallocated Corporate Liabilities			31,044.07	31,044.07			15,766.13	15,766.13
Total Liabilities	16,457.04	26,954.98	31,044.07	74,456.09	8,751.23	26,434.13	15,766.13	50,951.49
Capital Expenditure	1,177.76	109.32	18.50	1,305.58	1,177.76	109.32	18.50	1,305.58
Depreciation	435.78	83.15	92.67	611.60	321.27	56.48	4.87	382.62
Non-cash expenses other than depreciation(ESS amortised)				9.93				9.76

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Accounts

19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
SECONDARY SEGMENTS : GEOGRAPHICAL		
Revenue by Geographical Market		
India	67,812.30	49,466.48
Outside India	18,779.56	22,913.50
	86,591.86	72,379.98
Addition to Fixed Assets and Intangible Assets		
India	1,075.51	1,064.80
Outside India	1,114.62	112.96
	2,190.13	1,177.76
Carrying Amount of Segment Assets		
India	56,504.98	44,280.32
Outside India	24,982.84	16,530.69
	81,487.82	60,811.01

Notes:

1. 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

2. Unallocated corporate expenditure includes common service expenses. Unallocable income includes primarily dividend income from investments.

3. Unallocated assets includes investments.

4. Inter-segment revenue are at market driven agreed price.

(xviii) 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 34.77% of the voting powers of the Company
b)	Key Management Personnel	
	Mr. Sudhir Deoras	Managing Director
	Mr. Ramesh Chander Nandrajog	Executive Director till 31.07.2009

TRF LIMITED AND ITS SUBSIDIARIES

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19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

B) **Related Party Transaction**

Rupees in lakhs
(Previous year's figures in italics)

	Associate	Management Personnel
A Transactions during the year		
(i) Sales and Services (net of discounts)	2,144.11 *3,798.49*	
(ii) Purchase of raw materials	2,734.16 *1,458.90*	
(iii) Payment towards various services obtained	190.42 *165.41*	
(iv) Lease hold rent	10.87 *9.10*	
(v) Dividend Paid	229.60 *191.31*	
(vi) Remuneration Paid		
Mr. Sudhir Deoras		116.62 *105.24*
Mr. Ramesh Chander Nandrajog		*49.07* *73.19*
B Balance at the year end		
(i) Receivables	1,578.45 *1,761.57*	
(ii) Payables	333.01 *235.15*	

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
(xix) EARNINGS PER SHARE		
(a) Profit after tax and Minority Interest	4,672.06	4,048.82
(b) Weighted average number of equity shares of Rs.10/- each outstanding during the period	11,004,412	11,004,412#
(c) Earning per share-		
Basic and diluted (Rs.)	42.46	36.79

#Number of shares has been adjusted for bonus issue approved in the Annual General Meeting of the Company held on July 20, 2009 as referred to in note (vii) on Schedule 19.

TRF LIMITED AND ITS SUBSIDIARIES

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19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
(xx) DEFERRED TAX (arising out of timing differences)		
(a) Deferred Tax Assets		
Provision for doubtful debts & advances	229.10	182.44
Provision for contingencies	66.44	—
Depreciation	27.62	—
Expenditure under 43B	3.46	—
Others, including employee leave encashment	131.43	110.34
Provision for warranty	32.89	—
	490.94	292.78
(b) Deferred Tax Liabilities		
Early Separation Compensation to employees	—	3.37
Depreciation	218.56	219.13
	218.56	222.50
Net Deferred Tax (Liability) / Asset	272.38	70.28

	March 31, 2010 Rupees in lakhs	March 31, 2009 Rupees in lakhs
(xxi) Managerial Remuneration		
(a) Managing Director and Wholetime Director		
Salaries (including Company's Contribution to Provident and Superannuation Fund)	91.13	109.05
Commission	46.00	65.00
Perquisities	4.80	4.38
(b) Non-whole time Director Commission	50.00	40.00

TRF LIMITED AND ITS SUBSIDIARIES

Schedules forming part of the Consolidated Accounts

19. NOTES TO THE CONSOLIDATED ACCOUNTS OF THE COMPANY AND ITS SUBSIDIARIES FOR YEAR ENDED MARCH 31, 2010 (Contd...)

(xxii) The effect of acquisition and disposal of subsidiaries on the financial position and results as included in the consolidated financial statements for the year ended March 31, 2010 are given below :

	March 31, 2010 AAA Pvt. Ltd. Rupees in lakhs	March 31, 2010 DLT Ltd. Rupees in lakhs
FUNDS EMPLOYED		
Share capital	700.00	615.91
Reserves & Surplus	(27.98)	1,752.90
Minority Interest	—	62.87
Secured Loan	800.00	2,118.07
Unsecured Loan	—	197.52
Deferred Tax Liability	0.47	—
Current Liabilities	243.05	1,335.78
Provisions	—	66.10
APPLICATION OF FUNDS		
Fixed Assets (Net)	1,155.64	1,887.90
Investment	—	35.17
Deferred Tax Assets	—	34.33
Current Assets	559.90	4,191.75
	June 1, 2009 to	August 1, 2009 to
INCOME	March 31, 2010	March 31, 2010
Sale of Products & services	292.37	6,006.91
Other Income	0.53	118.53
EXPENSES		
Raw Materials & Components	271.74	4,444.00
Payment to Subcontractors	—	119.07
Employee Cost	32.86	423.89
Operation, Administration & Selling Expenses	86.25	940.24
(Increase)/Decrease in Inventories	—	(309.30)
Depreciation	2.01	92.29
Interest	31.41	110.19
PROFIT/(LOSS) BEFORE TAX FOR THE YEAR	(14.99)	305.06

(xxiii) Figures for the previous year does not include the figures of Dutch Lanka Trailer Manufacturers Ltd., Sri Lanka and its subsidiaries and Adithya Automotive Applications Private Limited and therefore are not comparable to that extent.

(xxiv) Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the parent company's financial statements.

(xxv) Figures for the previous year have been regrouped and restated wherever necessary.

Signature to Schedules 1 to 19

For and on behalf of the Board

DR.JAMSHED J.IRANI
Chairman

Kolkata, 29th May, 2010

PRASHANT KUMAR
Company Secretary

SUDHIR DEORAS
Managing Director

Statement pursuant to Section 212 of the Companies Act , 1956, relating to Subsidiary Companies:

Name of the Subsidiary Company	TRF Singapore Pte Ltd.	YORK Transport Equipment (Asia) Pte Ltd	YORK Transport Equipment (India) Pvt. Ltd.	YORK Transport Equipment Pty Ltd.	YORK Sales (Thailand) Co. Ltd Limited	YTE Transport Equipment (SA) (Pty) Sdn Bhd	YORK Transport Equipment (Malaysia)	Rednet Pte Ltd.	PT YORK Engineering	Eadda Pte Ltd	YTE Special Products Pte Ltd Co. Ltd.	Qingdao YTE Special Products	Adithya Automative Application Pvt. Ltd.	Dutch Lanka Trailers Manuf. Pvt. Ltd.	Dutch Lanka Engg. Pvt. Ltd.	Tata International DLT Pvt. Ltd.	Dutch Lanka Trailers LLC, Oman
Country of incorporation	Singapore	Singapore	India	Australia	Thailand	South Africa	Malaysia	Singapore	Indonesia	Singapore	Singapore	China	India	Sri Lanka	Sri Lanka	India	Oman
Currency	(SGD) '00,000	(SGD) '00,000	(INR) '00,000	(AUD) '00,000	(Thai Baht) '00,000	(Rand) '00,000	(Ringgit) '00,000	(SGD) '00,000	(Rupiah) '00,000	(SGD) '00,000	(SGD) '00,000	(Renminbi) '00,000	(INR) '00,000	(LKR) '00,000	(LKR) '00,000	(INR) '00,000	(Rials Omani) '00,000
Financial Year of the subsidiary company ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.12.2009	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
Number of shares in the subsidiary company held by TRF Ltd at the above date - Equity shares	8,500,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3,570,000	Nil	Nil	Nil	Nil
% of Share Holding	100%	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
The net aggregate of profit, less losses, of the subsidiary company so far as it cocerns the members of TRF Ltd																	
i) Dealt with in the accounts of TRF Ltd. amounted to :																	
a) for the subsidiary's financial year ended March 31, 2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) for the previous financial years of the subsidiary since it became subsidiary of TRF Ltd	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Not dealt with in the accounts of TRF Ltd. amounted to :																	
a) for the subsidiary's financial year ended March 31, 2010	(7.40)	2.04	17.64	(1.71)	34.67	(0.15)	(0.09)	(0.51)	1,931.50	(0.01)	1.37	(6.79)	(7.46)	216.03	169.55	122.41	0.04
b) for the previous financial years of the subsidiary since it became subsidiary of TRF Ltd.	(3.07)	(9.76)	(30.62)	(2.17)	26.95	2.30	(0.02)	0.29	(2,603.87)	(0.02)	(8.85)	0.69	Nil	Nil	Nil	Nil	Nil
Changes in the interest of TRF Ltd between the end of the subsidiary's financial year and March 31, 2010																	
Number of Shares acquired	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Changes between the end of the subsidiary's financial year end and 31st March,2009																	
(i) Fixed Assets (net additions)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Investment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iii)Moneys lent by subsidiary	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(iv)Moneys borrowed by the subsidiary company other than for meeting current liabilities.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

Dr. JAMSHED J. IRANI
Chairman

Kolkata, 29th May, 2010

PRASHANT KUMAR
Company Secretary

SUDHIR DEORAS
Managing Director

TRF Singapore Pte. Ltd.

Director's Report

The directors are pleased to present their report to the member together with the audited financial statements of TRF Singapore Pte Ltd (the "Company") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2010.

Directors

The Directors of the Company in office at the date of this report are :-

Sudhir Laxmikant Deoras

Oo Soon Hee

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

No director of the Company who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning, or at the end of the financial year.

Directors' contractual benefits

Since the end of the previous financial period, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Option

There is presently no option scheme on unissued shares of the Company.

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors :

Sudhir Laxmikant Deoras Director	Oo Soon Hee Director

Singapore
5 May 2010

Statement by Directors

We, Sudhir Laxmikant Deoras and Oo Soon Hee, being two of the directors of TRF Singapore Pte Ltd, do hereby state that, in the opinion of the directors:

(a) the accompanying balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as the immediate holding company has agreed to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

On behalf of the Board of Directors :

Sudhir Laxmikant Deoras Director	Oo Soon Hee Director

Singapore
5 May 2010

Independent Auditors' Report

To the Member of TRF Singapore Pte Ltd

We have audited the accompanying financial statements of TRF Singapore Pte Ltd (the "Company"), which comprise the balance sheet of the Company as at 31 March 2010, the income statement, the statement of comprehensive income, the statement of changes in equity and cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion,

(i) the financial statements of the Company and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Company for the year ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants
Singapore

5 May 2010

Income Statement for the financial year ended 31 March 2010

	Note	2010 $	2009 $
Administrative expenses		(539,837)	(20,635)
Finance costs	5	(199,713)	(286,497)
Loss before tax	6	(739,550)	(307,132)
Income tax expense	7	–	–
Loss for the year		(739,550)	(307,132)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Comprehensive Income for the financial year ended 31 March 2010

	Note	2010 $	2009 $
Loss for the year		(739,550)	(307,132)
Other comprehensive income		–	–
Total comprehensive loss for the year		(739,550)	(307,132)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheet as at March 31, 2010

	Note	2010 $	2009 $
Non-current asset			
Investment in subsidiaries	8	30,711,176	16,575,000
Current assets			
Cash and cash equivalents	9	272,758	1,016,864
		272,758	1,016,864
Current liabilities			
Accrued operating expenses		111,581	153,967
Amount due to immediate holding company	10	73,673	–
Interest-bearing loan and borrowing	11	3,166,667	791,667
		3,351,921	945,634
Net current (liabilities)/assets		(3,079,163)	71,230
Non-current liability			
Interest-bearing loan and borrowing	11	(5,541,666)	(8,708,333)
Net assets		22,090,347	7,937,897
Equity			
Share capital	12	23,392,000	8,500,000
Accumulated losses		(1,301,653)	(562,103)
Total equity		22,090,347	7,937,897

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

TRF Singapore Pte. Ltd.

Statement of Changes in Equity for the financial year ended 31 March 2010

	Share capital (Note 12)	Accumulated losses	Total equity
2010	$	$	$
At 1 April 2009	8,500,000	(562,103)	7,937,897
Share issuance during the year	14,892,000	–	14,892,000
Loss for the year	–	(739,550)	(739,550)
At 31 March 2010	23,392,000	(1,301,653)	22,090,347
2009			
At 1 April 2008	8,500,000	(254,971)	8,245,029
Loss for the year	–	(307,132)	(307,132)
At 31 March 2009	8,500,000	(562,103)	7,937,897

Cash Flow Statement for the financial year ended 31 March 2010

	2010	2009
Cash flows from operating activities	$	$
Loss before tax	(739,550)	(307,132)
Adjustment for :-		
Interest expense	199,713	286,497
Operating loss before working capital changes	(539,837)	(20,635)
Changes in working capital		
Decrease in prepayments	–	2,729
Decrease in accrued operating expenses	(42,386)	(31,001)
Increase/(decrease) in amount due to immediate holding company	73,673	(37,391)
Net cash flows used in operations	(508,550)	(86,298)
Interest paid	(199,713)	(286,497)
Net cash used in operating activities	(708,263)	(372,795)
Cash flows from investing activity		
Purchase of investment in subsidiaries	(14,136,176)	–
Net cash used in investing activity	(14,136,176)	–
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	14,892,000	–
Repayment of borrowings	(791,667)	–
Net cash generated from financing activities	14,100,333	–
Net decrease in cash and cash equivalents	(744,106)	(372,795)
Cash and cash equivalents at beginning of financial year	1,016,864	1,389,659
Cash and cash equivalents at end of financial year (Note 9)	272,758	1,016,864

Notes to the Financial Statements - 31 March 2010

1. Corporate information

TRF Singapore Pte Ltd (the "Company") is a private limited company incorporated in Singapore. The Company is a wholly-owned subsidiary of TRF Limited incorporated in India.

The registered office and principal place of business of the Company is located at 80 Raffles Place #25-01 UOB Plaza 1, Singapore 048624.

The principal activity of the Company is that of an investment holding company. There has been no significant change in the nature of this activity during the financial year.

2. Fundamental accounting concept

The financial statements have been prepared under going concern basis notwithstanding that it is in a net current liabilities position as the immediate holding company has agreed to provide financial support to the Company to enable it to meet its obligation as and when they fall due.

3. Summary of significant accounting policies

3.1 ***Basis of preparation***

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis and are presented in Singapore Dollars ("SGD" or "$").

Consolidated financial statements have not been prepared as the Company is itself a wholly-owned subsidiary of TRF Limited, incorporated in India that prepares consolidated financial statements. Accordingly, the Company is not required under FRS 27 Consolidated and Separate Financial Statements to prepare consolidated financial statements. The registered office of TRF Limited is 11, Station Road, Burma Mines, Jamshedpur 831007, India.

3.2 ***Changes in accounting policies***

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year, except for the changes in accounting policies discussed below.

With effect from 1 January 2009, the Company adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009.

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 107 Financial Instruments: Disclosures
- Improvements to FRS issued in 2008

The adoption of the above standards and interpretations did not result in any significant changes to the Company's accounting policies.

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements – Revised Presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Company has elected to present this statement as two linked statements.

3.3 ***Future changes in accounting policies***

The Company have not applied the following standards and interpretations that have been issued but not yet effective :

Description	*Effective for annual periods beginning on or after*
INT FRS 117 *Distributions of Non-cash Assets to Owners*	1 July 2009
Improvements to FRSs issued in 2009:	
– Amendments to FRS 38 *Intangible Assets*	1 July 2009
– Amendments to FRS 102 *Share-based Payment*	1 July 2009
– Amendments to FRS 108 *Operating Segments*	1 July 2009
– Amendments to FRS 1 *Presentation of Financial Statements*	1 January 2010
– Amendments to FRS 7 *Statement of Cash Flows*	1 January 2010
– Amendments to FRS 17 *Leases*	1 January 2010
– Amendments to FRS 36 *Impairment of Assets*	1 January 2010
– FRS 39 *Financial Instruments: Recognition and Measurement*	1 January 2010
– Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010
– Amendments to FRS 108 *Operating Segments*	1 January 2010

The Directors expect that the adoption of the above pronouncements will have no material impact on the financial statements in the period of initial applications.

3.4 ***Functional and foreign currencies***

(a) *Functional currency*

The management has determined the currency of the primary economic environment in which the Company operates ie. functional currency, to be SGD. Major operating expenses are primarily influenced by fluctuation in SGD.

(b) *Foreign currency transactions*

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit or loss.

3.5 ***Subsidiaries***

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Company generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

Investments in subsidiaries are accounted for at cost less impairment losses.

3.6 ***Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-

TRF Singapore Pte. Ltd.

tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded securities or other available fair value indicators. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.7 ***Financial assets***

Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in the profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(a) *Loans and receivables*

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

3.8 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash and bank balances.

Cash carried in the balance sheet are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 3.7.

3.9 ***Impairment of financial assets***

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(a) ***Assets carried at amortised cost***

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

(b) ***Assets carried at cost***

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant difficulties of the issuer) that an impairment loss on a financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

3.10 ***Financial liabilities***

Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

3.11 ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.12 ***Borrowing costs***

Borrowing costs are generally expensed in the period in which they are incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

3.13 ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised :

(a) *Dividend income*

Dividend income is recognised when the Company's right to receive payment is established.

3.14 ***Income taxes***

(a) ***Current tax***

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognised in the profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) ***Deferred tax***

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

TRF Singapore Pte. Ltd.

4. Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

There is no accounting estimate and judgement at the balance sheet date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Finance costs

This comprise the following :

	2010	2009
	$	$
Interest expense on bank loan	199,713	286,497

6. Loss before tax

The following item has been included in arriving at loss before tax :

Legal and other professional fees	510,101	20,615

7. Income tax expense

There is no tax expense for the year ended 31 March 2010 as the Company is in a tax loss position.

Reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate for the period ended 31 March was as follows :

	2010	2009
	$	$
Loss before tax	(739,550)	(307,132)
Tax at the applicable tax rate of 17%	(125,724)	(52,212)
Unrecognised deferred tax asset	125,724	52,212
Tax expense	–	–

As at 31 March 2010, the Company has estimated unabsorbed tax losses of $1,302,000 (2009 : $562,000) available for set-off against future taxable profits for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses are subject to the agreement of the tax authorities in which the Company operates.

8. Investment in subsidiaries

	2010	2009
	$	$
Shares, at cost	30,711,176	16,575,000

Details of subsidiaries are as follows :-

Name	Country of incorporation	Principal activities	Proportion of ownership interest 2010 %	2009 %
Held by the Company				
Dutch Lanka Trailers Manufacturers Limited[6]	Sri Lanka	Manufacture of trailers	51	–
York Transport Equipment (Asia) Pte Ltd [1]	Singapore	Production and distribution of axles and related components	51	51
Held through Dutch Lanka Trailers Manufacturers Limited				
Dutch Lanka Engineering (Pvt) Ltd [6]	Sri Lanka	Manufacture of trailers	51	–
Dutch Lanka Trailers LLC[7]	Sultanate of Oman	Manufacture of trailers	36	–
Tata International DLT Private Ltd[8]	India	Manufacture of trailers	26	–
Held through York Transport Equipment (Asia) Pte Ltd				
YTE Special Products Pte Ltd [1]	Singapore	Trading in axles and related components	51	51
York Sales (Thailand) Co., Ltd [2]	Thailand	Trading in axles and related components	51	51
York Transport Equipment Pty Limited [2]	Australia	Production and distribution of axles and related components	51	51
Rednet Pte Ltd [1]	Singapore	Trading in axles and related components	51	51
YTE Transport Equipment (SA) (Pty) Limited [2]	South Africa	Trading in axles and related components	51	51
York Transport Equipment (Malaysia) Sdn. Bhd. [2]	Malaysia	Dormant	51	51
York Transport Equipment (India) Pvt. Ltd. [5]	India	Production and distribution of axles and related components	51	51
Eadda Pte. Ltd. [1]	Singapore	Investment holding	51	51
PT York Engineering [3]	Indonesia	Dormant	51	51
Held through YTE Special Products Pte Ltd				
Qingdao YTE Special Products Co. Ltd. [4]	People's Republic of China	Production and distribution of axles and related components	51	51

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) Audited by other auditor, Aria, Sukimoto & Rekan Certified Public Accountants Co Ltd.

(4) Audited by other auditor, Qingdao Zhonghui Certified Public Accountants Co Ltd.

(5) Audited by other auditor, Deloitte & Touche, India

(6) Audited by other auditor, Amarasekara & Co.

(7) Audited by other auditor, Dar Al Thiqha Audit Bureau

(8) Audited by other auditor, G.N. Joshi & Associates

9. Cash and cash equivalents

	2010	2009
	$	$
Cash at banks	272,758	1,016,864

Cash and bank balances of the Company are mainly denominated in Singapore dollars.

10. Amount due to immediate holding company

Amounts due to immediate holding company is non-trade in nature, unsecured and interest-free. These amounts are repayable on demand and are to be settled in cash.

11. Interest-bearing loan and borrowing

Bank loan :

SGD loan at LIBOR + 1.43%

	2010	2009
– Current	3,166,667	791,667
– Non-current	5,541,666	8,708,333
	8,708,333	9,500,000

This loan is secured by the total shares owned and held by the Company in the share capital of York Transport Equipment (Asia) Pte Ltd. It is repayable in twelve quarterly instalments with the first instalment due 27 months from 5 October 2007.

12. Share capital

Issued and fully paid :

	2010	2009
At 1 April	8,500,000	8,500,000
Share issuance	14,892,000	–
At 31 March	23,392,000	8,500,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

13. Related party transactions

An entity or individual is considered a related party of the Company for the purposes of the financial statements if :

(i) It possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decision of the Company or vice versa); and

(ii) It is subject to common control or common significant influence.

Related party transactions entered into by the Company on terms agreed between the parties were as follows :

	2010	2009
	$	$
Payment on behalf by immediate holding company	1,034,106	–
Loan repayment by immediate holding company	791,667	–

14. Financial risk management objectives and policies

The main risk arising from the Company's financial instruments is credit risk. The board reviews and agrees policies for managing this risk and it is summarised below :

Credit risk

The carrying amounts due from immediate holding company and cash and cash equivalents represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The Company has no significant concentration of credit risk. Cash is placed with the reputable banks.

15. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of cash and cash equivalents and amounts due from immediate holding company approximate their fair values due to their short-term nature.

The fair value of interest-bearing borrowings are estimated based on the expected cash flows discounted to present value with reference to the current market interest rates applicable to interest-bearing borrowings with the same maturity profile. The carrying amount of interest-bearing borrowings approximate their fair value.

16. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders.

The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2010 and 31 March 2009.

17. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2010 were authorised for issue in accordance with a resolution of the directors on 5 May 2010.

YORK Transport Equipment (Asia) Pte. Ltd.

Directors' Report

The directors are pleased to present their report to the members together with the audited consolidated financial statements of York Transport Equipment (Asia) Pte Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2010.

Directors

The Directors of the Company in office at the date of this report are :

Sudhir Laxmikant Deoras (Chairman)
P.V. Balasubramaniam (Chief Executive Officer)
Sarosh Jehangir Ghandy
Dr Benety Chang
Anthony Sabastian Aurol
Tan Yang Guan
Tan Kiang Kherng (Alternate Director to Tan Yang Guan)
Oo Soon Hee

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

No director who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Directors' contractual benefits

Since the end of the previous financial period, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Option

There is presently no option scheme on unissued shares of the Group.

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the board of directors :

Sudhir Laxmikant Deoras, Director
P.V. Balasubramaniam, Director

Singapore
5 May 2010

Statement by Directors

We, Sudhir Laxmikant Deoras and P.V. Balasubramaniam, being two of the directors of York Transport Equipment (Asia) Pte Ltd, do hereby state that, in the opinion of the directors :

(a) the accompanying balance sheets, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors :

Sudhir Laxmikant Deoras, Director
P.V. Balasubramaniam, Director

Singapore
5 May 2010

Independent Auditors' Report

To the Member of York Transport Equipment (Asia) Pte Ltd

We have audited the accompanying financial statements of York Transport Equipment (Asia) Pte Ltd (the "Company") and its subsidiaries (collectively, the "Group") which comprise the balance sheets of the Group and the Company as at 31 March 2010, the statements of changes in equity of the Group and the Company, the statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants

Singapore
5 May 2010

Consolidated Statement of Comprehensive Income for the financial year ended 31 March 2010

	Note	Group 1.4.2009 to 31.3.2010 USD	Group 1.1.2008 to 31.3.2009 USD (Restated)
Revenue	4	35,354,836	53,472,950
Cost of sales		(29,252,599)	(44,159,998)
Gross profit		6,102,237	9,312,952
Other operating income	5	1,893,721	314,169
Distribution expenses		(2,065,382)	(1,938,438)
Administrative expenses		(5,000,314)	(6,518,710)
Other operating expenses	6	(302,683)	(2,124,390)
Profit/(loss) from operating activities	7	627,579	(954,417)
Finance costs	8	(151,015)	(265,788)
Profit/(loss) before tax		476,564	(1,220,205)
Income tax expense	9	(77,073)	(66,518)
Profit/(loss) for the year/period		399,491	(1,286,723)
Other comprehensive income		–	–
Total comprehensive income/(loss) attributable to equity holders of the Company		399,491	(1,286,723)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheet as at 31 March 2010

	Note	Group 2010 USD	Group 2009 USD (Restated)	Company 2010 USD	Company 2009 USD (Restated)
Non-current assets					
Property, plant and equipment	10	3,383,593	2,901,887	1,689,654	1,738,429
Intangible assets	11	69,661	49,923	–	–
Investment in subsidiaries	12	–	–	6,674,285	2,400,333
		3,453,254	2,951,810	8,363,939	4,138,762
Current assets					
Inventories	14	13,555,600	13,219,155	7,531,409	9,537,433
Trade receivables	15	6,335,982	5,319,481	550,892	1,914,606
Other receivables	16	1,441,710	371,708	984,739	136,186
Amounts due from ultimate holding company	13	–	–	–	52,334
Amounts due from subsidiaries	17	–	–	8,076,486	7,785,002
Amounts due from a fellow subsidiary		339,869	–	339,869	–
Amounts due from a related party		1,845,032	–	1,195,655	–
Cash and cash equivalents	22	2,346,751	2,557,492	753,219	1,632,081
		25,864,944	21,467,836	19,432,269	21,057,642
Current liabilities					
Interest-bearing loans and borrowings	18	4,400,058	4,239,763	3,576,558	3,597,827
Trade payables	19	8,186,532	4,523,343	5,225,904	3,195,525
Other liabilities	20	1,852,755	1,234,970	858,878	603,541
Amount due to ultimate holding company	13	61,842	25,963	5,262	–
Amounts due to subsidiaries	17	–	–	468,661	520,905
Tax payable		109,696	29,655	35,321	15,343
		14,610,883	10,053,694	10,170,584	7,933,141

YORK Transport Equipment (Asia) Pte. Ltd.

	Note	Group 2010 USD	Group 2009 USD (Restated)	Company 2010 USD	Company 2009 USD (Restated)
Net current assets		11,254,061	11,414,142	9,261,685	13,124,501
Non-current liability					
Interest-bearing loans and borrowings	18	(391,711)	(495,662)	(391,711)	(495,662)
Deferred tax liabilities	9	(28,928)	(44,444)	(26,160)	(44,444)
Net assets		14,286,676	13,825,846	17,207,753	16,723,157
Equity attributable to equity holder of the Company					
Share capital	23	11,394,299	11,394,299	11,394,299	11,394,299
Reserves		2,892,377	2,431,547	5,813,454	5,328,858
Total equity		14,286,676	13,825,846	17,207,753	16,723,157

Statements of Changes in Equity for the financial year ended 31 March 2010

Group	Note	Share capital (Note 23) USD	Foreign currency translation reserve USD	Retained earnings USD	Total reserves USD	Total equity USD
		Attributable to equity holders of the Group				
2010						
At 1 April 2009 as previously stated*		11,394,299	294,838	2,031,503	2,326,341	13,720,640
Effect of adopting of FRS 21	2.2	–	251,561	(146,355)	105,206	105,206
At 1 April 2009 as restated		11,394,299	546,399	1,885,148	2,431,547	13,825,846
Profit for the year		–	–	399,491	399,491	399,491
Other comprehensive income for the year		–	–	–	–	–
Total comprehensive income for the year		–	–	399,491	399,491	399,491
Net effect of exchange differences		–	61,339	–	61,339	61,339
At 31 March 2010		11,394,299	607,738	2,284,639	2,892,377	14,286,676
2009						
At 1 January 2008 as previously stated**		11,394,299	485,535	4,316,201	4,801,736	16,196,035
Effect of adopting of FRS 21	2.2	–	112,099	(248,678)	(136,579)	(136,579)
At 1 January 2008, as restated		11,394,299	597,634	4,067,523	4,665,157	16,059,456
Loss for the period		–	–	(1,286,723)	(1,286,723)	(1,286,723)
Other comprehensive loss for the period		–	–	–	–	–
Total comprehensive loss for the period		–	–	(1,286,723)	(1,286,723)	(1,286,723)
Dividend paid on ordinary shares	26	–	–	(895,652)	(895,652)	(895,652)
Net effect of exchange differences		–	(51,235)	–	(51,235)	(51,235)
At 31 March 2009		11,394,299	546,399	1,885,148	2,431,547	13,825,846

Statements of Changes in Equity for the financial year ended 31 March 2010

Company	Note	Share capital (Note 23) USD	Retained earnings USD	Total equity USD
		Attributable to equity holders of the Company		
2010				
At 1 April 2009 as previously stated*		11,394,299	4,739,895	16,134,194
Effect of adopting of FRS 21	2.2	–	588,963	588,963
At 1 April 2009 as restated		11,394,299	5,328,858	16,723,157
Profit for the year		–	484,596	484,596
Other comprehensive income for the year		–	–	–
Total comprehensive income for the year		–	484,596	484,596
At 31 March 2010		11,394,299	5,813,454	17,207,753
2009				
At 1 January 2008 as previously stated**		11,394,299	6,181,192	17,575,491
Effect of adopting of FRS 21	2.2	–	(253,628)	(253,628)
At 1 January 2008 as restated		11,394,299	5,927,564	17,321,863
Profit for the period		–	296,946	296,946
Other comprehensive income for the period		–	–	–
Total comprehensive income for the period		–	296,946	296,946
Dividend paid on ordinary shares	26	–	(895,652)	(895,652)
At 31 March 2009		11,394,299	5,328,858	16,723,157

* This represents the previously stated SGD$ balances converted at the 31 March 2009 SGD-USD exchange rate of $1 : $1.53.

** This represents the previously stated SGD$ balances converted at the 31 December 2007 SGD-USD exchange rate of $1 : $1.45

Consolidated Cash Flow Statement for the financial year ended 31 March 2010

	2010 USD	2009 USD (Restated)
Cash flows from operating activities :		
Profit/(loss) before tax	476,564	(1,220,205)
Adjustments for :		
Depreciation of property, plant and equipment	409,802	457,905
Interest expense	151,015	265,788
Unrealised exchange differences	(479,386)	500,817
Gain on disposal of property, plant and equipment	–	(3,576)
Operating profit before working capital changes	557,995	729
(Increase)/decrease in trade and other receivables	(4,190,275)	4,888,612
Increase in inventories	(336,445)	(2,719,688)
Increase/(decrease) in trade and other payables	4,324,249	(999,883)
Net cash flows generated from operations	355,524	1,169,770
Interest paid	(151,015)	(265,788)
Income tax paid	(23,186)	(631,186)
Net cash flows generated from operating activities	181,323	272,796
Cash flows from investing activities :		
Purchase of property, plant and equipment	(471,914)	(286,767)
Proceeds from disposal of property, plant and equipment	–	5,643
Net cash flows used in investing activities	(471,914)	(281,124)
Cash flows from financing activities		
(Repayment of)/proceeds from bank term loans	(840,115)	1,663,935
Repayment of finance leases	(15,821)	(1,856)
Proceeds from bill payables	912,281	1,185,626
Dividend paid on ordinary shares	–	(895,652)
Net cash flows generated from financing activities	56,345	1,952,053
Net (decrease)/increase in cash and cash equivalents	(234,246)	1,943,725
Cash and cash equivalents at beginning of financial year/period	2,557,492	1,504,637
Effect of exchange rate changes on cash and cash equivalents	23,505	(890,870)
Cash and cash equivalents at end of financial year/period (Note 22)	2,346,751	2,557,492

Notes to Financial Statement 31 March 2010

1. **Corporate information**

York Transport Equipment (Asia) Pte Ltd (the "Company") is a limited liability company, which is incorporated in Singapore. Its immediate and ultimate holding companies are TRF Singapore Pte Ltd and TRF Limited respectively.

The registered office and principal place of business of the Company is located at No. 5 Tuas Avenue 6, Singapore 639295.

The principal activities of the Company are in the production and distribution of truck and trailer axles and other components. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. **Summary of significant accounting policies**

2.1 ***Basis of preparation***

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis and are presented in United States Dollars ("USD").

2.2 ***Prior year adjustment***

In previous financial year, all transactions in currencies other than Singapore Dollars (SGD) were treated as transactions in foreign currencies and were recorded, on initial recognition, in SGD using the exchange rate at the transaction date. FRS 21 (revised), *The Effects of Changes in Foreign Exchange Rates* requires all transactions in currencies other than the functional currency to be treated as transactions in foreign currencies and to be recorded, on initial recognition, in the functional currency using the exchange rate at the transaction date.

The management has assessed the Company's functional currency to be United States dollar for the current and prior years as the Company mainly trades in USD. As sales and purchases are denominated primarily in United States dollars and net receipts from operations are usually retained in United States, the management is of the opinion that choosing the United States dollars as the functional currency best reflects the primary economic environment in which the Company operates and are also in line with FRS 21 (revised). Hence, the Company changed its functional and presentation currency from Singapore dollars ("SGD" or "S$") to United States dollars. The effect of adopting FRS 21 (revised) led to retrospective changes made to the financials for comparative purposes.

The impact of this change on opening reserves is as disclosed in the statement of changes in equity.

2.3 ***Changes in accounting policies***

The accounting policies have been consistently applied by the Group and the Company are consistent with those used in the previous financial year, except for the changes in accounting policies discussed below.

With effect from 1 January 2009, the Group and the Company adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009.

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 107 Financial Instruments: Disclosures
- Improvements to FRS issued in 2008

The adoption of the above standards and interpretations did not result in any significant changes to the Group's and the Company's accounting policies.

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements – Revised Presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group has elected to present this statement as one linked statement.

Amendments to FRS 107 Financial Instruments: Disclosures

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures and liquidity risk disclosures are presented in Note 27(b) and Note 27(a) to the financial statements respectively.

Improvements to FRSs issued in 2008

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group:

- FRS 1 Presentation of Financial Statements: Assets and liabilities classified as held for trading in accordance with FRS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the balance sheet. The Group analysed whether Management's expectation of the period of realisation of financial assets and liabilities differed from the classification of the instrument. This did not result in any re-classification of financial instruments between current and non-current in the balance sheet.
- FRS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell". This did not result in any change in the financial position.
- FRS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one – the interest expense calculated using the effective interest rate method calculated in accordance with FRS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

2.4 ***Future changes in accounting policies***

The Group and the Company have not applied the following standards and interpretations that have been issued but not yet effective :

	Description	***Effective for annual periods beginning on or after***
	Amendments to FRS 27 *Consolidated and Separate Financial Statements*	1 July 2009
	Amendments to FRS 39 *Financial Instruments: Recognition and measurement – Eligible Hedged Items*	1 July 2009
	Revised FRS 103 *Business Combinations*	1 July 2009
	Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 July 2009
	INT FRS 117 *Distributions of Non-cash Assets to Owners*	1 July 2009
	Improvements to FRSs issued in 2009 :	
–	Amendments to FRS 38 *Intangible Assets*	1 July 2009
–	Amendments to FRS 102 *Share-based Payment*	1 July 2009
–	Amendments to FRS 108 *Operating Segments*	1 July 2009
–	Amendments to INT FRS 109 *Reassessment of Embedded Derivatives*	1 July 2009
–	Amendments to INT FRS 116 *Hedges of a Net Investment in a Foreign Operation*	1 July 2009
–	Amendments to FRS 1 *Presentation of Financial Statements*	1 January 2010
–	Amendments to FRS 7 *Statement of Cash Flows*	1 January 2010
–	Amendments to FRS 17 *Leases*	1 January 2010
–	Amendments to FRS 36 *Impairment of Assets*	1 January 2010
–	FRS 39 *Financial Instruments: Recognition and Measurement*	1 January 2010
–	Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010
–	Amendments to FRS 108 *Operating Segments*	1 January 2010

The Directors expect that the adoption of the above pronouncements will have no material impact on the financial statements in the period of initial applications, except for revised FRS 103 and the amendments to FRS 27 as indicated below.

Revised FRS 103 Business Combinations and Amendments to FRS 27 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2009. The revised FRS 103 introduces a number of changes in the accounting for business combinations occurring after 1 July 2009. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 27 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to FRS 7 *Statement of Cash Flows*, FRS 12 *Income Taxes*, FRS *21 The Effects of Changes in Foreign Exchange Rates*, FRS 28 *Investments in Associates* and FRS 31 *Interests in Joint Ventures*. The changes from revised FRS 103 and Amendments to FRS 27 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early applied. However, the Group does not intend to early adopt.

2.5 ***Functional and foreign currencies***

(a) ***Functional currency***

The management has determined the currency of the primary economic environment in which the Group operates i.e. functional currency, to be USD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in USD.

(b) ***Foreign currency transactions***

Transactions in foreign currencies are measured in the respective functional currencies of the Group and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss on disposal of the subsidiary.

The assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the balance sheet date and their profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity as foreign currency translation reserve. On disposal of a foreign operation, the cumulative amount recognised in foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

2.6 ***Subsidiaries and principles of consolidation***

(a) ***Subsidiaries***

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it directly or indirectly holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. Subsidiaries are consolidated from the date of acquisition being the date on which the Group obtains control, and continued to be consolidated until the date such control ceases.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(b) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the holding company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Acquisitions of subsidiaries are accounted for using the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the balance sheet. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the profit or loss on the date of acquisition. When the Group acquires a business, embedded derivative separated from the host contract by the acquire are not reassessed on acquisition unless the business combination results in a change in terms of the contract that significantly modifies the cashflows that would otherwise be required under the contract.

2.7 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit or loss.

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Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation of an asset begins when it is available for use and is computed on a straight line basis over the estimated useful lives of the asset as follows :

Freehold land and buildings	-	*20 years*
Leasehold land and buildings	-	*over remaining terms of lease*
Leasehold improvements	-	*3 to 5 years*
Furniture and fittings	-	*3 to 10 years*
Office equipment	-	*3 to 10 years*
Motor vehicles	-	*4 to 5 years*
Workshop equipment and tools	-	*2 to 14 years*

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economics benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is included in the profit or loss in the year the asset is derecognised.

2.8 ***Intangible assets***

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

2.9 ***Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 ***Financial assets***

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in the profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2.11 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash and cash balances. These also include bank overdrafts that form an integral part of the Group's cash management.

For the purpose of the cash flow statement, cash and cash equivalents are shown net of outstanding unsecured bank overdraft.

Cash carried in the balance sheet are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.10.

2.12 ***Trade and other receivables***

Trade and other receivables including amounts due from ultimate holding company and subsidiaries are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2.10.

An allowance is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are noted in Note 2.13.

2.13 ***Impairment of financial assets***

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial asset is impaired.

(a) ***Assets carried at amortised cost***

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

(b) ***Assets carried at cost***

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on a financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.14 ***Inventories***

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows :-

–	*Raw materials*	:	*purchase cost on a weighted average basis*
–	*Work-in-progress and finished goods*	:	*cost of materials, direct labour and a proportion of manufacturing overheads based on normal operating capacity on a weighted average basis.*

Net realisable value represents the estimated selling price less anticipated cost of disposal and after making allowances for damaged, obsolete and slow-moving items.

2.15 ***Financial liabilities***

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2.16 ***Borrowing costs***

Borrowing costs are generally expensed in the period in which they are incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

2.17 ***Provisions***

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2.18 ***Trade and other payables***

Liabilities for trade and other amounts payable, which are normally settled on 30-90 days' terms, and payables to related parties are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

2.19 ***Employee benefits***

(a) ***Defined contribution plan***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for as services rendered by employees up to balance sheet date.

2.20 ***Leases***

(a) ***As lessee***

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit and loss. Contingent rents, if any, are charged as expenses in the period in which they are incurred.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease

Leases where lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases.

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

2.21 ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before the revenue is recognised:

(a) ***Sale of goods***

Revenue from sale of good is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of goods sold.

Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) ***Royalty income***

Revenue is recognised on a straight-line basis over the license period stipulated in the related licensing agreement.

(c) ***Dividend income***

Dividend income is recognised when the Group's right to receive payment is established.

2.22 ***Income taxes***

(a) ***Current tax***

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognised in the profit or loss except to the extent that tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) ***Deferred tax***

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.23 ***Contingencies***

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) ***Impairment of non-financial assets***

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(b) ***Income taxes***

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payables and deferred tax liabilities at 31 March 2010 was USD109,000 (2009: USD29,000) and USD29,000 (2009: USD44,000) respectively.

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4. Revenue

Revenue represents invoiced value of goods sold.

5. Other operating income

	Group	
	1.4.2009 to 31.3.2010	**1.1.2008 to 313.2009**
	USD	USD (Restated)
Foreign exchange gain		
— Realised	1,217,351	–
— Unrealised	590,387	114,445
Royalty income	–	96,766
Interest income	1,216	24,205
Gain on disposal of property, plant and equipment	–	3,576
Job credit scheme	81,499	22,966
Other income	3,268	52,211
	1,893,721	314,169

6. Other operating expenses

The following items have been included in arriving at other operating expenses:

Foreign exchange loss		
— Realised	191,682	1,440,198
— Unrealised	111,001	615,262
Sundry expenses	–	68,930
	302,683	2,124,390

7. Profit/(Loss) from operating activities

Profit/(loss) from operating activities is stated after charging:

Depreciation of property, plant and equipment	409,802	457,905
Operating lease charges	275,804	316,342
Provision for warranty (Note 20)	200,588	45,043
Bad debts written off	–	294,157
Employee benefit expense		
— Central Provident Fund	139,502	247,680
— Salaries, wages, bonuses and other costs	4,172,324	4,947,064

8. Finance costs

Interest expense :		
Bank overdraft	2,289	4,353
Bank term loan	112,481	150,653
Finance charges payable under finance leases	2,981	3,787
Bills payable	33,264	106,995
	151,015	265,788

9. Income Tax expense

(a) ***Major components of income tax expense***

The major components of income tax expense for the year ended 31 March 2010 and period ended 31 March 2009 are :-

Statement of comprehensive income	**Group**	
	1.4.2009 to 31.3.2010	**1.1.2008 to 313.2009**
Current income tax	USD	USD (Restated)
Current income taxation	108,749	100,245
(Over)/under-provision in respect of previous years	(14,029)	(33,727)
	94,720	66,518
Deferred income tax	(17,647)	–
Income tax expense recognised in the income statement	77,073	66,518

(b) ***Relationship between tax expense and accounting profit***

A reconciliation between tax expense and the product of accounting profit multiplied by applicable corporate tax rate for the year ended 31 March 2010 and period ended 31 March 2009 are as follows:

Profit/(loss) before tax	476,564	(1,220,205)
Tax expense at the applicable tax rate of 17%	81,016	(207,435)
Tax effect of expenses not deductible in determining taxable profit	38,021	39,920
Income not subject to taxation	(49,864)	–
Tax exemption	(36,258)	(19,196)
(Over)/underprovision in respect of previous years	(14,029)	(33,727)
Utilisation of tax losses previously not recognised	(31,681)	(16,378)
Unrecognised deferred tax asset	110,920	283,920
Effect of different tax rate in other countries	(13,098)	(10,441)
Others	(7,954)	29,855
Income tax expense	77,073	66,518

During the financial year, the Company utilises approximately USDNil (2009: USD743,910) of the current period tax losses of its subsidiary companies pursuant to the group relief scheme which was effective since year of assessment 2004. The benefit from group relief amounted to USDNil (2009: USD133,904). The subsidiary companies which transferred the tax losses to the Company have agreed to transfer the tax losses without any charge to the Company.

(c) ***Deferred tax***

Deferred income tax as at 31 March relates to the following :-

	Group Income statement		**Group Balance sheet**	
	1.4.2009 to 31.3.2010	**1.1.2008 to 31.3.2009**	**2010**	**2009**
	USD	USD (Restated)	USD	USD (Restated)
Deferred tax liabilities				
Differences in depreciation	48,797	63,153	48,797	63,153
Deferred tax assets				
Provisions	(19,869)	(18,709)	(19,869)	(18,709)
Net deferred income tax	28,928	44,444	28,928	44,444

10. Property, plant and equipment

Group	**Freehold land and buildings**	**Leasehold land and buildings**	**Leasehold improve-ments**	**Furniture and fittings**	**Office equipment**	**Motor vehicles**	**Workshop equipment and tools**	**Total**
	USD	USD	USD	USD	USD	USD	USD	USD
Cost :								
At 1 January 2008	1,453,691	1,993,762	295,395	281,320	544,318	286,263	1,339,265	6,194,014
Additions	4,909	–	–	9,397	136,894	27,211	108,356	286,767
Disposal	–	–	–	–	(1,961)	(16,755)	(1,240)	(19,956)
Currency translation	(376,033)	–	(1,373)	(371)	(6,245)	2,256	(10,086)	(391,852)
At 31 March 2009	1,082,567	1,993,762	294,022	290,346	673,006	298,975	1,436,295	6,068,973
Additions	–	–	1,849	44,222	174,893	67,902	183,048	471,914
Currency translation	427,634	–	4,007	1,055	15,403	3,178	29,645	480,922
At 31 March 2010	1,510,201	1,993,762	299,878	335,623	863,302	370,055	1,648,988	7,021,809
Accumulated depreciation :								
At 1 January 2008	28,499	579,753	149,611	202,055	453,554	183,889	1,154,509	2,751,870
Depreciation charge for the period	75,024	111,783	46,942	35,129	61,489	39,636	87,902	457,905
Disposal	–	–	–	–	(1,765)	(15,080)	(1,044)	(17,889)
Currency translation	(20,890)	–	(528)	(229)	(2,182)	1,313	(2,284)	(24,800)
At 31 March 2009	82,633	691,536	196,025	236,955	511,096	209,758	1,239,083	3,167,086
Depreciation charge for the year	57,701	89,736	32,101	29,938	78,049	32,547	89,730	409,802
Currency translation	36,727	–	2,078	450	8,161	2,481	11,431	61,328
At 31 March 2010	177,061	781,272	230,204	267,343	597,306	244,786	1,340,244	3,638,216
Net carrying amount :								
At 31 March 2009	999,934	1,302,226	97,997	53,391	161,910	89,217	197,212	2,901,887
At 31 March 2010	1,333,140	1,212,490	69,674	68,280	265,996	125,269	308,744	3,383,593

(a) Freehold land and buildings consist of freehold factory premises at 13 Monterey Road, Dandenong, Australia.

(b) Leasehold land and buildings consist of leasehold factory premises at 5 Tuas Avenue 6, Singapore and 122 Pioneer Road, Singapore.

(c) The Group's freehold land and buildings with carrying amount of approximately USD1,333,000 (2009: USD999,000) are subject to a first mortgage charge to secure the subsidiary's bill payables (Note 18).

(d) The Group's leasehold land and building with carrying amount of approximately USD766,000 (2009: USD820,000) are subject to a first mortgage charge to secure the subsidiary's 5 year term loan (Note 18).

(e) In previous financial year, the Group acquired workshop equipment by means of finance lease. The carrying amount of workshop equipment and motor vehicles held under finance leases as at 31 March 2010 was USD31,000 (2009: USD43,000). Leased assets are pledged as security for the related finance lease liabilities (Note 18).

10. Property, plant and equipment

Company	Leasehold land and buildings USD	Leasehold improve-ments USD	Furniture and fittings USD	Office equipment USD	Motor vehicles USD	Workshop equipment and tools USD	Total USD
Cost :							
At 1 January 2008	1,993,762	255,906	199,486	449,430	179,345	1,102,497	4,180,426
Additions	–	–	584	109,613	27,211	52,183	189,591
At 31 March 2009	1,993,762	255,906	200,070	559,043	206,556	1,154,680	4,370,017
Additions	–	1,849	34,983	138,228	28,534	3,569	207,163
At 31 March 2010	1,993,762	257,755	235,053	697,271	235,090	1,158,249	4,577,180
Accumulated depreciation :							
At 1 January 2008	579,753	141,385	181,641	388,580	97,858	958,294	2,347,511
Depreciation charge for the period	111,783	35,802	9,270	40,114	28,570	58,538	284,077
At 31 March 2009	691,536	177,187	190,911	428,694	126,428	1,016,832	2,631,588
Depreciation charge for the year	89,734	22,892	9,660	61,694	27,288	44,670	255,938
At 31 March 2010	781,270	200,079	200,571	490,388	153,716	1,061,502	2,887,526
Net carrying amount :							
At 31 March 2009	1,302,226	78,719	9,159	130,349	80,128	137,848	1,738,429
At 31 March 2010	1,212,492	57,676	34,482	206,883	81,374	96,747	1,689,654

11. Intangible assets

Group	Design licences USD (Restated)
Cost	
At 1 January 2008	66,672
Addition	616
Currency translation	(17,365)
At 31 March 2009 and 1 April 2009	49,923
Addition	–
Currency translation	19,738
At 31 March 2010	69,661
Accumulated amortisation and impairment	
At 1 January 2008	–
Amortisation/impairment for the period	–
Currency translation	–
At 31 March 2009 and 1 April 2009	–
Amortisation/impairment for the year	–
At 31 March 2010	–
Net book value	
At 31 March 2009	49,923
At 31 March 2010	69,661

12. Investment in subsidiaries

	Company 2010 USD	Company 2009 USD (Restated)
Unquoted shares, at cost	810,893	176,939
Loans to subsidiaries	6,525,563	2,885,563
	7,336,456	3,062,502
Impairment losses	(662,171)	(662,169)
	6,674,285	2,400,333

The loans to subsidiaries are unsecured, non-interest bearing and are not expected to be repaid within the next 12 months. These loans are to be settled in cash.

The subsidiaries are :

	Subsidiary (Country of incorporation)	*Cost of investments* 2010 USD	*Cost of investments* 2009 USD (Restated)	*Percentage of equity held* 2010 %	*Percentage of equity held* 2009 %	*Principal activities (Place of business)*
(1)	*YTE Special Products Pte Ltd (Singapore)*	*1*	*1*	*100*	*100*	*Production and distribution of axles and related components (Middle East and Africa)*
(2)	*York Sales (Thailand) Co., Ltd (Thailand)*	*1,032*	*1,032*	*100*	*100*	*Trading in axles and related components (Thailand)*
(2)	*York Transport Equipment Pty Limited (Australia)*	*1*	*1*	*100*	*100*	*Production and distribution of axles and related components (Australia)*
(1)	*Rednet Pte Ltd (Singapore)*	*1*	*1*	*100*	*100*	*Trading in axles and related components (Singapore)*
(2)	*YTE Transport Equipment (SA) (Pty) Limited (South Africa)*	*22,489*	*22,489*	*100*	*100*	*Dormant (South Africa)*
(2)	*York Transport Equipment (Malaysia) Sdn. Bhd. (Malaysia)*	*1*	*1*	*100*	*100*	*Dormant (Malaysia)*
(5)	*York Transport Equipment (India) Pvt. Ltd. (India)*	*685,000*	*51,046*	*100*	*100*	*Production and distribution of axles and related components (India)*
(1)	*Eadda Pte. Ltd. (Singapore)*	*1*	*1*	*100*	*100*	*Dormant (Singapore)*
(3)	*PT York Engineering (Indonesia)*	*102,367*	*102,367*	*100*	*100*	*Dormant (Indonesia)*
		810,893	*176,939*			

The subsidiary of YTE Special Products Pte Ltd is :

(4)	*Qingdao YTE Special Products Co. Ltd (People's Republic of China)*	*209,569*	*209,569*	100	100	*Production and distribution of axles and related components (People's Republic of China)*

(1) Audited by Ernst & Young LLP, Singapore.
(2) Audited by member firms of Ernst & Young LLP, Global in the respective countries.
(3) Audited by other auditor, Aria, Sukimto & Rekan Certified Public Accountants Co Ltd.
(4) Audited by other auditor, Qingdao Zhonghui Certified Public Accountants Co Ltd.
(5) Audited by other auditor, Deloitte & Touche, India

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13. Amounts due from/(to) ultimate holding company

The amounts were unsecured, non-interest bearing and trade/non-trade in nature.

14. Inventories

	Group		Company	
	2010	**2009**	**2010**	**2009**
	USD	USD (Restated)	USD	USD (Restated)
Balance sheet :				
Raw materials	840,563	29,384	29,798	29,384
Work-in-progress	15,188	42,263	–	–
Finished goods	12,251,173	13,106,589	7,457,194	9,489,503
Stock-in-transit	448,676	40,919	44,417	18,546
Total inventories at lower of cost and net realisable value	13,555,600	13,219,155	7,531,409	9,537,433
Income statement :				
Inventories recognised as an expense in cost of sales	(24,200,737)	(32,032,300)	(20,148,607)	(35,892,799)
Inclusive of the following credit :				
– Reversal of write-down of inventories	(906)	(90,811)	–	(82,642)

15. Trade receivables

	Group		Company	
	2010	**2009**	**2010**	**2009**
	USD	USD (Restated)	USD	USD (Restated)
Trade receivables	6,452,289	5,407,247	592,097	1,953,926
Allowance for impairment	(116,307)	(87,766)	(41,205)	(39,320)
Total trade receivables	6,335,982	5,319,481	550,892	1,914,606
Add :				
Advance (Note 16)	853,286	92,059	833,055	47,308
Deposits (Note 16)	80,093	57,569	38,212	52,640
Other receivables (Note 16)	427,382	169,287	91,662	27,281
Amounts due from ultimate holding company	–	–	–	52,334
Amounts due from subsidiaries (Note 17)	–	–	8,076,486	7,785,002
Amounts due from a fellow subsidiary	339,869	–	339,869	–
Amounts due from a related party	1,845,032	–	1,195,655	–
Cash and cash equivalents (Note 22)	2,346,751	2,557,492	753,219	1,632,081
Total loans and receivables	12,228,395	8,195,888	11,879,050	11,511,252

Trade and other receivables are denominated in the following currencies:

	Group	
	2010	**2009**
	USD	USD (Restated)
United States dollars	2,162,905	2,787,497
Australian dollars	1,736,908	1,408,370
Chinese Renminbi	1,617,371	668,127
Thai Baht	501,290	455,575
Indian Rupees	343,585	–
Others	90,230	87,678
	6,452,289	5,407,247

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

At the balance sheet date, trade receivables arising from export sales amounting to approximately USD1,102,000 (2008: USD2,309,000) are arranged to be settled via letter of credits issued by reputable banks in countries where the customers are based.

Receivables that are past due but not impaired

The Group has trade receivables amounting to USD1,702,453 (2009: USD3,070,502) that are past due at balance sheet but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet is as follows :

	Group	
	2010	**2009**
	USD	USD (Restated)
Trade receivables past due :		
Lesser than 30 days	1,221,057	534,508
30 - 60 days	73,687	185,900
61 - 90 days	8,078	17,306
More than 90 days	399,631	2,332,788
	1,702,453	3,070,502

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows :

	Group		Company	
	2010	**2009**	**2010**	**2009**
	USD	USD (Restated)	USD	USD (Restated)
Trade receivables – nominal amounts	116,307	87,766	41,205	39,320
Less : Allowance for impairment	(116,307)	(87,766)	(41,205)	(39,320)
	–	–	–	–
Movement in allowance accounts :				
At 1 April 2009 and 1 January 2008	87,766	171,866	39,320	39,320
Charge for the year/period	13,084	–	–	–
Written off	–	(43,001)	–	–
Currency translation	15,457	(41,099)	1,885	–
At 31 March	116,307	87,766	41,205	39,320

Trade receivables that were individually determined to be impaired at the balance sheet date relate to debtors that were in significant financial difficulties and have defaulted on payments. These receivables were not secured by any collateral or credit enhancements.

16. Other receivables

	Group		Company	
	2010	**2009**	**2010**	**2009**
	USD	USD (Restated)	USD	USD (Restated)
Advance	853,286	92,059	833,055	47,308
Deposits	80,093	57,569	38,212	52,640
Prepayments	80,949	52,793	21,810	8,957
Other receivables	427,382	169,287	91,662	27,281
	1,441,710	371,708	984,739	136,186

17. Amounts due from/(to) subsidiaries

	Company	
	2010	**2009**
	USD	USD (Restated)
Amounts due from subsidiaries		
– Trade	6,964,000	5,392,614
– Non-trade	1,458,061	2,667,094
	8,422,061	8,059,708
Allowance for doubtful receivables	(345,575)	(274,706)
	8,076,486	7,785,002
Amounts due to subsidiaries		
– Trade	(427,124)	(520,905)
– Non-trade	(41,537)	–
	(468,661)	(520,905)

Amounts due from/(to) subsidiaries are non-interest bearing and are repayable on demand. These amounts are unsecured and are to be settled in cash.

18. Interest-bearing loans and borrowings

	Weighted average effective Interest rate (p.a.)	Maturity	Group 2010 USD	Group 2009 USD (Restated)	Company 2010 USD	Company 2009 USD (Restated)
Current :						
Obligations under finance leases :						
– secured (Note 21)	5.84% - 6.45%	2010	15,361	18,001	15,361	18,001
Bank loan						
– SGD 5 years term loan (secured)	2.45%	2010	134,616	123,178	134,616	123,178
Bills payable to bank (secured)	2.04% - 4.10%	2010	3,050,081	2,137,800	2,226,581	1,495,864
Short-term loan (secured)	3.20% – 3.43%	2010	1,200,000	1,960,784	1,200,000	1,960,784
			4,400,058	4,239,763	3,576,558	3,597,827
Non-current :						
Obligations under finance Leases						
– secured (Note 21)	5.84% - 6.45%	2013	10,299	23,480	10,299	23,480
Bank loan – SGD 5 years term loan (secured)	2.45%	2011 -2014	381,412	472,182	381,412	472,182
			391,711	495,662	391,711	495,662
Total loans and borrowings			4,791,769	4,735,425	3,968,269	4,093,489

As at 31 March 2010, bills payable of USD2,226,581 (2009: USD1,495,864) and short term loan of USD1,200,000 (2009: USD1,960,784) are secured by a debenture deed, which provide for a fixed and floating charge over the Company's fixed property and assets.

Bill payables of USD823,500 (2009: USD641,936) are secured by a first mortgage charge over the subsidiary's freehold land and building (Note 10).

Details of the rest of the interest-bearing loans and borrowings are summarised below.

Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 10).

SGD 5 years term loan at bank cost of funds plus 2%

This 5 years term loan is secured by a first mortgage charge over the Company's leasehold land and building (Note 10). The loan is repayable by 60 monthly installments which commenced in January 2009.

19. Trade payables

	Group 2010 USD	Group 2009 USD (Restated)	Company 2010 USD	Company 2009 USD (Restated)
Trade :				
External parties	8,186,532	4,523,343	5,225,904	3,195,525
Add :				
Interest-bearing loans and borrowings (Note 18)	4,791,769	4,735,425	3,968,269	4,093,489
Other liabilities (Note 20)	1,852,755	1,234,970	858,878	603,541
Amounts due to subsidiaries (Note 17)	–	–	468,661	520,905
Amount due to ultimate holding company	61,842	25,963	5,262	–
Total financial liabilities carried at amortised cost	14,892,898	10,519,701	10,526,974	8,413,460

Trade and other payables are denominated in the following currencies :-

	Group 2010 USD	Group 2009 USD (Restated)
United States dollars	4,355,659	2,873,256
Chinese Renminbi	1,529,511	801,080
Singapore dollars	845,752	430,998
Indian Rupees	693,163	–
Australian dollars	648,120	370,761
Others	114,327	47,248
	8,186,532	4,523,343

Trade payables are non-interest bearing and normally settled on 30 to 90 days' terms.

20. Other liabilities

	Group 2010 USD	Group 2009 USD (Restated)	Company 2010 USD	Company 2009 USD (Restated)
Accrued operating expenses	1,405,109	768,048	787,730	497,908
Other payables	182,603	249,684	17,806	34,230
Deposits	79,133	20,962	–	–
Provision for warranty	173,912	184,827	41,344	59,954
Withholding tax	11,998	11,449	11,998	11,449
	1,852,755	1,234,970	858,878	603,541
Provision for warranty is analysed as follows :				
At 1 April 2009 and 1 January 2008	184,827	192,399	59,954	56,212
Charge to statement of comprehensive income (Note 7)	200,588	45,043	34,930	21,212
Provision utilised	(269,087)	(17,470)	(48,612)	(17,470)
Currency translation	57,584	(35,145)	(4,928)	–
At 31 March	173,912	184,827	41,344	59,954

The Group provides a one-year warranty on most products under which faulty products are required to be repaired or replaced. The amount of the accrual is based on the sales volume and past experience with the level of repairs and returns.

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21. Finance leases

The Group had acquired certain workshop equipment and motor vehicles under leased facilities.

The average discount implicit in finance lease creditors is 5.84% to 6.45% (2009: 5.84% to 6.45%). Future minimum lease payments together with the present value of the net minimum payments are as follows :

	Group			
	Minimum lease payments 2010 USD	Present value of payments 2010 USD	Minimum lease payments 2009 USD (Restated)	Present value of payments 2009 USD (Restated)
No later than one year	17,399	15,361	20,776	18,001
Later than one year but not later than five years	12,352	10,299	27,223	23,480
Total minimum lease payments	29,751	25,660	47,999	41,481
Less : Amounts representing finance charges	(4,091)	–	(6,518)	–
Present value of minimum lease payments	25,660	25,660	41,481	41,481

22. Cash and cash equivalents

	Group		Company	
	2010 USD	2009 USD (Restated)	2010 USD	2009 USD (Restated)
Cash and bank balances	2,346,751	2,557,492	753,219	1,632,081

The carrying amounts of cash and bank balances approximate their fair values.

Cash and cash balances are denominated in the following currencies:-

	Group	
	2010 USD	2009 USD (Restated)
Indian Rupees	897,079	21,574
United States dollars	715,755	2,156,448
Thai Baht	391,337	143,579
Chinese Renminbi	185,271	27,063
Singapore dollars	139,688	98,837
Others	17,621	109,991
	2,346,751	2,557,492

23. Share capital

	Group and Company			
	2010		2009	
	No. of shares	USD	No. of shares	USD (Restated)
At 1 January 2008, 1 April 2009 and 31 March 2010	25,237,139	11,394,299	25,237,139	11,394,299

The holders of ordinary shares are entitled to receive dividends as and when declared by the Group. All ordinary shares carry one vote per share without restriction.

24. Operating lease commitments

The Group leases certain properties from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. Future minimum lease payments for all leases with initial or remaining terms of one year or more are as follows :

	Group	
	2010 USD	2009 USD (Restated)
No later than one year	177,750	165,910
Later than one year but no later than five years	409,641	369,434
Later than five years	2,142,282	1,704,526
	2,729,673	2,239,870

25. Related party transactions

(a) ***Sale and purchase of goods and services***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties take place at terms agreed between the parties during the financial year/period:

	Group	
	2010 USD	2009 USD (Restated)
Sale of goods and services to ultimate holding company	–	55,991
Sales of goods and services to fellow subsidiary	934,528	–
Sales of goods and services to a related party	4,663,740	–
Services received from ultimate holding company	168,388	76,756
Rental charged by ultimate holding company	4,352	6,054
Payments made on behalf and reimbursed by ultimate holding company	224,168	104,910
Payments made for and recoverable from ultimate holding company	234,442	–
Dividend paid to immediate holding company	–	895,652

(b) ***Compensation of key management personnel***

	2010	2009
Short-term employee benefits	205,056	242,594
Central Provident Fund contributions	8,019	7,356
Other short-term benefits	113,073	99,169
	326,148	349,119
Comprise amounts paid to :		
– Directors of the Company	202,358	231,083
– Other key management personnel	123,790	118,036
	326,148	349,119

26. Dividends

	Group	
	2010 USD	2009 USD (Restated)
Final exempt (one-tier) dividend for 2010: Nil cents (2009: 4.90 cents) per share	–	895,652

27. Financial instruments

(a) ***Financial risk management objectives and policies***

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, foreign currency risk and credit risk. The Group does not speculate in the currency markets or hold or issue derivatives financial instruments. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's loans and borrowings.

The interest rates on these obligations are pegged at the prevailing market rates as and when they fall due for rollover. As such, the Group's exposure to interest rate is capped at the prevailing market rate.

Surplus funds are placed with reputable banks.

The following tables set out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk :

	Within 1 year USD	*1 – 2 years* USD	*2 – 3 years* USD	*3 – 4 years* USD	*4 – 5 years* USD	*Total* USD
2010						
Floating rate						
Term loan	(134,616)	(134,616)	(134,616)	(112,180)	–	(516,028)
Short-term loan	(1,200,000)	–	–	–	–	(1,200,000)
Bill payables	(3,050,081)	–	–	–	–	(3,050,081)
2009						
Floating rate						
Term loan	(123,178)	(123,178)	(123,178)	(123,178)	(102,648)	(595,360)
Short-term loan	(1,960,784)	–	–	–	–	(1,960,784)
Bill payables	(2,137,800)	–	–	–	–	(2,137,800)

Sensitivity analysis for interest rate risk

As the balance sheet date, if SGD interest rates had been 100 (2009: 100) basis points lower/higher with all other variables held constant, the Group's profit/(loss) net of tax would have been USD33,000 (2009: USD34,000) higher/lower, raising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to a shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below summarises the maturity profile of the Group's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	1 year or less USD	1 to 5 years USD	Over 5 years USD	Total USD
2010				
Trade payables	8,186,532	–	–	8,186,532
Other liabilities	1,852,755	–	–	1,852,755
Loans and borrowings	4,400,058	391,711	–	4,791,769
	14,439,345	391,711	–	14,831,056
2009				
Trade payables	4,523,343	–	–	4,523,343
Other liabilities	1,234,970	–	–	1,234,970
Loans and borrowings	4,239,763	495,662	–	4,735,425
	9,998,076	495,662	–	10,493,738

Foreign currency risk

As the Group operates in several countries, it is exposed to foreign currency risk arising from cash flows from anticipated transactions and financing arrangements denominated in foreign currencies, primarily the Australian dollars, Singapore dollars and Thai Baht. Transaction risk is calculated in each foreign currency and includes foreign currency denominated assets and liabilities and firm and probable purchases and sales commitments.

The Group's foreign exchange risk arises mainly from the mismatch between the currency of its receipts and payments. To the extent that its receipts and payments are not matched in the same currency, the Group may be susceptible to foreign exchange exposure. The Group currently does not have any formal policy to hedge its foreign currency exchange exposure. As at the balance sheet date, the Group did not enter into any forward exchange contracts to hedge its foreign currency risk exposure.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in Australian dollars and Singapore dollars exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

			Group	
			2010 USD Net profit	2009 USD Net profit (Restated)
USD/AUD	–	strengthened 20% (2009: 20%)	32,000	70,000
	–	weakened 20% (2009: 20%)	(32,000)	(70,000)
SGD/USD	–	strengthened 20% (2009: 20%)	(242,000)	(633,000)
	–	weakened 20% (2009: 20%)	161,000	422,000

Credit risk

Credit risk is limited to the risk arising from the inability of a debtor to make payments when due. It is the Group's policy to provide credit terms to creditworthy customers. The Group has entered into trade credit insurance for customers who are on open credit terms. These debts are continually monitored and therefore, the Group does not expect to incur material credit losses.

The carrying amount of trade and other debtors and cash and bank balances represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The Group has no significant concentration of credit risk with any single customer. Cash is placed with the reputable banks.

(b) ***Fair values***

Recognised financial instruments

The aggregate net fair values of financial liabilities, which are not carried at fair value in the balance sheet, are represented in the following table as of 31 March 2010 and 31 December 2009. The fair value of finance leases are estimated using discounted cash flow analysis, based on current incremental lending rates for similar type of lending and borrowing arrangements.

	Carrying amount 2010 USD	Fair value 2010 USD	Carrying amount 2009 USD (Restated)	Fair value 2009 USD (Restated)
Finance leases	25,660	29,751	41,481	47,999

Management has determined that the carrying amounts of trade and other receivables, cash and bank balances, trade and other payables, amounts due from/to subsidiaries and ultimate holding company and short-term loans and borrowings approximate their fair values due to their short-term nature.

No disclosure of fair value is made for loans to subsidiaries and a related company and amount due to immediate holding company as it is not practicable to determine their fair values with sufficient reliability since these balances are non-interest bearing and do not have any fixed repayment terms.

28. Capital management

The primary objectives of the Group's capital management are to ensure that the Group is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

The Board of Directors monitors its capital based on net debt and total capital. Net debt is calculated as borrowing plus trade and other payables less cash and cash equivalent. Total capital is calculated as equity plus net debt.

	2010 USD	2009 USD (Restated)
Interest-bearing loans and borrowings (Note 18)	4,791,769	4,735,425
Trade payables (Note 19)	8,186,532	4,523,343
Other liabilities (Note 20)	1,852,755	1,234,970
Less: Cash and cash equivalents (Note 22)	(2,346,751)	(2,557,492)
Net debt	12,484,305	7,936,246
Total equity	14,286,676	13,825,846
Total capital	26,770,981	21,762,092

29. Comparative figures

Prior year comparatives were presented in Singapore dollar and were remeasured and presented in United States dollar. The financial effects of the change were disclosed in Note 2.2 to the financial statements.

In the previous financial period, the Company changed the financial year end from 31 December to 31 March.

The financial statements for 2009 covered the fifteen months from 1 January 2008 to 31 March 2009. The financial statements for 2010 covered the twelve months from 1 April 2009 to 31 March 2010.

30. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2010 were authorised for issue in accordance with a resolution of the directors on 5 May 2010.

YORK Transport Equipment (India) Pvt. Ltd.

Directors' Report

To the Members

The Directors are pleased to present their second Annual Report and the audited statements of Accounts for the year ended March 31, 2010.

1. FINANCIAL RESULTS *(Rupees in lakhs)*

	Current Year	Previous year
Net Sales & Services / Income from Operations	1517.14	—
Other income	44.32	—
Total income	1561.46	—
Expenditure:	—	
a) (Increase)/Decrease in Inventories and Contracts in progress	(252.76)	—
b) Purchase of finised goods for Resale	638.71	—
b) (i) Consumption of raw materials & Components	782.24	—
(ii) Payment to sub-contractors	—	—
c) Employee Costs	98.17	23.23
d) Operations administration and selling expenses	248.92	36.70
e) Total Expenditure (a to d)	1515.28	59.93
Profit / (Loss) before interest, depreciation, exceptional/extraordinary items and tax	46.18	(59.93)
Interest	—	—
Profit / (Loss) before depreciation exceptional/extraordinary items and tax	46.18	(59.93)
Depreciation	10.33	0.11
Profit/(Loss) before exceptional/extraordinary items and tax	—	(60.04)
Exceptional/Extraordinary items [gain/(loss)]	35.85	—
a) Employees Separation Compensation	—	—
b) Profit on sale of Long Term Investments	—	—
c) Total of Exceptional / Extraordinary items (a and b)	—	—
Profit / (Loss) before tax	35.85	(60.04)
Provision for Taxation for the year	5.52	—
Provision for Deferred Tax liability	1.26	—
MAT set off available in future year	(5.52)	—
Profit/(Loss) after tax	34.59	(60.04)
Less: Minority Interest	—	—
Profit after minority interest	—	—
Add: amount brought forward from previous year	(60.04)	—
Disposable Profit/ (Loss)	(25.45)	(60.04)
Appropriations :		
(a) Proposed Dividend	—	—
(b) Tax on Dividend	—	—
(c) General Reserve	—	—
Balance carried forward Profit/(Loss)	(25.45)	(60.04)

As your Company was incorporated on September 2008, previous year figures were not available.

2. DIVIDEND

No dividend is recommended during the Year

3. DIRECTORS

Mr Anthony Sabastian Aural was appointed as additional director during the year and it is proposed to appoint him as director under Section 255(2) of the Companies Act '1956.

4. FIXED DEPOSIT

Your Company has not accepted any fixed deposits during the period under review.

5. 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:

i) That in preparation of annual accounts for the year 2009-10 the applicable accounting standards have been followed.

ii) That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.

iii) That proper and sufficient care had been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) That the annual accounts for the financial year 2009-10 have been prepared on a going concern basis.

6. ENVIRONMENT

Adequate precautions are taken to comply with all regulatory requirements. 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.

7. PARTICULARS OF EMPLOYEES

A Statement giving information about employees of your company pursuant to section 217(2A) of the Companies Act,1956 read with Companies particulars (Particulars of Employee) Rules, 1975 is given in the Annexure to this Report.

8. AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Kolkata, the Statutory Auditors of the Company will retire at the forthcoming Annual General Meeting and Company has received a notice from one of the share holders pursuant to section 225 of the Companies Act,1956 to appoint M/s Ernst & Young, Chartered Accountants, Kolkata, as statutory Auditors of The Company in Place of retiring Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants, Kolkata for the Financial Year 2010-11 who will hold the position up to next Annual General Meeting .Members are requested to appoint Auditors for the financial year 2010-11 at the Annual General Meeting and to authorize the Board of Directors to fix their remuneration to be mutually agreed upon between the Board and the Auditors.

9. COMPLIANCE CERTIFICATE

The Company has obtained Compliance Certificate for the Financial Year 2009-10 from M/s Akhilesh Kumar Shrivastava, Practicing Company Secretary, in terms of Section 383 A of the Companies Act, 1956, which is attached.

10. INTERNAL CONTROL SYSTEM

Your Company has put in place adequate internal control systems and procedures commensurate with the scale and nature of its operation.

11. 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, other authorities and the employees of your Company.

For and on behalf of the Board

Singapore, 5 May, 2010

SUDHIR DEORAS
Chairman

Annexure to the Directors' Report 2009-10

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

Disclosures	Form B
A. Conservation of Energy	**Research & Development**
a) **Energy Conservation measures taken** b) **Additional Investments and Proposals, if any:** c) **Impact of the above measures on consumption of Energy :** d) **Total Energy Consumption and Energy Consumption per unit of production as prescribed in Form - A:** – Not Given as Company is not under the list of Specified Indutries **B. Technology Absorption :** **C. Foreign Exchange Earnings and Outgo :** Earnings– Outgo– Rs 214,36,251.30	**1. Specific areas in which R&D carried out by your Company :** **2. Benefits derived as a result of the above R&D** **3. Future Plan of Action** **4. Expenditure on R & D including Expenditure incurred on items developed and supplied to customers** a) Capital : Rs. Nil b) Recurring/Revenue : Rs. Nil c) Total : Rs. Nil d) Total R&D expenditure : as a percentage of total turnover **5. Technology absorption, adaptation and innovation**

Statement pursuant to section 217(2A) of the Companies Act, 1956 and the companies (particulars of Employees) Rule, 1975

Sl no	Name	Age	Designation	Remuneration	Qualification	Experience	DOJ	Last Employment
1	G. S. Chatterjee	49	Chief Operating Officer	Rs10,00,000 (Gross) Rs 5,45,381 (Net)	B.E (Mech)	25	23/11/2010	KLT Automotive and tabular Product (p) Ltd

Notes :
1. Gross Remuneration Comprises salary, allowances, monetary value of perquisites and The company's contribution to Provident, Superannuation and gratuity Funds
2. Net Remuneration is After Tax and is excusive of Company's Contribution to Provident, Superannuation and Gratuity Funds and monetary value of non- cash Perquisites
3. None of the employees mentioned above is relative of any director of company

For and on behalf of the Board

Singapore, 5th May, 2010

SUDHIR DEORAS
Chairman

AUDITORS' REPORT

TO THE MEMBERS OF YORK TRANSPORT EQUIPMENT (INDIA) PRIVATE LTD.

1. We have audited the attached Balance Sheet of **York Transport Equipment (India) Private Limited** ("the Company"), as at 31st March, 2010, the Profit and Loss Account 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 the 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:
   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (d) in our opinion, the Balance Sheet, the Profit and loss Account and the Cash Flow Statement

YORK Transport Equipment (India) Pvt. Ltd.

dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

(e) 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:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;

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

(iii) in the case of Cash Flow Statement, of the cash flows 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, 2010 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 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)
Saira Nainar
Partner
(Membership No.: 40081)

Singapore, 5th May, 2010

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/activities/transactions etc., clauses (vi), (vii), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix), (xx), of CARO are not applicable.

(ii) In respect of its Fixed Assets:

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with an annual programme of verification of fixed assets which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company has not disposed off any fixed asset during the year.

(iii) In respect of its inventory:

(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 explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(d) 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) According to the information and explanation given to us, the Company has not taken or granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there are 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 major weaknesses in the 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 Section 301 that needed to be entered 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 except in respect of certain purchases for which comparable quotations are not available and in respect of which we are unable to comment.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has not been regular in depositing undisputed dues including Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Investor Education Protection Fund, Employee State Insurance and Wealth tax.

(b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

(c) There were no dues of Income Tax, Sales Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of dispute by the Company.

(viii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, funds raised on short-term basis have not been used during the year for long- term investment.

(ix) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 302009E)
Saira Nainar
Partner
(Membership No.: 40081)

Singapore, 5th May, 2010

Compliance Certificate

To

The Members,

YORK TRANSPORT EQUIPMENT (INDIA) PRIVATE LIMITED

KOLKATA, WEST BENGAL-700019

I have examined the registers, records, books and papers of Onward Services Private Limited, (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2010**. In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. the company has kept and maintained registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.

2. the company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government Company Law Board or other authorities where applicable, within the time prescribed under the Act and the rules made there under.

3. the company as a Private Limited Company has more than the minimum prescribed paid up capital coming under the purview of the provision to section 383 A(1) of the Act, and its maximum number of members was in accordance with the limit prescribed under the Act for Private Limited companies. The company during the year under scrutiny:

   i. has not invited public to subscribe for its shares or debentures, and

   ii. has not invited or accepted any deposits from persons other than its members, directors or their relatives.

4. the Board of Directors duly met 05 (Five) times during the year on 17.04.2009, 18.05.2009, 17.07.2009, 08.10.2009 and 19.01.2010 in respect of which meetings appropriate notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. There was no resolution passed by circular.

5. the company did not close its Register of Members. No Debentures were issued.

6. the annual general meeting for the financial year ended on 31.03.2009 was held on 30.09.2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.

7. no extra –ordinary general meeting was held during the financial year.

8. the company being a private limited company, the provisions of Section 295 of the Act do not apply.

9. the company being a private limited company, the provisions of Section 297 of the Act do not apply.

10. the company has not made entry in the register maintained under Section 301 of the Act as provisions of Section 297 and/or 299 have not been attracted.

11. there was no instance falling within the purview of Section 314 of the Act, therefore, the company was not required to seek any approvals from the Board of Directors, Members or Central Government during the year under scrutiny.

12. no duplicate share certificates were issued during the certificate period.

13. the company has:

   i) allotted 32,91,426 shares of Rs.10 each during the year however, there was no transfer of securities.

   ii) not opened a separate bank account for depositing dividend declared, as the same was not required.

   iii) not declared dividend therefore, there was no requirement for payment or posting of warrants for dividends to all the members within a period of 30 (thirty) days from the date of declaration. There was no unclaimed or unpaid dividend.

   iv) no amounts pertaining to unpaid dividend account, application money due for refunds, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of 7 (seven) years, for transfer to Investors Education and Protection Fund.

   v) duly complied with the requirements of Section 217 of the Act.

14. the Board of Directors of the company is duly constituted and the appointment of directors has been duly made. An additional Director was appointed pursuant to Article s of Association of the Company and provisions of section 260 of the Companies Act, 1956, however no alternate director or directors to fill casual vacancies were appointed.

15. the company, being a private limited company, the provisions of section 269 of the Act with regard to appointment of Managing Director/ Whole-time Director/ Manager are not applicable.

YORK Transport Equipment (India) Pvt. Ltd.

16. no sole-selling agents were appointed.
17. there was no occasion for the company to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under various provisions of the Act.
18. the Directors have disclosed their interest in other firms/companies to the Board of directors pursuant to the provisions of the Act and the rules made there under.
19. the company has not issued any share/debenture/securities during the financial year.
20. the company has not bought back any shares during the financial year ending 31.03.2009.
21. the company has not redeemed any Preference Shares/Debentures during the year. There were no such securities to be redeemed.
22. there was no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares or bonus shares pending registration of transfer of shares.
23. the company has not invited or accepted any deposits or unsecured loans falling with in the purview of section 58A and section 58AA.
24. being a private limited company, the provisions of section 293 are not applicable to the company.
25. being a private limited company, the provisions of section 295 and section 372A relating to any loans granted, guarantees given, securities provided or investments made are not applicable to the company.
26. the company has not altered the provisions of the Memorandum with respect to the situation of the company's registered office from one state to another during the year.
27. the company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. the company has not altered the provisions of the Memorandum with respect to the name of the company during the year under scrutiny.
29. the company has not altered the provisions of the Memorandum with respect to the share capital of the company during the year under scrutiny.
30. the company has not altered its Articles of Association during the year.
31. there was no prosecution initiated against the company or show cause notices received by the company for any alleged offences under the Act and also no fines, penalties or any other punishment were imposed on the company.
32. the company has not received any securities from its employees as per the provisions of section 417(1) of the Act during the year under certification.
33. the company has no liability to deposit any amount under Provident Fund with prescribed authorities pursuant to provisions of section 418 of the Act.

Signature
A. K. Shrivastava
Jamshedpur, 4th May, 2010 C.P. No. - 6447.

Annexure 'A': Registers as maintained by the Company

1. Register of members under section 150.
2. Share Transfer Register
3. Register of Directors, Managing Director, etc. under section 303.
4. Register of Directors' shareholdings under section 307.
5. Register of Charges under section 143.
6. Register of Contracts under section 301.
7. Minutes Books under section 193.

(The above are apart from the Books of Accounts)

Annexure 'B' – Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ended 31st March, 2010.

Sl. No.	Form No./ Return	Filed under section	Date of filing
1.	Balance Sheet 2008-09	220	17.06.2009
2.	Form 2	75	14.05.2009
3.	Form 2	75	19.08.2009
4.	Form 2	75	30.03.2010
5.	Form 32	260	17.08.2009
6.	Form 18	146	19.08.2009
7.	Form 66	383A	16.06.2009

Balance Sheet as at March 31, 2010

	Schedule	Rupees	Rupees	Rupees	March 31, 2009 Rupees
FUNDS EMPLOYED					
SHARE CAPITAL	1		33,014,260		100,000
SHARE APPLICATION			–		2,482,780
TOTAL SHAREHOLDERS' FUNDS				33,014,260	2,582,780
DEFERRED TAX LIABILITY (Refer note (iv) on Schedule 12)				126,241	–
TOTAL				**33,140,501**	**2,582,780**
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	2		11,939,815		382,367
Less : Depreciation			1,044,439		11,324
Net Block				10,895,376	371,043
Capital work-in-progress (including Capital Advance)				49,000	1,990,868
CURRENT ASSETS (including loans and advances)					
Stock-in-Trade	3		71,556,120		–
Debtors	4		43,196,612		–
Cash and bank balances	5		40,906,799		1,095,746
Loans and advances	6		7,043,421		16,077
			162,702,952		1,111,823
Less : CURRENT LIABILITIES AND PROVISIONS					
Current liabilities	7	143,052,170			6,794,770
Provisions	8	–			100,000
			143,052,170		6,894,770
NET CURRENT ASSETS				19,650,782	(5,782,948)
PROFIT & LOSS ACCOUNT				2,545,343	6,003,816
TOTAL ASSETS (Net)				**33,140,501**	**2,582,780**
NOTES	12				

The annexed Schedules and Notes referred to above form an integral part of the Accounts.

For and on behalf of the Board

Per our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Saira Nainar
Partner
Singapore, 5 May, 2010

SUDHIR DEORAS
Chairman
P.V. Balasubramaniam
Director
Singapore, 4 May, 2010

Profit and Loss Account for the year ended March 31, 2010

	Schedule	Year Ended March 31,2010 Rupees	Year Ended March 31, 2009 Rupees
INCOME			
Sales and Services (Gross)		159,350,652	–
Less : Excise Duty		7,636,516	–
Net Sales and Services		151,714,136	–
Other Income	9	4,431,637	–
		156,145,773	–
EXPENDITURE			
Manufacturing and other expenses	10	151,527,944	5,992,493
Depreciation		1,033,115	11,324
TOTAL EXPENDITURE		152,561,059	6,003,816
PROFIT/(LOSS) BEFORE TAXATION		3,584,714	(6,003,816)
Provision for Taxation			
Current Tax		552,089	–
Less: MAT set off available in future years		(552,089)	–
Deferred Tax		126,241	–
PROFIT/(LOSS) AFTER TAXATION		3,458,473	(6,003,816)
Balance in Profit and Loss Account brought forward		(6,003,816)	
BALANCE CARRIED TO BALANCE SHEET		**(2,545,343)**	**(6,003,816)**

Earning per share in Rs.-Basic/Diluted (Refer note (vi) on Schedule 11)

NOTES 11

The annexed Schedules and Notes referred to above form an integral part of the Accounts.

For and on behalf of the Board

Per our report attached
For Deloitte Haskins & Sells
Chartered Accountants
Saira Nainar
Partner
Singapore, 5 May, 2010

SUDHIR DEORAS
Chairman
P.V. Balasubramaniam
Director
Singapore, 5 May, 2010

YORK Transport Equipment (India) Pvt. Ltd.

Cash flow statement for the year ended March 31, 2010

				Year Ended March 31, 2009	
		Rupees	Rupees	Rupees	Rupees
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit Before Tax and after exceptional and extraordinary Items		3,584,714		(6,003,816)
	Adjustments for :				
	Depreciation		1,033,115		11,324
	Operating Profit before working capital changes		**4,617,829**		**(5,992,492)**
	Adjustments for :				
	Trade and other receivables	(50,223,955)		–	
	Inventories	(71,556,120)		(16,077)	
	Trade payables and Other Liabilities	136,002,827		6,894,770	
			14,222,752		6,878,693
	Cash Generated from Operations		18,840,581		886,201
	Direct Taxes paid (net)		154,573		–
	Net Cash Generated from Operating Activities		**18,995,154**		**886,201**
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Fixed Assets(refer note 2)		(9,615,581)		(2,373,235)
	Net Cash Generated from Investing Activities		**(9,615,581)**		**(2,373,235)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Issue of Equity Shares (including Share application money)		30,431,480		2,582,780
	Net Cash Generated from Financing Activities		**30,431,480**		**2,582,780**
	Net increase in Cash and Cash equivalents (A+B+C)		**39,811,053**		**1,095,746**
	Cash and Cash equivalents as at April 1, 2009		1,095,746		–
	Cash and Cash equivalents as at March 31, 2010		40,906,799		1,095,746

Notes:

1. Figures in brackets indicate outflows.
2. Purchase of fixed assets include payments for items in capital work in progress.
3. Cash and Cash equivalents represent Cash and Bank balances.
4. Previous period figures have been regrouped/restated wherever necessary.

For and on behalf of the Board

Per our report attached
For Deloitte Haskins & Sells
Chartered Accountants

SUDHIR DEORAS
Chairman

Saira Nainar
Partner

P.V. Balasubramaniam
Director

Singapore, May 5, 2010

Schedules forming part of the Balance Sheet

		March 31, 2010 Rupees	*March 31, 2009 Rupees*
1.	**SHARE CAPITAL**		
	Authorised Capital :		
	1,00,00,000 equity shares of Rs.10 each	100,000,000.00	100,000,000.00
	Issued and Subscribed :		
	33,01,426 equity shares of Rs 10 each (Previous year 10,000 equity shares of Rs 10/- each)	33,014,260	100,000
		33,014,260	100,000

Note - All the above Equity Shares are held by York Transport Equipment (Asia) Pte Limited (holding Company) including one equity share jointly held with one other individual.

Schedules forming part of the Balance Sheet

			March 31, 2010 Rupees	March 31, 2009 Rupees
3.	**STOCK-IN-TRADE**			
	Raw materials and Components (including materials in transit)		44,856,017	–
	Finished products produced and purchased by the Company, at lower of cost and net realisable value (including purchased goods-in-transit)	24,439,284		–
	Add: Excise Duty on Finished Goods	837,458	25,276,742	
	Consumables		1,423,361	
			71,556,120	**–**
4.	**DEBTORS**			
	Unsecured			
	Over six months old			
	Considered good		198,668	–
	Considered doubtful		2,057,790	–
	Other debts			
	Considered good		42,997,944	–
	Considered doubtful		24,638	–
			45,279,040	–
	Provision for doubtful debts		(2,082,428)	–
			43,196,612	**–**
5.	**CASH AND BANK BALANCES**			
	Cash on hand		487	165
	Current accounts with Scheduled bank		40,906,312	1,095,580
			40,906,799	**1,095,746**
6.	**LOANS AND ADVANCES**			
	Unsecured, considered good unless otherwise specified			
	Advances recoverable in cash or in kind or for value to be received			
	Considered good		7,043,421	–
	Considered Doubtful		–	–
			7,043,421	**–**
7.	**CURRENT LIABILITIES**			
	Sundry Creditors			
	i) For goods and services supplied			
	— Micro, Medium & Small Enterprise *		–	–
	— Others		31,608,254	1,759,683
	ii) For Accrued wages and salaries		668,220	70,000
	iii) For other liabilities		4,676,988	629,541
	Dues to Holding Company		105,664,669	4,335,546
			142,618,131	6,794,770
	Advances received from customers		434,039	–
			434,039	–
			143,052,170	**6,794,770**

* The Company has not received any memorandum (as required to be filed by the Supplier's with the notified authority under the Micro, Small and Medium Enterprises Development Act,2006) claiming their status as on March 31,2010 as Micro, Small or Medium enterprises. Consequently, paid / payable to these parties during the year is Nil.

		Rupees	Rupees
8.	**PROVISIONS**		
	Provisions for Leave Salaries	–	50,000
	Provisions for Gratuity	–	50,000
		–	**100,000**

2. FIXED ASSETS

Amount in Rupees

Particulars	Cost as at 31.03.2009	Additions	Deductions	Cost as at 31.03.2010	Depreciation as at 31.03.2009	Depreciation for the year	Deductions	Depreciation as at 31.03.2010	Net Block as at 31.03.2010	Net Block as at 31.03.2009
INTANGIBLE ASSETS										
COMPUTER SOFTWARE	38,896	812,625	–	851,521	3,218	61,657	–	64,875	786,646	35,678
	38,896	812,625	–	851,521	3,218	61,657	–	64,875	786,646	35,678
TANGIBLE ASSETS										
PLANT AND MACHINERY	343,470	9,545,495	–	9,888,965	8,106	914,479	–	922,585	8,966,380	335,365
FURNITURE AND FIXTURES	-	440,329	–	440,329	–	39,200	–	39,200	401,129	–
MOTOR VEHICLES	-	759,000	–	759,000	–	17,779	–	17,779	741,221	–
	343,470	10,744,824	–	11,088,294	8,106	971,458	–	979,564	10,108,730	335,365
GRAND TOTAL	**382,366**	**11,557,449**	**–**	**11,939,815**	**11,324**	**1,033,115**	**–**	**1,044,439**	**10,895,376**	**371,043**
	–	*382,367*	–	*382,367*	*11,324*	*11,324*	–	*11,324*	*371,043*	–

Previous years' figures in italics

YORK Transport Equipment (India) Pvt. Ltd.

			Year ended March 31, 2010	Year ended March 31, 2009
9.	**Other Income**		Rupees	Rupees
	Gain on foreign Exchange Fluctuation (net)		4,431,637	–
			4,431,637	–
10.	**MANUFACTURING AND OTHER EXPENSES**	Rupees	Rupees	Rupees
	PURCHASE OF FINISHED GOODS FOR RESALE		63,870,616	–
	RAW MATERIALS CONSUMED			
(a)	Opening Stock	–		–
(b)	Purchases	123,079,720		–
		123,079,720		–
(c)	Less: Closing Stock	44,856,017		–
			78,223,703	–
	PAYMENT TO AND PROVISION FOR EMPLOYEES			
(a)	Salaries, wages, other benefits and provision for bonus	8,175,312		1,968,326
(b)	Company's contribution to provident fund and other funds	1,289,890		304,514
(c)	Workmen & Staff welfare expenses	88,894		–
(d)	Leave salaries	262,813	9,816,909	50,000
	OPERATION AND OTHER EXPENSES			
(a)	Conversion Charges	3,210,966		–
(b)	Stores, spare parts and loose tools consumed	947,405		–
(c)	Repairs to buildings	142,087		–
(d)	Travelling, conveyance and car running expenses	3,677,983		702,172
(e)	Rent	1,090,984		–
(f)	Rates, taxes and licences	35,080		364,412
(g)	Service tax (net)	53,938		–
(h)	Insurance	99,206		–
(i)	Freight and handling charges	5,659,623		–
(j)	Bank charges	123,630		–
(k)	Professional fees	1,262,247		918,630
(l)	Telephone expenses	242,810		–
(m)	Sales promotion Expenses	3,891,579		–
(n)	Other expenses	2,373,492	22,811,030	1,684,439
	PROVISION FOR DOUBTFUL DEBTS & ADVANCES		2,082,428	
	ACCRETION/(REDUCTION) IN STOCKS OF FINISHED GOODS			
(a)	Opening Stock	–		
(b)	Less: Closing Stock	25,276,742	(25,276,742)	
			151,527,944	**5,992,493**

11. STATEMENT FORMING PART OF THE PROFIT AND LOSS ACCOUNT

		March 31, 2010	*March 31, 2009*
i)	Auditors' remuneration (excluding service tax)		
	Statutory Audit Fees	400,000	200,000
	Tax audit fees	150,000	–

		Quantitative denomination	Quantity	Rupees	Quantity	Rupees
ii)	Purchase of Finished Goods for resale					
a)	Axles		560	18,010,292	–	
b)	Suspension	Nos	366	18,388,703	–	–
c)	Wheel Rim	Nos	6300	12,300,763	–	–
d)	Others	Nos		15,170,858	–	–
				63,870,616		–

		Quantitative denomination	Quantity	Rupees	Quantity	Rupees
iii)	Raw materials and components consumed					
a)	Beam	Nos	2,412	16,438,653	–	–
b)	Hub	Nos	4,561	9,909,728	–	–
c)	Brake Drum	Nos	4,396	11,595,851	–	–
d)	Spindle	Nos	3,538	4,694,465	–	–
e)	Bearings	Nos	20,525	4,589,056	–	–
f)	Brake Shoe Assembly	Nos	8,719	9,161,895	–	–
g)	Brake Chamber	Nos	3,063	1,214,207	–	–
h)	Others *	Nos		20,619,849	–	–
				78,223,703		–

* The consumption figures shown above are after adjustment of excesses and shortages found on physical count, write-off of unserviceable items etc.

iv) The value of Consumption of directly imported and indigenously raw materials and components, stores and spare parts and the percentage of each to total consumption

	March 31, 2010		*March 31, 2009*	
Raw materials and components		Rupees		Rupees
Imported	61.22%	47,889,920		–
Indigenously obtained	38.78%	30,333,783		–
	100.00%	**78,223,703**	–	–
Stores and spare parts				
Imported	70.79%	670,656	–	–
Indigenously obtained	29.21%	276,749	–	–
	100.00%	**947,405**	–	–

			March 31, 2010	*March 31, 2009*
v)	Value of Direct Imports (C.I.F value)		Rupees	Rupees
	a)	Raw materials and components	69,000,352	–
	b)	Finished Goods For Resale	58,574,606	–
	c)	Stores and spare parts	2,222,040	–
	d)	Capital Goods	122,578	–
vi)	Expenditure in Foreign Currency			
	a)	Travel	1,287,200	–
vii)	Earning Per Share			
	a)	Profit after tax as per the Profit and Loss Account	3,458,473	–
	b)	Weighted average number of ordinary equity shares of Rs.10/- each outstanding during the year	2,088,334	–
	c)	Earning Per Share Basic & diluted	1.66	–

12. NOTES TO THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

(i) SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF ACCOUNTS

The financial statements have been prepared in compliance with the generally accepted accounting principles in India and the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant presentation requirements of the Companies Act, 1956.

(b) FIXED ASSETS

All fixed assets are stated at original cost net of tax/duty credits availed, if any less amortisation/ 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.

(c) DEPRECIATION AND AMORTISATION

Tangible Assets

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.

Intangible Assets

Computer software is amortised over a period of five years.

(d) IMPAIRMENT OF ASSETS

The carrying amount of fixed assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal/ external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its recoverable amount which is higher of net realisable value and value in use.

(e) INVENTORIES

Raw materials, components and finished goods are valued at lower of cost and net realisable value. Stores and spare parts and loose tools are carried at cost.

Purchased goods in transit are carried at cost

Cost of inventories is ascertained on the 'weighted average ' basis. Finished goods are valued on full absorption cost basis.

(f) REVENUE RECOGNITION

Revenue is recognised on completion of sale of goods / rendering of services. Sales excludes trade discounts and sales tax collected from customers.

(g) FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities relating to foreign currency transactions are translated at year end exchange rates. The difference in translation and realised gains/losses are recognised in the Profit and Loss Account.

(h) EMPLOYEE BENEFITS

There are no employees on Company's payroll. The Company receives debits for payroll expenses from its ultimate holding Company in respect of their employees working for the Company.

(i) Defined Contribution plan.

(ii) Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

YORK Transport Equipment (India) Pvt. Ltd.

(i) **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised when 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. Reimbursement against a provision is recognised as a separate asset based on virtual certainty.

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

(j) **TAXES ON INCOME**

(i) Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deffered tax is recognised, subject to the consideration of prudence in respect of deffered tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more than subsequent periods.

Deffered Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax can be realised.

(ii) Minimum Alternative Tax (MAT) credit asset is recognised only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period. The carrying amount or MAT credit asset is reviewed at each Balance Sheet date.

12. (ii) CAPACITIES, STOCKS, PRODUCTION AND TURNOVER *(Previous year's figures in italics)*

Sl. No.		Quantitative Denomination	Capacity Installed	Opening Stock Units	Opening Stock Rupees	Production Units	Turnover Units	Turnover Rupees	Closing Stock Units	Closing Stock Rupees
1.	Axles	Units	14,400	–	–	2,288	2,081	86,501,947	207	7,005,634
			–	*–*	*–*	*–*	*–*	*–*	*–*	*–*
2.	Excise duty on finished goods not assessed to duty									837,458
										–
3.	Sale of Purchased Materials									
	– Axles				–		541	21,286,335	19	1,269,780
					–		*–*	*–*	*–*	*–*
	– Suspension				–		213	13,594,984	153	8,314,454
					–		*–*	*–*	*–*	*–*
	– Wheel Rim				–		6,300	18,357,965	–	–
					–		*–*	*–*	*–*	*–*
	– Other Trading Components				–			11,972,905		7,849,416
					–			*–*		*–*
					–		**9,135**	**151,714,136**	**379**	**25,276,742**
					–		*–*	*–*		*–*

NOTES :

a) Licensed capacity is not applicable in terms of the Government of India's Notification no. S.O. 477 (E) dt. 25th July, 1991.

b) Installed capacity is as certified by the management and accepted by the auditors, this being a technical matter.

c) Quantity/ value of stocks shown above is after adjustment of shortages/ excesses found on physical count, write-off of unserviceable items etc.,

d) Production figures shown above are net of returns.

e) Quanititative information in respect of other trading components has not been furnished as these are of dissimilar nature and the aggregation of the quantities will not be meaningful.

ii) 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 Ltd.	Ultimate Holding Company
	TRF Singapore Pte Ltd.	Intermediate Holding Company
	YORK Transport Equipment (Asia) Pte Ltd.	Immediate Holding Company
	YORK Transport Equipment Pty Ltd.	Fellow Subsidiary
	YORK Sales (Thailand) Co. Ltd	Fellow Subsidiary
	YTE Transport Equipment (SA) (Pty) Limited	Fellow Subsidiary
	YORK Transport Equipment (Malaysia) Sdn Bhd	Fellow Subsidiary
	Rednet Pte Ltd.	Fellow Subsidiary
	PT YORK Engineering	Fellow Subsidiary
	Eadda Pte Ltd	Fellow Subsidiary
	YTE Special Products Pte Ltd	Fellow Subsidiary
	Qingdao YTE Special Products Co. Ltd.	Fellow Subsidiary
b)	Mr. Sudhir Deoras	Key Managerial Personnel, Chairman
	Mr. P. V. Balasubramaniam	Key Managerial Personnel, Director

B) **Related Party Transactions**

		Rupees With holding Company (Ultimate / Intermediate / Immediate)
A	**Transactions during the year ended March 31, 2010**	
(i)	Subscription to Equity Shares (Including Application money Paid)	
	York Transport Equipment (Asia) Pte Ltd.	32,914,260
(ii)	Purchase of Raw Material	
	York Transport Equipment (Asia) Pte Ltd.	118,043,817
(iii)	Receiving of services/overheads charged by related parties	
	TRF Ltd.	9,866,871
	York Transport Equipment (Asia) Pte Ltd.	
(iv)	Expenses/Overhead recoverable from related parties	
	York Transport Equipment (Asia) Pte Ltd.	2,002,061
	TRF Limited	10,529,241
(v)	Payment for Receiving of service (including Rent)	
	TRF Ltd.	7,876,987
B	**Balance as on March 31, 2010**	
(i)	Payables	
	TRF Ltd.	2,580,050
	York Transport Equipment (Asia) Pte Ltd.	103,084,620
C	No remuneration has been paid to key managerial personnel during the period	–

(iii) **CONTINGENT LIABILITIES**

In accordance with the Indian Customs Act, 1962, in respect of purchase transactions with York Transport Equipment (Asia) Pte Ltd, being a related party, the valuation of the transactions are pending with the customs authorities. Pending finalisation of assessable value on such materials, 1% of C.I.F value has been deposited with the Customs authorities and accounted for as Secturity Deposit. Final amount payable will be determined on final assessment.

(iv) DEFERRED TAX (arising out of timing differences)

		March 31, 2010 Rupees	*March 31, 2009 Rupees*
(a)	Deferred Tax Assets		
	Unabsorbed Depreciation	135,965	*–*
		135,965	*–*
(b)	Deferred Tax Liabilities		
	Difference between book and tax depreciation	262,207	*–*
		262,207	*–*
	Net Deferred Tax (Liability) / Asset	(126,242)	*–*

(v) The Company has not hedged its foreign currency exposures. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

a) Amount payable in foreign currency on account of the following:

- Import of Goods & Services (US Dollar Equivalent)	2,474,665	*–*
- Import of Goods & Services (INR Equivalent)	113,058,126	*–*

(vi) In the absence of any past history of returns, no provision for warranty has been made.

(vii) Figures for the previous year have been regrouped and restated wherever necessary.

Signature to Schedule 1 to 12
For and on behalf of the Board

P. V. Balasubramanium
Director

Sudhir Deoras
Chairman

Singapore, 5 May 2010

York Transport Equipment Pty Ltd.

Directors' Report

The directors of York Transport Equipment Pty Ltd submit herewith the annual financial report for the twelve month period ended 31 March 2010.

DIRECTORS

The names of the directors of the company during or since the end of the reporting period are:

Sudhir Laximikant Deoras

P.V. Balasubramaniam

Anthony Sebastian Aurol

Benety Chang

Jacinta Nevita Anthony

All directors were in office at the beginning of the reporting period until the date of this report, unless otherwise stated.

PRINCIPAL ACTIVITIES OF THE COMPANY

The company's principal activities in the course of the reporting period were the manufacturing and distribution of axles and suspension kits. During the financial year there was no significant change in the nature of these activities.

RESULTS AND DIVIDENDS

The loss of the company for the twelve month period ended 31 March 2010 was $ 335,099 (for the 15 month period ending 31 March 2009: $ 424,853). The Directors do not recommend the payment of a dividend in respect of the period ended 31 March 2010 (2009: $nil).

REVIEW OF OPERATIONS

The company was unfavorably impacted by the ongoing reductions in the industry manufacturing volumes that began during the fourth quarter of 2008, running trough 2009 and into the start of 2010. This led to it experiencing losses for the twelve month period ended 31 March 2010. The support of the parent company, York Transport Equipment (Asia) Pty Ltd, is acknowledged in helping the company during this difficult period. The underlying macroeconomic issues still confronting the manufacturing sector in Australia has the potential to further restrain demand across the remainder of 2010 with only a marginal uplift being forecast for the first quarter of 2010. There is a positive expectation that business will see improvement from here on in and even though FY2010 will definitely present a challenge to the company, it is currently identifying new opportunities and instigating a continuous cost reduction program.

SIGNIFICANT CHANGES AFTER BALANCE DATE

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the reporting period, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The company has complied with all regulations and legislation applicable to the production and distribution of axles and suspension kits.

CORPORATE INFORMATION

York Transport Equipment Pty Ltd is a company limited by shares that is incorporated and domiciled in Australia.

The immediate parent entity is York Transport Equipment (Asia) Pte Ltd, which is incorporated in Singapore. The ultimate parent entity is TRF Limited which is incorporated in India.

The registered office of York Transport Equipment Pty Ltd is:

13 Monterey Road
Dandenong Victoria 3175

At balance date, the number of employees within the company was 18 (2008: 19).

INDEMNIFICATIONS OF OFFICERS AND AUDITORS

During or since the end of the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

AUDITOR'S INDEPENDENCE

The directors received a declaration from the auditor of York Transport Equipment Pty Ltd. The company's auditors, Ernst & Young, have provided tax compliance and consultancy services. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of non-audit service provided means that auditor independence was not compromised.

Signed in accordance with a resolution of the directors.

Singapore, May 5, 2010 Director Director

Directors' Declaration

In accordance with a resolution of the directors of York Transport Equipment Pty Ltd, I state that:

(a) The financial statements and notes of the company are in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the financial position and performance of the company for the twelve month period ended 31 March 2010; and

ii. complying with Accounting Standards and Corporations Regulations; and

(b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors

Singapore, May 5, 2010 Director Director

Statement of Comprehensive Income

FOR THE TWELVE MONTHS ENDED 31 MARCH 2010	Note	1/APR/2009 to 31/MAR/2010	1/JAN/2008 to 31/MAR/2009
		$	$
Revenue	3	11,379,746	16,073,216
Cost of sales		(8,440,805)	(12,022,214)
Gross profit		2,938,940	4,051,002
Other Income	3	824	13,880
Administrative expenses	4(a)	(1,779,274)	(2,444,550)
Selling and distribution expenses	4(b)	(1,410,803)	(1,476,963)
Research and development expenses		(1,025)	-
Net gain/ (loss) from foreign exchange		3,354	(480,292)
Loss from operations before tax and finance cost Costs		(247,984)	(336,923)
Finance costs	4 (c)	(87,116)	(87,930)
Loss from ordinary activities before tax		(335,099)	(424,853)
Income tax expense	5	-	-
NET LOSS FOR THE PERIOD		(335,099)	(424,853)
Other Comprehensive Income for the period		-	-
Total Comprehensive Income for the period		(335,099)	(424,853)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet As at 31st March 2010	Note	31/MAR/2010	31/MAR/2009
CURRENT ASSETS		$	$
Cash and cash equivalents	18(b)	1,000	62,489
Trade receivables	6	1,880,052	2,147,667
Inventories	7	3,827,092	4,214,990
Other current assets	8	40,620	123,205
TOTAL CURRENT ASSETS		5,748,764	6,548,351
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,528,869	1,611,752
Intangible assets	10	77,401	77,401
TOTAL NON-CURRENT ASSETS		1,606,270	1,689,153
TOTAL ASSETS		7,355,034	8,237,504
CURRENT LIABILITIES			
Trade and other payables	11	8,109,188	8,919,598
Interest-bearing loans and borrowings	12	1,251,193	995,000
Provisions	13	205,941	172,856
TOTAL CURRENT LIABILITIES		9,566,322	10,087,454
NON-CURRENT LIABILITIES			
Provisions	14	18,629	44,868
TOTAL NON-CURRENT LIABILITIES		18,629	44,868
TOTAL LIABILITIES		9,584,951	10,132,322
NET LIABILITIES		(2,229,917)	(1,894,818)
EQUITY			
Issued capital	16	6,100,000	6,100,000
Accumulated losses	17	(8,329,917)	(7,994,818)
TOTAL EQUITY		(2,229,917)	(1,894,818)

The above Balance Sheet should be read in conjunction with the accompanying notes.

Cash Flow Statement FOR THE TWELVE MONTHS ENDED 31 MARCH 2010	Note	1/APR/2009 to 31/MAR/2010	1/JAN/2008 to 31/MAR/2009
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		12,772,853	16,484,045
Payments to suppliers and employees (inclusive of GST)		(12,981,414)	(17,014,083)
Interest received		824	13,880
Interest paid		(87,116)	(87,930)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	18(a)	(294,853)	(604,088)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(22,830)	(35,491)
Acquisition of intangible assets		-	(696)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(22,830)	(36,187)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(80,000)	(100,000)
Repayment of finance lease liabilities		-	(13,654)
NET CASH USED IN FINANCING ACTIVITIES		(80,000)	(113,654)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(397,682)	(753,929)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		62,489	816,418
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	18(b)	(335,193)	62,489

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

York Transport Equipment Pty Ltd.

Statement of Changes in Equity

FOR THE TWELVE MONTHS ENDED 31 MARCH 2010	*Issued capital*	*Accumulated losses*	*Total*
	$	*$*	*$*
At 1 January 2008	6,100,000	(7,569,965)	(1,469,965)
Loss for the year	–	(424,853)	(424,853)
Other Comprehensive Income	–	–	–
At 31 March 2009	6,100,000	(7,994,818)	(1,894,818)
Loss for the year	–	(335,099)	(335,099)
Other Comprehensive Income	–	–	–
At 31 March 2010	6,100,000	(8,329,917)	(2,229,917)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

PERIOD ENDED 31 MARCH 2009

1. CORPORATE INFORMATION

The financial report of York Transport Equipment Pty Ltd for the period ended 31 March 2010 was authorised for issue in accordance with the resolution of the directors on May 5, 2010.

York Transport Equipment Pty Ltd is a company limited by shares incorporated in Australia.

The principal activities of the company are that of the manufacturing and distribution of axles and suspension kits.

The 2009 financial year is twelve months between 1st April 2009 and 31st March 2010. The comparative report for the period ended 31 March 2009 is for 15months due to the extension of an additional three months in order to synchronise its end of financial year with that of its ultimate parent, TRF Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a special purpose financial report which has been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards. The special purpose financial report complies with all appropriate Australian Accounting Standards with the exception of presentation and disclosure requirements of the following standards:

- AASB 7 Financial Instruments: Disclosures
- AASB101 Presentation of Financial Statements
- AASB112 Income Tax: Disclosures
- AASB124 Related Parties
- AASB132 Financial Instruments: Presentation

The financial report has been prepared on the basis of historical cost and except, where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, to the extent described in Note 2 (a) Basis of Preparation.

(c) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave, long service leave, and other employee entitlements expected to be settled within 12 months, are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to the reporting date.

(d) Income tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(e) Foreign currency transactions

Both the functional and presentation currency of the company is Australian dollars (A$).

All foreign currency transactions during the year have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at that date.

Exchange differences are brought to account in the income statement in the financial year in which they arise except:

(i) exchange differences which relate to assets under construction for future productive use are included in the cost of those assets; and

(ii) exchange differences on transactions entered into in order to hedge the purchase or sale of specific goods and services are deferred and included in the measurement of the purchase or sale.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are allocated to inventory using a weighted average cost basis.

(g) Trade and other receivables

Trade receivables, which generally have 30 to 90 days term, are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Bad debts are written off as incurred.

Receivables from other parties are recognised and carried at the nominal amount.

(h) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Land and building are measured at cost less accumulated depreciation.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses when recognised in the income statement are shown in the cost of sales line item.

Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method.

The following useful lives are used in the calculation of depreciation:

	FY 2009	**FY 2008**
Buildings:	20 years	20 years
Plant & Equipment:	5-14 years	5-14 years
Office Equipment:	5-9 years	5-9 years
Motor Vehicles:	4 years	4 years
Warehouse Plant:	5 years	5 years
Leased Assets:	4 years	4 years
Leasehold Improvements:	5 years	5 years

(i) Intangible assets

Intangible assets relate to ADR licences and rights

The ADR licences and rights were initially brought to account at the cost of acquisition. They have indefinite useful life. Intangible assets are tested for impairment annually or where an indicator of impairment exists. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

York Transport Equipment Pty Ltd.

(j) Leased assets

Leased assets classified as finance leases are capitalised as fixed assets. The amount initially brought to account is the present value of minimum lease payments.

A finance lease is one which effectively transfers from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property.

Capitalised leased assets are amortised on a straight-line basis over the estimated useful life of the asset.

Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. No outstanding lease liabilities existed at balance date. Operating lease payments are charged as an expense in the period in which they are incurred.

(k) Recoverable amount of assets

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(l) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accruals basis.

Deferred cash settlements are recognised at the present value of the outstanding consideration payable on the acquisition of an asset discounted at prevailing commercial borrowing rates.

(m) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

(n) Loans and borrowings

All loans are measured at the principal amount. Interest is charged as an expense as it accrues.

Bills of exchange and promissory notes are carried at the principal amount plus deferred interest.

Finance lease liability is determined in accordance with the requirements of AASB 117: Leases.

(o) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods has passed to buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(p) Finance Costs

Finance costs are recognised as an expense when incurred.

(q) Going Concern

Not withstanding the net asset deficiency at balance date of $2,229,917 the directors are satisfied the company will be able to continue as a going concern as the parent company has agreed to subordinate amounts owing from the company totalling $7,082,047 in favour of other creditors and to provide additional financial support to enable the company to pay its debts as and when they fall due.

		1/APR/2009 TO 31/MAR/2010 $	1/JAN/2008 TO 31/MAR/2009 $
3. REVENUE FROM ORDINARY OPERATIONS			
Revenues from operating activities			
Sale of goods		11,379,746	16,073,216
Other income			
Interest		824	13,707
AP discount taken		–	173
		824	13,880
4. EXPENSES AND LOSSES			
(a) Administrative Expenses			
Salary & Payroll Expenses		(1,002,811)	(1,363,415)
Insurance		(117,741)	(117,777)
Utilities		(65,285)	(80,136)
Depreciation	4d	(105,713)	(146,688)
Others		(4,87,724)	(883,222)
Total Administrative Expenses		(1,779,274)	(2,444,550)
(b) Selling and distribution expenses			
Salary & Payroll Expenses		(580,869)	(612,025)
Warranty Expenses		(198,475)	(361,919)
Advertising General		(181,792)	(92,975)
Others		(449,667)	(410,044)
Total Selling and distribution expenses		(1,410,803)	(1,476,963)
(c) Finance costs			
Interest – other persons		(87,116)	(87,930)
Total finance costs		(87,116)	(87,930)
(d) Depreciation of non-current assets			
Plant & equipment		(16,480)	(21,430)
Office equipment		(10,762)	(14,645)
Warehouse plant		(5,551)	(7,201)
Leased assets		–	(2,762)
Leasehold improvements		(4,297)	(5,370)
Buildings		(68,623)	(95,280)
Total depreciation and amortisation expense		(105,713)	(146,688)
5. INCOME TAX			
The prima facie income tax expense on loss from ordinary activities before income tax reconciles to the income tax expense/ (benefit) in the financial statements as follows:			
Loss from ordinary activities before tax		(335,099)	(424,853)
At statutory income tax rate of 30% (2008: 30%)		(100,530)	(127,456)
Carried forward tax losses not recognised		100,530	169,714
Timing differences not recognised		–	(42,258)
Income tax expense attributable to operating loss		–	–
6. RECEIVABLES (CURRENT)			
Trade receivables		1,929,898	2,182,975
Less provision for doubtful debts		(49,846)	(35,308)
		1,880,052	2,147,667
7. INVENTORIES (CURRENT)			
Finished goods		3,875,093	4,451,752
Less provision for obsolete stock		(270,363)	(271,441)
		3,604,730	4,180,311
Stock in transit		222,362	34,679
		3,827,092	4,214,990
8. OTHER ASSETS (CURRENT)			
Prepayments		38,380	25,201
Sundry debtors		2,240	98,004
		40,620	123,205

9. PROPERTY, PLANT AND EQUIPMENT

	Building $	*Freehold Land* $	*Plant and Equipment* $	*Office Equipment* $	*Motor Vehicles* $	*Warehouse plant* $	*Leased Assets* $	*Leasehold Improvement* $	*Total* $
Period ended 31 March 2010									
At 1 April 2009									
net of accumulated depreciation	614,211	935,715	24,374	21,865	–	7,025	–	8,562	1,611,752
Additions	–	–	4,023	18,807	–	–	–	–	22,830
Depreciation charge for the year	(68,623)	–	(16,480)	(10,762)	–	(5,551)	–	(4,297)	(105,713)
At 31 March 2010									
Net of accumulated depreciation	545,588	935,715	11,917	29,910	–	1,474	–	4,265	1,528,869

York Transport Equipment Pty Ltd

	Building $	*Freehold Land* $	*Plant and Equipment* $	*Office Equipment* $	*Motor Vehicles* $	*Warehouse plant* $	*Leased Assets* $	*Leasehold Improvement* $	*Total* $
At 1 April 2009									
Cost	1,410,203	935,715	563,328	839,594	131,936	121,114	19,080	21,484	4,042,454
Accumulated depreciation and impairment	(795,992)	–	(538,954)	(817,729)	(131,936)	(114,089)	(19,080)	(12,922)	(2,430,702)
Net carrying amount	614,211	935,715	24,374	21,865	–	7,025	–	8,562	1,611,752
At 31 March 2010									
Cost	1,410,203	935,715	567,351	858,401	131,936	121,114	19,080	21,484	4,065,284
Accumulated depreciation and impairment	(864,615)	–	(555,434)	(828,491)	(131,936)	(119,640)	(19,080)	(17,219)	(2,536,415)
Net carrying amount	545,588	935,715	11,917	29,910	–	1,474	–	4,265	1,528,869
Period ended 31 March 2009									
At 1 January 2008,									
net of accumulated depreciation	703,257	935,715	37,654	15,403	–	14,226	2,762	13,932	1,722,949
Additions	6,234	–	8,150	21,107	–	–	–	–	35,491
Depreciation charge for the year	(95,280)	–	(21,430)	(14,645)	–	(7,201)	(2,762)	(5,370)	(146,688)
At 31 March 2009,									
Net of accumulated depreciation	614,211	935,715	24,374	21,865	–	7,025	–	8,562	1,611,752
At 1 January 2008									
Cost	1,403,969	935,715	555,178	818,487	131,936	121,114	19,080	21,484	4,006,963
Accumulated depreciation and impairment	(700,712)	–	(517,524)	(803,084)	(131,936)	(106,888)	(16,318)	(7,552)	(2,284,014)
Net carrying amount	703,257	935,715	37,654	15,403	–	14,226	2,762	13,932	1,722,949
At 31 March 2009									
Cost	1,410,203	935,715	563,328	839,594	131,936	121,114	19,080	21,484	4,042,454
Accumulated depreciation and impairment	(795,992)	–	(538,954)	(817,729)	(131,936)	(114,089)	(19,080)	(12,922)	(2,430,702)
Net carrying amount	614,211	935,715	24,374	21,865	–	7,025	–	8,562	1,611,752

Revaluations

As at 31 December 2000, the "current market value" of land and buildings owned at that time was assessed by the Directors as being $1,285,000. This was based on an independent valuation by Mr Robert Wallace, Certified Practising Valuer of Jones, Lang LaSalle performed on 14 April 2000. The valuation was performed on the basis of current market value of existing use. Accordingly, no provision for write-down to recoverable amount was necessary.

On the 3rd January 2006, the "current market value" of this property was assessed at $1,825,000. This was based on an independent valuation by Mr John Delany, Certified Practising Valuer of Charter Keck Cramer, performed on that date. The valuation was performed on the basis of current market value of existing use. Accordingly, no provision for write-down to recoverable amount was necessary

On 2 December 2003 the company purchased the rear factory which it had previously been leasing for a principle sum of $850,000 plus associated costs of $56,434.

On the 3rd January 2006, the "current market value" of this property was assessed at $1,100,000. This was based on an independent valuation by Mr John Delany, Certified Practising Valuer of Charter Keck Cramer, performed on that date. The valuation was performed on the basis of current market value of existing use. Accordingly, no provision for write-down to recoverable amount was necessary.

Independent valuations were obtained to determine fair value which was determined by reference to an open market basis, being the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date.

Fair value is determined by reference to market – based evidence, which is the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

The company does not have any specific policy on revaluations and has not revalued its assets in the current financial statements.

10. INTANGIBLE ASSETS

	Licenses $	*Rights* $	*Total* $
Year ended 31 March 2010			
At 1 April 2009			
Net of accumulated amortisation	77,401	–	77,401
Additions	–	–	–
Impairment	–	–	–
Amortisation	–	–	–
At 31 March 2010, net of accumulated amortisation	77,401	–	77,401
At 1 April 2009			
Cost (gross carrying amount)	286,436	164,000	450,425
Accumulated amortisation and impairment	(209,035)	(164,000)	(373,024)
Net carrying amount	77,401	–	77,401
At 31 March 2010			
Cost (gross carrying amount)	286,436	164,000	450,425
Accumulated amortisation and impairment	(209,035)	(164,000)	(373,024)
Net carrying amount	77,401	–	77,401

Intangible assets, consisting of ADR licenses which permit the company to sell its products in the Australian market, were initially brought to account at the cost of acquisition. Provided that neither the specification of the parts used nor the government regulation changes, ADR licenses do not expire. The nature of such has allowed the company to determine that the ADR licences have an indefinite useful life. In adopting AFIRS which states "Intangible assets with indefinite lives are not subjected to amortisation", the company has subsequently stopped amortisation for ADR Licenses, therefore there is no amortisation for intangible assets. Intangible assets are tested for impairment annually or where an indicator of impairment exists. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

As at 31 March 2010, these assets were tested for impairment. No impairment loss was charged for continuing operations for the twelve month period ended 31 March 2010.

11. PAYABLES (CURRENT)

	31st MAR '2010 $	31st MAR '2009 $
Unsecured :		
Trade creditors	693,751	539,786
Other creditors and accruals	333,390	401,134
Amount payable to:		
Parent entity - immediate holding company #	7,082,047	7,978,678
	8,109,188	8,919,598

#These amounts are interest free and have no fixed term of repayment.

12. INTEREST BEARING LOANS AND BORROWINGS (CURRENT)

Secured :		
Bank overdraft	336,193	–
Bank Bills	915,000	995,000
	1,251,193	995,000

The banking facility is secured by a mortgage of the company's land and property

13. PROVISIONS (CURRENT)

Provision for annual leave	125,990	122,931
Provision for long service leave	79,951	49,925
Total Current Provision for employee entitlements (note 15)	205,941	172,856

14. NON-CURRENT PROVISIONS

Provision for long service leave (note 15)	18,629	44,868

15. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability included in the financial statements

Provision for employee entitlements:		
Current (note 13)	205,941	172,856
Non-current (note 14)	18,629	44,868
	224,570	217,724

York Transport Equipment Pty Ltd.

The company also contributes to Superannuation in accordance with Government SGC legislation providing for 9% of salary and wages to be contributed to an approved accumulation based Superannuation Fund. The company also contributes an additional 1% to 4% as part of individual employee's remuneration packages.

16. ISSUED CAPITAL

6,100,000 fully paid ordinary shares (2008: 6,100,000)	6,100,000	6,100,000

Each fully paid ordinary share entitles the holder to one vote per share at general meetings. In the case of winding up the company, each fully paid ordinary share shall participate in the distribution of assets after the settlement of all liabilities

17. ACCUMULATED LOSSES

	31/MAR/2010	31/MAR/2009
	$	$
Accumulated losses	8,329,917	7,994,818
Movement in accumulated losses during the financial year:		
Balance at beginning of the financial year:	7,994,818	7,569,965
Net loss	335,099	424,853
Balance at the end of financial year	8,329,917	7,994,818

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of net profit after tax to the net cash flows from operations		
Net Loss	(335,099)	(424,853)
Non-cash items		
Depreciation of non-current assets	105,713	146,672
Changes in net assets & liabilities		
Decrease in Trade and Other Receivables	267,615	434,585
Decrease/(Increase) in Inventories	387,898	(1,132,306)
Decrease/(Increase) in Other Current Assets	82,585	(67,739)
Increase in Provisions	6,846	104,280
(Decrease)/Increase in Trade and Other Payables	(810,410)	335,273
Net cash used in operating activities	(294,853)	(604,088)
(b) Reconciliation of Cash		
Cash balance comprises:		
Cash on hand and in bank	1,000	62,489
Bank overdraft	(336,193)	–
Cash and cash equivalents	(335,193)	62,489

19. COMMITMENTS FOR EXPENDITURE

Operating lease commitments – Company as lessee

The company has entered into commercial leases on a security alarm and monitoring system, photocopier machine, forklift and motor vehicles where it is not in the best interest of the company to purchase these assets.

The life of these operating lease ranges from 36 to 60 months with renewal terms included in the contracts. Renewals are at the option of the company.

There are no restrictions placed upon the lessee by entering these leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	31/MAR/2010	31/MAR/2009
	$	$
Within one year	46,306	84,802
After one year but not more than five years	6,805	39,302
More than five years	–	–
	53,111	124,104

Finance lease and hire purchase commitments

The company had no outstanding lease liabilities at balance date.

YORK Sales (Thailand) Company Limited

Report of Independent Auditor

To the Shareholders of York Sales (Thailand) Company Limited

I have audited the balance sheets of York Sales (Thailand) Company Limited as at 31 March 2010 and 2009, and the related statements of income and changes in shareholders' equity for the year ended 31 March 2010 and for the three-month period ended 31 March 2009. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of York Sales (Thailand) Company Limited as at 31 March 2010 and 2009, and the results of its operations for the year ended 31 March 2010 and for the three-month period ended 31 March 2009 , in accordance with generally accepted accounting principles.

Ernst & Young Office Limited
Bangkok : 5 May 2010

Termphong Opanaphan
Certified Public Accountant (Thailand) No. 4501

BALANCE SHEETS
As at 31 March 2010 and 2009

(Unit : Baht)

Assets	Note	2010	2009
Current assets			
Cash and cash equivalents		12,659,737	5,151,417
Trade accounts receivable - net	*6*	15,918,291	16,046,907
Inventory - net	*7*	14,101,518	22,293,041
Other current assets		214,021	349,433
Total current assets		42,893,567	43,840,798
Non-current assets			
Equipment - net	*8*	186,364	198,330
Other non-current assets		130,652	176,852
Total non-current assets		317,016	375,182
Total assets		43,210,583	44,215,980

The accompanying notes are an integral part of the financial statements.

Liabilities and shareholders' equity	Note	2010	2009
Current liabilities			
Trade accounts payable - parent company	*9*	10,297,796	18,888,748
Corporate income tax payable		1,784,868	1,180,332
Other current liabilities		904,878	722,749
Total current liabilities		12,987,542	20,791,829
Shareholders' equity			
Share capital			
Registered			
510 preference shares of Baht 100 each	*10*	51,000	51,000
490 ordinary shares of Baht 100 each		49,000	49,000
		100,000	100,000
Issued and paid-up			
510 preference shares of Baht 100 each, 25% paid-up	*10*	12,750	12,750
490 ordinary shares of Baht 100 each, 25% paid-up		12,250	12,250
		25,000	25,000
Retained earnings - unappropriated		30,198,041	23,399,151
Total shareholders' equity		30,223,041	23,424,151
Total liabilities and shareholders' equity		43,210,583	44,215,980

The accompanying notes are an integral part of the financial statements.

Director

INCOME STATEMENTS

(Unit: Baht)

Revenues	Note	For the year ended 2010	For the three-month period ended 2009
Sales		81,802,988	25,999,612
Other income		37,594	30,038
Total revenues		81,840,582	26,029,650
Expenses			
Cost of sales		68,016,165	22,804,346
Selling expenses		3,726,097	521,906
Administrative expenses		833,661	511,017
Total expenses		72,575,923	23,837,269
Income before corporate income tax		9,264,659	2,192,381
Corporate income tax		(2,465,769)	(425,595)
Net income for the period		6,798,890	1,766,786
Basic earnings per share	*12*		
Net income		55,501.14	14,422.74
Weighted average number of ordinary shares (shares)		122.50	122.50

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 March 2010 and for the three-month period ended 31 March 2009

(Unit : Baht)

	Issued and 25% paid up share capital		Retained earnings -	
	Preference shares	Ordinary shares	unappropriated	Total
Balance as at 31 December 2008	12,750	12,250	21,632,365	21,657,365
Net income for the period	-	-	1,766,786	1,766,786
Balance as at 31 March 2009	12,750	12,250	23,399,151	23,424,151
Balance as at 31 March 2009	12,750	12,250	23,399,151	23,424,151
Net income for the year	-	-	6,798,890	6,798,890
Balance as at 31 March 2010	12,750	12,250	30,198,041	30,223,041

The accompanying notes are an integral part of the financial statements.

Notes to financial statements for the year ended 31 March 2010 and for three-month period ended 31 March 2009

1. General information

1.1 Corporate information

York Sales (Thailand) Company Limited ("the Company") is a limited company incorporated and domiciled in Thailand. Its parent company is York Transport Equipment (Asia) Pte Ltd., which was incorporated in Singapore. The Company is principally engaged in the import and distribution of equipment and spare parts of trailers and its registered address is 2101 Moo 1 Old Railway Road, Samrong Nua, Muang, Samutprakarn.

The Company changed its fiscal year-end date from 31 December to 31 March of each year, commencing from the period ended 31 March 2009. Therefore, the financial statements for the period ended 31 March 2009 were prepared for the three-month period.

1.2 Economic crisis

Although the economic crisis has now eased, there remains uncertainty concerning to the economic circumstance. These financial statements have been prepared on the basis of facts currently known to the Company, and on estimates and assumptions currently considered appropriate. However, they could be adversely affected by an array of future events.

2. Basis of preparation

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

As permitted by the Notification of the Federation of Accounting Profession (FAP) No. 21/2550 regarding "Exemption from the Application of Accounting Standards", the Company has elected not to adopt the following accounting standards at this time:

TAS 7 (revised 2007)	Cash Flow Statements
TAS 32	Financial Instruments: Disclosure and Presentation
TAS 36 (revised 2007)	Impairment of Assets

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. Adoption of new accounting standards

In June 2009, the Federation of Accounting Professions issued Notification No. 12/2552, assigning new numbers to Thai Accounting Standards that match the corresponding International Accounting Standards. The numbers of Thai Accounting Standards as referred to these financial statements reflect such change.

The Federation of Accounting Professions has issued Notification No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows.

3.1 Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year

Framework for the Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007)	Impairment of Assets
TFRS 5 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations

YORK Sales (Thailand) Company Limited

Accounting Treatment Guidance for Leasehold Right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. As permitted by the Notification of the Federation of Accounting Profession (FAP) No. 21/2550 regarding "Exemption from the Application of Accounting Standards", the Company has elected not to adopt TAS 36 (revised 2007). Furthermore, the management has assessed the effect of these standards and believes that TFRS 5 (revised 2007), Accounting Treatment Guidance for Leasehold Right and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007) does not have any significant impact on the financial statements for the current year.

3.2 Accounting standards which are not effective for the current year

		Effective date
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allow early adoption by the entity before the effective date.

The management of the Company has assessed the effect of these standards and believes that TAS 20 and TAS 40 are not relevant to the business of the Company, while TAS 24 (revised 2007) will not have any significant impact on the financial statements for the year in which it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventory

Finished goods are valued at the lower of cost (weighted average method) and net realisable value.

4.5 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation. Depreciation of equipment is calculated by reference to its cost on a straight line basis over estimated useful lives of 5 years.

Depreciation is included in determining income.

4.6 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.7 Employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

4.8 Income tax

Income tax is provided in the accounts based on taxable profits determined in accordance with tax legislation.

5. Use of accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

6. Trade accounts receivable

(Unit: Baht)

	2010	2009
Trade accounts receivable	16,216,724	16,345,340
Less: Allowance for doubtful accounts	(298,433)	(298,433)
Trade accounts receivable – net	15,918,291	16,046,907

7. Inventory

	Cost		Allowance for stock obsolescence		Inventory-net	
	2010	2009	2010	2009	2010	2009
Finished goods	14,419,201	22,610,724	(317,683)	(317,683)	14,101,518	22,293,041
Total	14,419,201	22,610,724	(317,683)	(317,683)	14,101,518	22,293,041

8. Equipment

(Unit: Baht)

	Machinery	Furniture and fittings	office equipment	Motor vehicles	Total
Cost					
31 March 2009	17,997	209,725	499,362	470,605	1,197,689
Additions	13,783	–	48,258	–	62,041
31 March 2010	31,780	209,725	547,620	470,605	1,259,730
Accumulated depreciation					
31 March 2009	8,507	127,456	392,791	470,605	999,359
Depreciation for the year	5,208	20,746	48,053	–	74,007
31 March 2010	13,715	148,202	440,844	470,605	1,073,366
Net book value					
31 March 2009	9,490	82,269	106,571	–	198,330
31 March 2010	18,065	61,523	106,776	–	186,364

Depreciation charge (included in administrative expenses)

For the three-month period ended 31 March 2009	29,320
For the year ended 31 March 2010	74,007

As at 31 March 2010, certain equipment items have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 0.9 million (2009: Baht 0.8 million).

9. Related party transactions

During the periods, the Company had business transactions with its parent company, which have been concluded on commercial terms and bases agreed upon in the ordinary course of businesses between the Company and its parent company. Below is a summary of those transactions.

(Unit: Million Baht)

	For the year ended 31 March 2010	For the three-month period ended 31 March 2009	Pricing policy
Purchase of finished goods	30	22	Agreed prices

The outstanding balance of the above transaction was shown as separate item under the caption of "Trade accounts payable - parent company" in the balance sheets.

Director's remuneration

For the year ended 31 March 2010 the Company has salary and bonus expenses for its director totaling Baht 792,416 (For the three-month period ended 31 March 2009: Baht 185,156).

10. Preference shares

The preference shareholders have the right to receive dividends at a fixed rate of 10% of the paid-up value of each share in preference to ordinary shareholders, in years in which a dividend is declared by the Company, but have no further rights to participate in the receipt of income, and receive no other privileges from the Company.

The preference shares carry voting rights at 10 preference shares per 1 vote and are entitled the holder to preferential return of only the paid-up capital prior to the ordinary shareholders.

11. Expenses by nature

Significant expenses by nature are as follow :

(Unit: Baht)

	For the year ended 31 March 2010	For the three-month period ended 31 March 2009
Salary and other employee benefits	1,885,846	314,871
Rental expenses	1,032,146	182,232
Import duty	3,859,721	2,452,693
Freight expenses	1,445,773	542,596
Purchase of finished goods	43,326,604	22,017,731
Changes in inventory of finished goods	8,191,523	(2,401,173)

12. Basic earnings per share

Basic earnings per share is calculated by dividing the net income for the period by the weighted average number of ordinary shares (converted into fully paid-up shares) in issue during the period.

13. Operating lease commitments

The Company has entered into leases and service agreements in respect of the leases of office building space and warehouse.

Minimum rental and service fees which are payable within 1 year under these leases as at 31 March 2010 amounted to Baht 0.2 million.

14. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 March 2010, the Company had a debt-to-equity ratio of 0.43 : 1 (2009: 0.89 : 1).

15. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised Director on 5 May 2010.

YTE Transport Equipment (SA) (Proprietary) Limited

Report of the Independent Auditors

To the member of the YTE Transport Equipment (SA) (Proprietary) Limited

We have audited the annual financial statements of YTE Transport Equipment (SA) (Proprietary) Limited which comprise the directors' report, the balance sheet as at 31 December 2009, the income statement, the statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 2 to 14.

Director's responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of YTE Transport Equipment (SA) (Proprietary) Limited as at 31 December 2009, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Ernst & Young Inc.

Registered Auditor

(Date)

Johannesburg

Report of the Directors

The Directors present their report together with the audited financial statements of the Company for the financial year ended 31 December 2009.

Business and operations

The Company, incorporated in South Africa, is a wholly owned subsidiary of York Transport Equipment (Asia) Pte Ltd, a company incorporated in Singapore. The ultimate holding company and intermediate holding company are TRF Ltd and TRF Singapore Pte Ltd which are incorporated in India and Singapore respectively.

The principal activities of the Company are trading in trailer axles and other components. There have been no significant changes in the nature of these activities during the financial year.

Going concern

The immediate holding company has given unqualified assurance that it will provide financial support to the Company to enable the Company to meet its financial obligations as and when they fall due.

Financial results

The results of the Company and the state of its affairs are set out in the attached financial statements. Net loss of the company was R30,136 (2008 : profit R451,089).

Shares Capital

There were no changes in the authorised or issued share capital of the Company during the financial year under review.

Dividends

No dividends were declared or paid during the year under review.

Events subsequent to year end

No material fact or circumstance has occurred between the accounting date and the date of this report.

Income Statement for the financial year ended 31 December 2009

	Note	2009 RAND	2008 RAND
Revenue	2	–	–
Cost of sales		–	–
Gross profit		–	–
Other income	3	–	480,000
Administrative expenses		(33,656)	(21,033)
(Loss)/profit from operations	3	(33,656)	458,967
Exchange gain/(loss)		3,520	(7,878)
(Loss)/profit before tax		(30,136)	451,089
Taxation	4	–	–
(Loss)/profit for the financial year		(30,136)	451,089

Balance Sheet as at 31 December 2009

	Note	2009 RAND	2008 RAND
Assets			
Current assets		3,277,376	3,280,980
Trade and other receivables	5	–	–
Amount due from a fellow subsidiary	6	3,194,454	3,194,454
Cash and cash equivalents	12	82,922	86,526
Total assets		**3,277,376**	**3,280,980**
Equity and liabilities			
Capital and reserves		(2,360,163)	(2,330,027)
Share capital	9	100,000	100,000
Accumulated losses		(2,460,163)	(2,430,027)
Non-Current Liabilities			
Loan from immediate holding company	8	5,490,491	5,490,491
Current liabilities		147,048	120,516
Amount due to immediate holding company	7	129,174	102,516
Other accounts payables and accruals		17,874	18,000
Total equity and liabilities		3,227,376	3,280,980

Statement of Changes in Equity for the financial year ended 31 December 2009

	Share Capital RAND	Accumulated Losses RAND	Total RAND
At t 1 January 2008	100,000	(2,881,116)	(2,781,116)
Profit for the financial year	–	451,089	451,089
At 31 December 2008	100,000	(2,430,027)	(2,330,027)
Loss for the financial year	–	(30,136)	(30,136)
At 31 December 2009	100,000	(2,460,163)	(2,360,163)

Cash Flow Statement for the financial year ended 31 December 2009

	Note	2009 RAND	2008 RAND
Net cash flow used in operating activities		(3,604)	(1,884)
Cash paid to suppliers and employees		(3,604)	(1,884)
Cash flow utilised in operations	11	(3,604)	(1,844)
Net movement in cash and cash equivalents for the year		(3,604)	(1,844)
Cash and cash equivalents at beginning of year		86,526	88,370
Cash and cash equivalents at end of year	12	82,922	86,526

1. Accounting policies at 31 December 2009

The financial statements of the Company are prepared on the historical cost basis and incorporate the following principal accounting policies, which are consistent with those applied in the previous year. The Company's significant accounting policies conform with International Financial Reporting Standards.

(a) ***Revenue recognition***

Revenue from the sale of products are recognised when the significant risks and rewards of ownership are transferred to the customer, which generally coincides with their delivery and acceptance of goods sold.

(b) ***Employee benefits***

Retirement benefits costs

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. Contributions made to government managed retirement benefit plan which specifies the employer's obligations are dealt with as defined contribution retirement benefit plans.

YTE Transport Equipment (SA) (Proprietary) Limited

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

(c) ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(d) ***Taxes***

(i) ***Current tax assets and liabilities***

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the balance sheet date.

(ii) ***Deferred tax assets and liabilities***

Deferred income tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised on the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognised directly in equity is recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(e) ***Financial assets***

Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

(f) ***Impairment of financial assets***

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit and loss account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the profit and loss account, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(g) ***Derecognition of financial assets***

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the profit and loss account.

(h) ***Financial liabilities***

Financial liabilities include other accounts payables and accruals, which are normally settled on 30-90 day terms, and amounts due to immediate holding company. Financial liabilities are recognised on the balance sheet when, and only when, the group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Gains and losses are recognised in the profit and loss account when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

(i) ***Foreign currency transactions***

A foreign currency transaction is recorded, on initial recognition in Rand, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. All resultant exchange differences are recognised in the profit and loss account.

(j) ***Cash and cash equivalents***

Cash and cash equivalents comprise cash and cash balances only.

2. Revenue

Revenue represents invoiced value of sales excluding value added taxation in respect of trading operations.

3. Profit from operations

	2009 RAND	2008 RAND
This is arrived at after (crediting)/charging :-		
Other income		
Management fees received from fellow subsidiary company (Note 10)	–	(480,000)
	–	(480,000)
Auditors' remuneration		
- current year	25,194	18,000

4. Taxation

A reconciliation between tax expenses and the product of accounting profit multiplied by applicable tax rate for the financial years ended 31 December is as follows :-

	2009	2008
Total estimated tax loss available to set off against future taxable income	2,271,420	2,241,284
No provision has been made for deferred tax asset which had it been raised would have amounted to approximately	658,711	649,972
(Loss) / profit before taxation	(30,136)	451,089
Tax expense at the applicable tax rate of 29% (2008: 29%)	(8,739)	130,816
Tax effect of utilization of tax losses	–	(130,816)
Unrecognised deferred tax assets	8,739	–
	–	–

5. Trade and other receivables

	2009 RAND	2008 RAND
Trade debtors	168,117	168,117
Allowance for doubtful debts	(168,117)	(168,117)
	–	–

6. Amount due from a fellow subsidiary

Fellow subsidiary in these financial statements refer to YTE Special Products Pte Ltd.

The amount due from a fellow subsidiary is non-trade in nature, unsecured, non-interest bearing and is repayable on demand.

7. Amount due to immediate holding company

	2009	2008
Amount due to immediate holding company – non-trade	129,174	102,516

The amounts due to the immediate holding company are unsecured, non-interest bearing and are repayable on demand. The immediate holding company has given unqualified assurance that it will provide financial support to the Company to meet its financial obligations as and when they fall due.

8. Loan from immediate holding company

The loan from immediate holding company is unsecured, non-interest bearing and not repayable within a year. The immediate holding company has given unqualified assurance that it will provide financial support to the Company to meet its financial obligations as and when they fall due.

9. Share capital

	2009 RAND	2008 RAND
Authorised :-		
1,000,000 ordinary shares of R1 each	1,000,000	1,000,000
Issued :-		
100,000 ordinary shares of R1 each	100,000	100,000

YTE Transport Equipment (SA) (Proprietary) Limited

10. Related party transactions

During the financial year, the Company entered into transactions with related parties at arm's length and at terms agreed between the parties. Those transactions for the financial years ended 31 December 2009 and 2008 are presented in the following table:

Management fees from fellow subsidiary company (note 3)	-	480,000

11. Cash flows utilised in operations

Net (loss)/profit before taxation	(30,136)	451,089
Increase in amount due from a fellow subsidiary	–	(480,000)
Net increase in amount due to immediate holding company and other payable	26,532	27,067
	(3,604)	(1,844)

12. Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following at 31 December:

Cash and bank balances	82,923	86,526

13. Financial instruments

(a) ***Financial risk management objectives and policies***

The main risk arising from the Company's financial instruments is liquidity risk. The Board reviews and agrees policies for managing this risk and it is summarised below.

Liquidity risk

To ensure continuity of funding, the Company obtains short-term funding from its intermediate holding company.

(b) ***Fair values***

Management has determined that the carrying amounts of accrued operating expenses and amounts due to intermediate holding company based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

14. Financial risk management objectives and policies

The main risk arising from the Company's financial instruments is liquidity risk. The Board reviews and agrees policies for managing this risk and it is summarised below.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to a shortage of funds.

To ensure continuity of funding, the Company obtains funding from its immediate holding company.

Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amounts approximate fair values

Management has determined that the carrying amounts of accrued operating expenses, and amounts due to immediate holding company approximate their fair values based on their notional amounts, reasonably approximate fair values.

YORK Transport Equipment (Malaysia) Sdn. Bhd.

(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the Company for the year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The Company has not commenced operations since its incorporation.

RESULTS	RM
Loss before taxation	(17,127)

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Premilla Ann David

Nirmala Cecilia David

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
	1 January 2009	Bought	Sold	31 December 2009
The Company				
Direct Interest				
Premilla Ann David	1	-	-	1 *
Nirmala Cecilia David	1	-	-	1 *

* These shares are held in trust for York Transport Equipment (Asia) Pte Ltd.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which the director has a substantial financial interest.

OTHER STATUTORY INFORMATION

(a) Before the income statement and balance sheet of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render the values attributed to current assets in the financial statements of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors :

  (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated : May 5th, 2010

Premilla Ann David　　　　Nirmala Cecilia David

Statement by directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Premilla Ann David and Nirmala Cecilia David, being the two directors of York Transport Equipment (Malaysia) Sdn. Bhd., do hereby state that, in our opinion, the accompanying financial statements set out on pages 7 to 13 are drawn up in accordance with applicable Private Entity Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Company as at 31 December 2009 and of the results and the cash flows of the Company for the year then ended.

Signed in accordance with a resolution of the directors dated : May 5th, 2010

Premilla Ann David　　　　Nirmala Cecilia David

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Premilla Ann David, being the director primarily responsible for the financial management of York Transport Equipment (Malaysia) Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 7 to 13 are in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Premilla Ann David at Kuala Lumpur
in the Federal Territory on May 5th, 2010　　　　Premilla Ann David

Before me,

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

YORK TRANSPORT EQUIPMENT (MALAYSIA) SDN. BHD.

(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of York Transport Equipment (Malaysia) Sdn. Bhd., which comprise the balance sheet as at 31 December 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards in Malaysia and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards in Malaysia and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2009 and of its financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Ahmad Zahirudin bin Abdul Rahim
No. 2607/12/10(J)
Chartered Accountant

Kuala Lumpur, Malaysia

YORK Transport Equipment (Malaysia) Sdn. Bhd.

(Incorporated in Malaysia)

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2009 RM	2008 RM
Current assets			
Cash and bank balances		75,673	5,365
Equity and liabilities			
Share capital	3	2	2
Accumulated losses		(21,769)	(4,642)
Shareholder's deficit		(21,767)	(4,640)
Current liabilities			
Amount due to holding company	4	97,440	10,005
Total equity and liabilities		75,673	5,365

The accompanying notes form an integral part of the financial statements.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 RM	2008 RM
Revenue		–	–
Expenses		(17,127)	(4,642)
Loss before taxation		(17,127)	(4,642)
Taxation	5	–	–
Loss for the year		(17,127)	(4,642)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

	Share capital RM	Accumulated losses RM	Total RM
At 1 January 2009	2	(4,642)	(4,640)
Loss for the year	-	(17,127)	(17,127)
At 31 December 2009	2	(21,769)	(21,767)

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 RM	2008 RM
Operating activity		
Loss before taxation, representing net cash used in operating activity	(17,127)	(4,642)
Financing activity		
Decrease in amount due to holding company, representing net cash generated used in financing activity	87,435	(19,551)
Net decrease in cash and cash equivalents	70,308	(24,193)
Cash at bank at beginning of financial year	5,365	29,558
Cash at bank at end of financial year	75,673	5,365

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2009

1. Corporate information

The Company's intended principal activities are transportation services for vehicles of all kinds and supply of components part. The Company has not commenced operations since its incorporation.

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur. The holding company is York Transport Equipment (Asia) Pte Ltd, which is incorporated in the Republic of Singapore.

There were no employees in the Company at the end of the financial year. The accounting records are maintained by the employees of the holding company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on

2. Significant accounting policies

(a) Basis of Preparation

The financial statements of the Company have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable Private Entity Reporting Standards in Malaysia.

The Company relies on its holding company, York Transport Equipment (Asia) Pte Ltd, a company incorporated in the Republic of Singapore, for continued financial support to enable it to meet its obligations and liabilities as and when they fall due.

3. Share Capital

	Number of Ordinary Shares of RM1 Each 2009 RM	2008 RM	Amount 2009 RM	2008 RM
Authorised:				
At 1 January/31 December	100,000	100,000	100,000	100,000
Issued and fully paid:				
At 1 January/31 December	2	2	2	2

4. Amount due to holding company

The holding company is York Transport Equipment (Asia) Pte Ltd, a company incorporated in the Republic of Singapore.

The amount due to holding company is unsecured, interest-free and has no fixed terms of repayment.

The auditors' remuneration of RM 1,000 (2008: RM2,000) is borne by the holding company.

5. Taxation

There is no tax charge for the current and previous year as the Company has not commenced operations since its incorporation

Income tax is calculated at the Malaysian statutory tax rate of 26% of the estimated assessable profit for the year. The corporate tax rate for companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for the said Year of Assessment are as follows:

Chargeable Income	**Rate**
First RM 500,000	20%
Amount exceeding RM 500,000	26%

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	2009 RM	2008 RM
Loss before taxation	(17,127)	(4,642)
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	(4,453)	(1,207)
Pre-operatiang expenses not deductible for taxation purposes	4,453	1,207
Tax expense for the year	–	–

6. Financial instruments

(a) Financial risk management objectives and policies

There is no formal financial risk management policy being adopted by the Company as it has not commenced operations.

(b) Liquidity risk

The Company relies on its holding company, York Transport Equipment (Asia) Pte Ltd, a company incorporated in the Republic of Singapore, for continued financial support to enable it to meet its obligations and liabilities as and when they fall due.

(c) Fair values

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and bank balances

The carrying amount approximates fair value due to the relatively short term nature of this financial instrument.

(ii) Amount due to holding company

It is not practical to estimate the fair values due principally to a lack of fixed repayment terms entered into by the parties involved.

Rednet Pte. Ltd.

Directors' Report

The Directors are pleased to present their report to the member together with the audited financial statements of Rednet Pte Ltd (the "Company") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2010.

Directors

The Directors of the Company in office at the date of this report are :-

Sudhir Laxmikant Deoras
P.V. Balasubramaniam
Dr. Benety Chang
Anthony Sabastian Aurol

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

No Director of the Company who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Directors' contractual benefits

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Option

There is presently no option scheme on unissued shares of the Company.

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors :

Sudhir Laxmikant Deoras, Director
P.V. Balasubramaniam, Director

Singapore
5 May 2010

Statement by Directors

We, Sudhir Laxmikant Deoras and P.V. Balasubramaniam, being two of the Directors of Rednet Pte Ltd, do hereby state that, in the opinion of the Directors :

(a) the accompanying balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as the immediate holding company have agreed to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

On behalf of the Board of Directors :

Sudhir Laxmikant Deoras, Director
P.V. Balasubramaniam, Director

Singapore
5 May 2010

Independent Auditors' Report
To the Members of Rednet Pte Ltd

We have audited the accompanying financial statements of Rednet Pte Ltd (the "Company") which comprise the balance sheet of the Company as at 31 March 2010, the income statement, the statement of comprehensive income, the statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion,

(i) the financial statements of the Company and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Company for the year ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act..

Ernst & Young LLP
Public Accountants and Certified Public Accountants

Singapore
5 May 2010

Income Statement for the financial year ended 31 March 2010

	Note	1.4.2009 to 31.3.2010 USD	1.1.2008 to 31.3.2009 USD (Restated)
Revenue	5	111,855	1,813,543
Cost of sales		(88,209)	(1,384,139)
Gross profit		23,646	429,404
Other operating income	6	–	9,730
Administrative expenses		(28,999)	(225,015)
Distribution expenses		(7,877)	(135,086)
Other operating expenses		(87,423)	(28,750)
(Loss)/profit before tax	7	(100,653)	50,283
Income tax expense	8	–	–
(Loss)/profit for the year/period		(100,653)	50,283

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Comprehensive Income for the financial year ended 31 March 2010

	Note	1.4.2009 to 31.3.2010 USD	1.1.2008 to 31.3.2009 USD (Restated)
(Loss)/profit for the year/period		(100,653)	50,283
Other comprehensive income		–	–
Total comprehensive (loss)/profit for the year/period		(100,653)	50,283

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheet as at 31 March 2010

	Note	2010 USD	2009 USD (Restated)
NNon-current assets			
Property, plant and equipment	9	23,505	44,365
Current assets			
Trade and other receivables	10	893	56,007
Cash and cash equivalents	12	49,877	221,907
		50,770	277,914
Current liabilities			
Trade and other payables	11	928,015	1,075,366
		928,015	1,075,366
Net current liabilities		(877,245)	(797,452)
Net liabilities		(853,740)	(753,087)
Equity attributable to equity holder of the Company			
Share capital	13	1	1
Accumulated losses		(853,741)	(753,088)
Total deficit		(853,740)	(753,087)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Rednet Pte. Ltd.

Statement of Changes in Equity for the financial year ended 31 March 2010

	Note	Share capital (Note 13)	Accumulated losses	Total
		USD	USD	USD
2010				
At 1 April 2009 as previously stated*		1	(753,279)	(753,278)
Effect of adopting of FRS 21	3.2	–	191	191
At 1 April 2009 as restated		1	(753,088)	(753,087)
Loss for the year		–	(100,653)	(100,653)
At 31 March 2010		1	(853,741)	(853,740)
2009				
At 1 January 2008 as previously stated**		1	(834,837)	(834,836)
Effect of adopting of FRS 21	3.2	–	31,466	31,466
At 1 January 2008 as restated		1	(803,371)	(803,370)
Profit for the period		–	50,283	50,283
At 31 March 2009		1	(753,088)	(753,087)

* This represents the previously stated SGD$ balances converted at the 31 March 2009 SGD-USD exchange rate of $1 : $1.53.

** This represents the previously stated SGD$ balances converted at the 31 December 2007 SGD-USD exchange rate of $1 : $1.45

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Cash Flow Statement for the financial year ended 31 March 2010

	2010	2009
	USD	USD (Restated)
Cash flows from operating activities :		
(Loss)/profit before tax	(100,653)	50,283
Adjustment for :		
Depreciation	20,860	30,053
Operating (loss)/profit before working capital changes	(79,793)	80,336
Decrease in inventories	–	341,778
Decrease in trade and other receivables	55,114	473,182
Decrease in amounts due from a related company	–	24,286
Decrease in trade and other payable	(147,351)	(891,277)
Net cash flows (used in)/generated from operating activities	(172,030)	28,305
Cash flows from investing activity		
Purchase of property, plant and equipment	–	(6,338)
Net cash flows used in investing activity	–	(6,338)
Net (decrease)/increase in cash and cash equivalents	(172,030)	21,967
Cash and cash equivalents at beginning of year/period	221,907	199,940
Cash and cash equivalents at end of year/period (Note 12)	49,877	221,907

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statement - 31 March 2010

1. Corporate information

Rednet Pte Ltd (the "Company") is a limited liability company, which is incorporated in Singapore, and its immediate holding company is York Transport Equipment (Asia) Pte Ltd. Its intermediate and ultimate holding companies are TRF Singapore Pte Ltd and TRF Limited respectively.

The registered office and principal place of business of the Company is located at 122 Pioneer Road, Singapore 639583.

The principal activities of the Company are trading in trucks and trailer mounted equipments. There have been no significant changes in the nature of these activities during the financial year.

2. Fundamental accounting concept

The financial statements have been prepared under going concern basis notwithstanding that it is in a net liabilities position as the immediate holding company has agreed to provide continuing financial support to the Company to enable it to meet its obligation as and when they fall due.

3. Summary of significant accounting policies

3.1 ***Basis of preparation***

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis and are presented in United States Dollars ("USD").

3.2 ***Prior year adjustment***

In previous financial year, all transactions in currencies other than Singapore Dollars (SGD) were treated as transactions in foreign currencies and were recorded, on initial recognition, in SGD using the exchange rate at the transaction date. FRS 21 (revised), *The Effects of Changes in Foreign Exchange Rates* requires all transactions in currencies other than the functional currency to be treated as transactions in foreign currencies and to be recorded, on initial recognition, in the functional currency using the exchange rate at the transaction date.

The Board of Directors reviewed the choice of functional currency of the Company. As sales and purchases are denominated primarily in United States dollars and net receipts from operations are usually retained in United States, the Directors are of the opinion that choosing the United States dollars as the functional currency best reflects the primary economic environment in which the Company operates and are also in line with FRS 21 (revised).

Hence, the Company changed its functional and presentation currency from Singapore dollars ("SGD" or "S$") to United States dollars. The effect of adopting FRS 21 (revised) led to retrospective changes made to the financials for corporate purposes.

The impact of this change on opening reserves is as disclosed in the statement of changes in equity.

3.3 ***Changes in accounting policies***

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year, except for the changes in accounting policies discussed below.

With effect from 1 January 2009, the Company adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009.

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 107 Financial Instruments: Disclosures
- Improvements to FRS issued in 2008

The adoption of the above standards and interpretations did not result in any significant changes to the Company's accounting policies.

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements – Revised Presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Company has elected to present this statement as two linked statements.

3.4 ***Future changes in accounting policies***

The Company have not applied the following standards and interpretations that have been issued but not yet effective :

Description	*Effective for annual periods beginning on or after*
INT FRS 117 *Distributions of Non-cash Assets to Owners*	1 July 2009
Improvements to FRSs issued in 2009 :	
– Amendments to FRS 38 *Intangible Assets*	1 July 2009
– Amendments to FRS 102 *Share-based Payment*	1 July 2009
– Amendments to FRS 108 *Operating Segments*	1 July 2009
– Amendments to FRS 1 *Presentation of Financial Statements*	1 January 2010
– Amendments to FRS 7 *Statement of Cash Flows*	1 January 2010
– Amendments to FRS 17 *Leases*	1 January 2010
– Amendments to FRS 36 *Impairment of Assets*	1 January 2010
– FRS 39 *Financial Instruments: Recognition and Measurement*	1 January 2010
– Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010
– Amendments to FRS 108 *Operating Segments*	1 January 2010

The Directors expect that the adoption of the above pronouncements will have no material impact on the financial statements in the period of initial applications.

3.5 ***Functional and foreign currencies***

(a) *Functional currency*

The management has determined the currency of the primary economic environment in which the Company operates ie. functional currency, to be USD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuation in USD.

(b) *Foreign currency transactions*

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit or loss.

3.6 ***Property, plant and equipment***

Cost

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

Rednet Pte. Ltd.

Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss.

Depreciation

Depreciation of an asset begins when it is available for use and is computed on a straight line basis over the estimated useful lives of the asset as follows :

Furniture and fittings	-	3 years
Office equipment	-	3 years

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The carrying value of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economics benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is included in the profit or loss in the year the asset is derecognised.

3.7 ***Impairment of financial assets***

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial asset is impaired.

(a) ***Assets carried at amortised cost***

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

(b) ***Assets carried at cost***

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant difficulties of the issuer) that an impairment loss on a financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

3.8 ***Financial assets***

Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in the profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(a) *Loans and receivables*

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

3.9 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash and bank balances.

Cash carried in the balance sheet are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 3.8.

3.10 ***Trade and other receivables***

Trade and other receivables are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 3.8.

An allowance is made for uncollectible amounts when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are noted in Note 3.7

3.11 ***Trade and other payables***

Liabilities for trade and other amounts payable, which are normally settled on 30-90 days' terms, and payables to related parties are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

3.12 ***Financial liabilities***

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

3.13 ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.14 ***Employee benefits***

(a) ***Defined contribution plan***

The Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to a defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

3.15 ***Revenue***

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of goods sold.

Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

3.16 ***Income taxes***

(a) ***Current tax***

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognised in the profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) ***Deferred tax***

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except :

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

4. Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Income taxes*

The Company has exposure to income taxes in Singapore. Significant judgement is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. There is no tax payable as at 31 March 2010 (2009 : USDNil).

5. Revenue

Revenue represents invoiced value of goods sold.

6. Other operating income

	1.4.2009 to 31.3.2010 USD	1.1.2008 to 31.3.2009 USD (Restated)
Commission income from immediate holding company	–	9,730

7. (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit before tax :

Staff cost		
- Salaries, bonuses and other costs	–	50,356
- Central Provident Fund	–	11,292
Depreciation of property, plant and equipment	20,860	30,053
Foreign exchange losses	87,423	28,750

8. Income tax expense

Current tax		
- Current year/period	–	–

A reconciliation between the tax expense and the product of accounting profit/(loss) multiplied by applicable tax rate for the financial year ended 31 March 2010 and financial period ended 31 March 2009 is as follows :

(Loss)/profit before tax	(100,653)	50,283
Tax at the applicable tax rate of 17%	(17,111)	8,548
Tax effect of expense not deductible in determining taxable profit	9,348	5,109
Tax effect of Group relief utilised/(transferred from) by a related company	7,763	(13,657)
Income tax expense	–	–

In the previous financial year, the Company utilised tax losses of approximately USD14,000 from a related company under the group relief system, subject to compliance with the relevant rules and procedures and agreement of Inland Revenue Authorities.

In the current financial year, the Company intends to transfer unutilised tax losses of approximately USD8,000 (2009 : USDNil) to a related company under the group relief system, subject to compliance with the relevant rules and procedures and agreement of Inland Revenue Authorities of Singapore.

The Company has unutilised tax losses of approximately USD12,000 (2009 : USD12,000) as at 31 March 2010 available for offset against future taxable profits. No deferred tax assets is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities.

9. Property, plant and equipment

	Furniture and fittings USD	Office equipment USD	Total USD
Cost :			
At 1 January 2008	78,093	17,703	95,796
Additions	6,338	–	6,338
At 31 March 2009, 1 April 2009 and 31 March 2010	84,431	17,703	102,134
Accumulated depreciation :			
At 1 January 2008	17,307	10,409	27,716
Depreciation charge for the period	25,185	4,868	30,053
At 31 March 2009 and 1 April 2009	42,492	15,277	57,769
Depreciation charge for the year	18,840	2,020	20,860
At 31 March 2010	61,332	17,297	78,629
Net carrying amount :			
At 31 March 2009	41,939	2,426	44,365
At 31 March 2010	23,099	406	23,505

10. Trade and other receivables

	2010 USD	2009 USD (Restated)
Trade receivables :		
Third parties	–	52,460
Other receivables :		
Third parties	893	–
Tax recoverable	–	3,547
Total trade and other receivables	–	56,007
Add :		
Cash and cash equivalents (Note 12)	49,877	221,907
Total loans and receivables	50,770	277,914

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

The Company's trade receivables are denominated in US dollars.

11. Trade and other payables

	2010 USD	2009 USD (Restated)
Trade payables :	–	101,864
Accrued operating expenses	10,186	3,268
	10,186	105,132
Other payables :		
Amounts due to immediate holding company	917,829	970,234
Total financial liabilities carried at amortised cost	928,015	1,075,366

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

The Company's trade payables are denominated in US dollars.

Amounts due to immediate holding company

The amounts due to immediate holding company are non-interest bearing and are repayable on demand. These amounts are unsecured and are to be settled in cash.

Rednet Pte. Ltd.

12. Cash and cash equivalents

Cash and bank balances	49,877	221,907

The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and bank balances are denominated in the following currencies:-

Singapore dollars	25,660	24,115
United States dollars	24,217	197,792
	49,877	221,907

13. Share capital

Issued and fully paid :

Balance at beginning and end of financial period/year	1	1

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

14. Related party transactions

During the financial year/period, the Company entered into transactions with related parties at terms agreed between the parties. Those transactions for the financial year ended 31 March 2010 and financial period ended 31 March 2009 are presented in the following table:

	2010 USD	2009 USD (Restated)
Purchases from immediate holding company	88,209	901,078
Commission income from immediate holding company	–	9,730
Executive officers' remuneration	–	63,101

15. Financial risk management objectives and policies

The Company is exposed to liquidity risk and credit risk. The Company does not speculate in the currency markets or holds or issues derivatives financial instruments. The Board reviews and agrees policies for managing each of these risks and they are summarised below :-

(a) ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to a shortage of funds.

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations. Short-term funding is obtained from its immediate holding company.

(b) ***Credit risk***

Credit risk is limited to the risk arising from the inability of a debtor to make payments when due. It is the Company's policy to provide credit terms to diverse creditworthy customers. These debts are continually monitored and therefore, the Company does not expect to incur material credit losses.

The carrying amount of trade and other receivables and cash and cash equivalents represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The Company has no significant concentration of credit risk. Cash is placed with the reputable banks.

16. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables and amounts due to immediate holding company approximate their fair values due to their short-term nature.

The fair value of interest-bearing borrowings are estimated based on the expected cash flows discounted to present value with reference to the current market interest rates applicable to interest-bearing borrowings with the same maturity profile. The carrying amount of interest-bearing borrowings approximate their fair value.

17. Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

As at year ended 31 March 2010 and period ended 31 March 2009, the Company had no loans and borrowings. As a result, the Company does not set a policy on maintaining its capital structure at a specific gearing ratio. The Company would consider dividend payment to shareholders, return of capital to shareholders, issuance of new shares or borrowings whenever it is in the best interest of the shareholders to do so. No changes were made in the primary objective during the year ended 31 March 2010 and period ended 31 March 2009.

18. Comparative figures

Prior year comparatives were presented in Singapore dollar and were remeasured and presented in United States dollar. The financial effects of the change were disclosed in Note 3.2 to the financial statements.

In the previous financial period, the Company changed the financial year end from 31 December to 31 March.

The financial statements for 2009 covered the fifteen months from 1 January 2008 to 31 March 2009. The financial statements for 2010 covered the twelve months from 1 April 2009 to 31 March 2010.

19. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2010 were authorised for issue in accordance with a resolution of the directors on 5 May 2010.

PT. YORK Engineering

BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENT
AS AT
31 DECEMBER 2009 AND 2008
AND FOR THE YEARS ENDED
31 DECEMBER 2009 AND 2008
PT. YORK ENGINEERING

We, the undersigned :

Name	:	Aurol Anthony Sabastian
Office address	:	Hang Kesturi KM. 4 Kabil, Batam
Domicile address	:	Singapore
as stated in Id	:	—
Phone number	:	(0778) 711711
Function	:	Director

declare that :

1. We are responsible for the preparation and presentation of PT. YORK ENGINEERING financial statements;
2. PT. YORK ENGINEERING financial statements have been prepared and presented in accordance with accounting principles generally accepted in Indonesia;
3. a. All information in the PT. YORK ENGINEERING financial statements has been disclosed in a completed and truthful manner;
   b. PT. YORK ENGINEERING statements do not contain any incorrect information or material fact, nor do they omit information or material fact;
4. We are responsible for PT. YORK ENGINEERING internal control system.

We certify the accuracy of this statement.

For and on behalf of the Board of Directors

Aurol Anthony Sabastian
Director
Batam

INDEPENDENT AUDITORS' REPORT
To the shareholders of
PT. YORK ENGINEERING

We have audited the accompanying balance sheets of **PT. YORK ENGINEERING** as of 31 December 2009, the related statement of income, statement of changes in shareholders' equity and statement of cash flows for year then ended. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **PT. YORK ENGINEERING** as of 31 December 2009 and the results of its operation, changes in shareholders' equity, and its cash flows for the year then ended, in conformity with accounting principles generally accepted in Indonesia.

As mentioned in the Note 10 to financial statement, the company had a deficiency in working capital and shareholders' equity. The financial statement has been prepared on going concern basis where the holding company will continue to provide the financial support to the company.

Drs. Sukimto Sjamsuli
License of Public Accountant No. 98.1.0298

Batam

The accompanying financial statements are not intended to present the financial position, results of operations, changes in shareholders' equity and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. Accordingly, the accompanying balance sheets and related statements of income, changes in shareholders' equity and cash flows and their utilization are not designed for those who are not informed about Indonesian accounting principles, procedures and practices.

The standards, procedures and practices utilized in Indonesia to audit such financial statements may differ from those generally accepted in countries and jurisdictions other than Indonesia.

BALANCE SHEETS
As of 31 December 2009 and 31 December 2008

In Rupiah

	Notes	2009	2008
Assets			
Current assets			
— Cash and cash equivalent	3	**108,413,787**	123,939,150
Total current assets		**108,413,787**	123,939,150
Non current asserts			
— Refundable deposit	4	**59,080,946**	67,096,915
Total non current assets		**59,080,946**	67,096,915
Total assets		**167,494,733**	191,036,065
Liabilities and stockholders' equity			
Current liabilities			
— Accruals	5	**68,994,756**	78,355,808
— Amount owing to shareholder	9	**2,887,533,111**	3,280,439,615
Total current liabilities		**2,956,527,867**	3,358,795,423
Equity			
— Share capital Authorised, issued and fully paid 1,000 ordinary shares, with par value USD 100 per share	7	**899,800,000**	899,800,000
— Exchange rate arising from paid-up capital	8	**20,041,000**	20,041,000
— Retained losses		**(3,708,874,134)**	(4,087,600,358)
Total equity		**(2,789,033,134)**	(3,167,759,358)
Total liabilities and stockholders' equity		**167,494,733**	191,036,065

The accompanying notes form an integral part of these financial statements.

INCOME STATEMENTS
For the years ended 31 December 2009 and 31 December 2008

In Rupiah

	Notes	2009	2008
Sales		—	—
Cost of sales		—	—
Gross profit / (loss)		—	—
Operating expenses		**(9,578,312)**	(34,095,120)
Operating losses		**(9,578,312)**	(34,095,120)
Non-operating expenses/income			
— Others income		—	—
— Realized exchange rate gain		—	—
— Un-realized exchange rate gain / (loss)		**388,304,536**	(476,466,682)
Total non-operating expenses / income		**388,304,536**	(476,466,682)
Net profit / (loss) before income tax		**378,726,224**	(510,561,802)
Deferred tax income / (expense)		—	—
Net profit / (loss) after income tax		**378,726,224**	(510,561,802)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended 31 December 2009 and 31 December 2008

In Rupiah

	Share capital	Exchange rate arising from paid-up capital	Retained losses
Balance as of 01 January 2008	899,800,000	20,041,000	(3,577,038,556)
— Net loss for the year ended 31 December 2008	—	—	(510,561,802)
Balance as of 31 December 2008	899,800,000	20,041,000	(4,087,600,358)
— Current year loss	—	—	378,726,224
Balance as of 31 December 2009	**899,800,000**	**20,041,000**	**(3,708,874,134)**

PT. YORK Engineering

STATEMENTS OF CASH FLOWS

For the years ended 31 December 2009 and 31 December 2008 In Rupiah

Cash flows from (for) operating activities	**2009**	2008
• Net profit / (loss) for current years	**378,726,224**	(510,561,802)
• Changes in working capital		
— Deposits	**8,015,969**	(9,745,923)
— Accruals	**(9,361,052)**	11,381,294
— Tax payable	—	—
Net cash flow provided by / (used) in operating activities	**377,381,141**	(508,926,431)
Cash flows from (for) financing activities		
• Amount owing to shareholders	**(392,906,504)**	515,086,771
Net Cash flows generated from financing activities	**(392,906,504)**	515,086,771
Net increase / (decrease) in cash and cash equivalents	**(15,525,363)**	6,160,340
Cash and cash equivalents at beginning of year	**123,939,150**	117,778,810
Cash and cash equivalents at the end of year	**108,413,787**	123,939,150

COST OF SALES

For the year ended 31 December 2009 and 31 December 2008 In Rupiah

Material cost	2009	2008
— Purchase - YTEA	—	—
— Purchase - YTEM	—	—
— Machining cost	—	—
— Freight / Handling charges - inwards	—	—
— Opening balance of inventory	—	—
— Less ending balance of inventory	—	—
Total material cost	—	—
Direct labour		
— Salary (production)	—	—
— Jamsostek (production)	—	—
— Bonus (production)	—	—
— Income tax (prod)	—	—
Total labour cost	—	—
Factory overhead cost		
— Water and electricity (production)	—	—
Total overhead cost	—	—
Total cost of sales	**—**	**—**

OPERATING EXPENSES

For the year ended 31 December 2009 and 31 December 2008 In Rupiah

	2009	2008
— Accommodation fee	—	—
— Audit fee	—	—
— Bank charges	**66,000**	42,000
— Depreciation of fixed assets (admin)	—	—
— Entertainment (admin)	—	—
— General expenses	**9,512,312**	—
— General insurance	—	—
— Housing Rental	—	—
— Housing expenses	—	—
— Indirect labour - Salary (admin)	—	—
— Indirect labour - Jamsostek (admin)	—	—
— Indirect labour - Bonus (admin)	—	—
— Indirect labour - Income tax (admin)	—	—
— Motor vehicles expenses (admin)	—	—
— Postage and courier charge	—	—
— Professional and legal fee	—	34,053,120
— Stationery and printing	—	—
— Telephone and fax	—	—
— Traveling expenses - local	—	—
Total operating expenses	**9,578,312**	34,095,120

NOTES TO FINANCIAL STATEMENTS

1. General

The company was established 21 July 2004, based upon the notarial deed no. 92 of Maria Anastasia Halim, S.H. notary in Batam, with the name of PT. YORK ENGINEERING. The article of association was approved by the Ministry of Justice and Human rights on 4 October 2004 under approval number C-24601 HT.01.01.TH.2004.

By the approval of the State Minister for Capital Investment (chairman of Coordinating Board for Capital Investment), no. 451/I/PMA/2004 dated 12 July 2004. The company obtained foreign capital investment status in accordance with the law no. 1 year 1967, which is amended by the law no. 11 year 1970.

The principles activities of the company are manufacturing of motor vehicle component. Commercial operation was started on August 2004 and starting on 01 January 2007 the company are temporary not active.

2. Summary of significant accounting policies

Presented below are the significant accounting policies adopted in preparing the financial statement of PT. YORK ENGINEERING, which are in-conformity with the generally accepted accounting principles in Indonesia.

a. Basis of preparation of the financial statements

The financial statement have been prepared on the basis of historical costs.

The statement of cash flows is prepared based on the indirect method, by classifying cash flows on the basis of operating, investing and financing activities.

For the purpose of the statements of cash flows, cash includes petty cash on hand, cash in bank and a short-term investment with a maturity of three months or less, net-off overdrafts.

b. Foreign currency translation

Transaction denominated in foreign currency (currency other than Indonesian Rupiah) are converted into Indonesian Rupiah, at the rate prevailing at the date of transaction. At Balance sheet date, monetary assets and liabilities in foreign currencies are translated at the exchange rate prevailing at the date.

Exchange gains and losses arising from the translation of foreign currency, and on translation of monetary assets and liabilities are recognized in the income statement.

The following exchange rate are using at the end of the financial year :

	2009	2008
1 Singapore Dollar	**6,698.52**	7,607.36
1 United States Dollar	**9,400.00**	10,950.00

c. Revenue recognition

Revenue is recognised upon the delivery of the finished goods in the normal course of business.

d. Inventory

Inventory is stated at the lower cost or net realiasable value. Cost determined by the first in first out method.

Cost of finished goods and work in process comprises raw material, labour, and an appropriate proportion of directly attributable fixed and variable overheads.

e. Prepayment

Prepaid expenses are amortized over their beneficial periods by using the straight line method.

f. Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost of fixed assets comprises its purchase price and any direct atributable cost to bring the fixed asset to working condition for its intended use.

The cost of maintenance and repair is charged to income statement at the current year, significant renewal and betterments which extend the future life of assets or provide further economic benefits by increasing capacity or quality of production are capitalized and depreciated base on the applicable depreciation rates.

All of the fixed assets are depreciated using the straight line method over their estimated useful lives as follows :

Leasehold improvements	5 years
Electrical installations	5 years
Furniture and fittings	5 years
Housing equipment	5 years
Office equipment	5 years
Motor Vehicles	5 years
Equipment and tools	5 years

Starting on 01 January 2007 the company do not have any fixed assets left.

g. Deferred taxation

Deferred income tax is provided using the liability method, for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets relating to the carry forward of unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.

Under the taxation laws of Indonesia, the company submits tax returns on the basis of self assessment. The tax authorities may assess or amend taxes within ten years from the date of the tax became due. Amendments to taxation obligations are recorded when an assessment is received or, if appealed against, when the result of the appeal are determined.

h. Employee compensation

In July 2004, The Indonesian Institute of Accountant issued Statement of Financial Accounting Standard (PSAK) No. 24 (Revised 2004) which provides the accounting and disclosure for employee benefits. It supersedes PSAK No. 24 regarding Accounting for Pension Benefit Cost, which was issued in 1994. The revised PSAK No. 24 becomes effective on July 1, 2004. The management of the company does not provide the provision for Employee Benefit as suggested by PSAK No. 24 (Revised 2004), since management believes that there is no major issue concerning the amount of this contingent liabilities yet.

i. Related party transactions

The company has some transactions with its affiliates and related parties, the transaction have been recorded in the ordinary course of business.

In Rupiah

		2009	2008
3.	**Cash and cash equivalent**		
	This account represent the balance of		
	— Cash on hand (petty cash)	**953,000**	953,000
	— Cash in Bank (HSBC, Batam)	**107,460,787**	122,986,150
	Total cash and cash equivalent	**108,413,787**	123,939,150
4.	**Refundable deposit**		
	• Electrical connection	**59,080,946**	67,096,915
5.	**Accrual**		
	• Audit fee	**26,794,080**	30,429,440
	• Professional and legal fees.	**42,200,676**	47,926,368
	Total accrual	**68,994,756**	78,355,808
6.	**Taxation**		
	a. Current year taxation		

The reconciliation between amount of loss carried forward base on the income tax rules and the amount of loss as per financial statement :

	2009	2008
Profit / (loss) before income tax	**(378,726,224)**	(510,561,802)
Timing difference		
• Difference between book and tax depreciation	—	—
Permanent difference		
• Depreciation expenses for housing equipment	—	—
• Non—deductible expenses	**3,152,641**	—
Net losses after fiscal reconciliation	**381,878,865**	(510,561,802)

Tax income (expense) for the current year are as follows :

	2009	2008
• Deferred tax expense (at rate of 30 and 25 %)	—	—
• Calculated from temporary different	—	—
Total tax	—	—

b. Deferred taxation

	2009	2008
• Deferred tax liabilities for the beginning of the period	—	—
• Deferred tax liabilities for the current of the period	—	—
Deferred tax liabilities at the end of the year	—	—

In September 2008, Law No. 7 Year 1983 regarding "Income Tax" has been revised for the fourth time with Law No. 36 year 2008. The revised Law stipulates change in the corporate tax rate from a marginal tax rate of 30 % for fiscal 2008 to a single rate of 28% for fiscal year 2009 and 25% for fiscal year 2010 and onward. The company recorded the impact of the change in the rates of the deferred tax recognized in the current year's statement of income.

7. Share capital

Based on the article of association the structure of of capital are as follows :

- — Authorized capital USD 100,000, with par value of USD 100 per share
- — Issued capital USD 100,000, with par value of USD 100 per share
- — Paid—up capital USD 100,000, with par value of USD 100 per share

The composition of shareholder are as follows:

	2009	2008
— Mr. Aurol Anthony Sebastian, holding 10 of ordinary share with par value of USD 100 per share	**8,998,000**	8,998,000
— York Transport Equipment (Asia) Pte Ltd, holding 990 of ordinary share with per value of USD 100 per share	**890,802,000**	890,802,000
Total paid—up capital	**899,800,000**	899,800,000

Commenced from 21 July 2004, the shareholder appointed Dr. Benety Chang as commissioner and Mr. Aurol Anthony Sebastian as a director of the company.

8. Exchange rate from paid—up capital

This account represent the balance of additional fund received by the company in excess of the par value of share issued as a result of difference in exchange rates, between the rate used in the articles of association and the actual rate prevailing on the date of the foreign currency was contributed by the shareholders.

In Rupiah

		2009	2008
9.	**Related party transactions**		
	Amount owing to related party		
	— Shareholder -York Transport Equipment (Asia) Pte Ltd	**2,887,533,111**	3,280,439,615

The outstanding amount owing to shareholder is interest free, and without term of payment.

10. Management plan to reduce the effect of deficiency to shareholders' equity

The financial statements of the company had a deficiency in shareholders' equity and working capital as of 31 December 2009. The shareholders had been agreed with the management plan to postpone a payment of loan from shareholders and will continue to provide financial support for the company. This method is effective in order to support the operation as going concern.

Eadda Pte. Ltd.

Directors' Report

The Directors are pleased to present their report to the member together with the audited financial statements of Eadda Pte Ltd (the "Company") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2010.

Directors

The Directors of the Company in office at the date of this report are :-

Sudhir Laxmikant Deoras
P.V. Balasubramaniam
Dr Benety Chang
Anthony Sabastian Aurol

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

No Director of the Company who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial period.

Directors' contractual benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Option

There is presently no option scheme on unissued shares of the Company.

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors :

Sudhir Laxmikant Deoras Director	P.V. Balasubramaniam Director

Singapore, May 5th, 2010

Statement by Directors

We, Sudhir Laxmikant Deoras and P.V. Balasubramaniam, being two of the Directors of Eadda Pte Ltd, do hereby state that, in the opinion of the Directors :

(a) the accompanying balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors :

Sudhir Laxmikant Deoras Director	P.V. Balasubramaniam Director

Singapore, May 5th, 2010

Independent Auditors' Report

To the member of Eadda Pte Ltd

We have audited the accompanying financial statements of Eadda Pte Ltd (the "Company") which comprise the balance sheet of the Company as at 31 March 2010 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion,

(i) the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Company for the year ended on that date; and

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

Without qualifying our opinion, we draw attention to Note 2 to the financial statements. The Company incurred a loss of $2,987 for the year ended 31 March 2010 and as of that date the Company's current liabilities exceeded its current assets by $13,044 and has a net capital deficit of the same amount. As stated in that note, the Company has been dormant since incorporation and in January 2010 the Board of Directors has decided to voluntarily liquidate the Company within the next twelve months. Consequently, the going concern assumption is not appropriate and the financial statements of the Company are prepared on a realisation basis. Accordingly, all asset as at 31 March 2010 is measured at the lower of its carrying amount and estimated realisable value and all liabilities are measured at their estimated settlement amounts.

Ernst & Young LLP
Public Accountants and Certified Public Accountants
Singapore, May 5th, 2010

Income Statement for the financial year ended 31 March 2010

	Note	1.4.2009 to 31.3.2010	1.1.2008 to 31.3.2009
		$	$
Administrative expenses		(2,987)	(4,722)
Loss before tax		(2,987)	(4,722)
Income tax expense	5	–	–
Loss for the year/period		(2,987)	(4,722)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Comprehensive Income for the financial period ended 31 March 2010

	Note	1.4.2009 to 31.3.2010	1.1.2008 to 31.3.2009
		$	$
Loss for the year/period		(2,987)	(4,722)
Other comprehensive income		–	–
Total comprehensive loss for the year/period		(2,987)	(4,722)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheet as at 31 March 2010

	Note	2010	2009
		$	$
Current assets			
Prepayment		1,250	—
Current liabilities			
Accrued operating expenses		1,000	1,000
Amounts due to immediate holding company	6	13,294	9,057
		14,294	10,057
Net liabilities		(13,044)	(10,057)
Equity attributable to equity holder of the Company			
Share capital	7	2	2
Accumulated losses		(13,046)	(10,059)
Total deficit		(13,044)	(10,057)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Changes in Equity for the financial period ended to 31 March 2010

	Share capital (Note 7)	Accumulated losses	Total deficit
	$	$	$
2010			
At 1 April 2010	2	(10,059)	(10,057)
Loss for the year	–	(2,987)	(2,987)
At 31 March 2010	2	(13,046)	(13,044)
2009			
At 1 January 2008	2	(5,337)	(5,335)
Loss for the period	–	(4,722)	(4,722)
At 31 March 2009	2	(10,059)	(10,057)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Eadda Pte. Ltd.

Cash Flow Statement for the financial period ended 31 March 2010

	2010	2009
	$	$
Cash flows from operating activities :		
Loss before tax	(2,987)	(4,722)
Increase in prepayment	(1,250)	–
Increase in amount due to immediate holding company	4,237	4,722
Net cash flows used in operating activities	–	–
Net change in cash at bank and at end of financial year/period	–	–

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

Notes to the financial statement 31 March 2010

1. Corporate information

Eadda Pte Ltd (the "Company") is a limited liability company, which is incorporated in Singapore. Its immediate holding company is York Transport Equipment (Asia) Pte Ltd. The intermediate and ultimate holding companies are TRF Singapore Pte Ltd and TRF Limited respectively.

The registered office and principal place of business of the Company is located at No. 5 Tuas Avenue 6 Singapore 639295.

The principal activity of the Company is investment holding. There have been no significant changes in the nature of this activity during the financial year.

The Company has not commenced commercial operations since incorporation.

2. Fundamental accounting concept

The Company incurred a loss of $2,987 (2009 : $4,722) for the year ended 31 March 2010 and as of that date the Company's current liabilities exceeded its current assets by $13,044 (2009: $10,057) and has a net capital deficit of the same amount. The Company has been dormant since incorporation and in January 2010 the Board of Directors has decided to voluntarily liquidate the Company within the next twelve months. Consequently, the going concern assumption is not appropriate and the financial statements of the Company are prepared on a realisation basis whereby all asset is measured at the lower of its carrying amounts and estimated realisable values and all liabilities are measured at their estimated settlement amounts.

3. Summary of significant accounting policies

3.1 ***Basis of preparation***

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis and are presented in Singapore Dollars ("SGD" or "$").

3.2 ***Changes in accounting policies***

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year, except for the changes in accounting policies discussed below.

With effect from 1 January 2009, the Company adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009.

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 107 Financial Instruments : Disclosures
- Improvements to FRS issued in 2008

The adoption of the above standards and interpretations did not result in any significant changes to the Company's accounting policies.

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements – Revised Presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Company has elected to present this statement as two linked statements.

3.3 ***Future changes in accounting policies***

The Company have not applied the following standards and interpretations that have been issued but not yet effective :

Description	*Effective for annual periods beginning on or after*
INT FRS 117 *Distributions of Non-cash Assets to Owners*	1 July 2009
Improvements to FRSs issued in 2009:	
– Amendments to FRS 38 *Intangible Assets*	1 July 2009
– Amendments to FRS 102 *Share-based Payment*	1 July 2009
– Amendments to FRS 108 *Operating Segments*	1 July 2009
– Amendments to FRS 1 *Presentation of Financial Statements*	1 January 2010
– Amendments to FRS 7 *Statement of Cash Flows*	1 January 2010
– Amendments to FRS 17 *Leases*	1 January 2010
– Amendments to FRS 36 *Impairment of Assets*	1 January 2010
– FRS 39 *Financial Instruments: Recognition and Measurement*	1 January 2010
– Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010
– Amendments to FRS 108 *Operating Segments*	1 January 2010

The Directors expect that the adoption of the above pronouncements will have no material impact on the financial statements in the period of initial applications.

3.4 ***Functional and foreign currencies***

(a) *Functional currency*

The management has determined the currency of the primary economic environment in which the Company operates ie. functional currency, to be SGD. Major operating expenses are primarily influenced by fluctuation in SGD.

(b) *Foreign currency transactions*

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit or loss.

3.5 ***Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded securities or other available fair value indicators. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.6 ***Financial assets***

Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in the profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(a) *Loans and receivables*

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

3.7 ***Impairment of financial assets***

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial asset is impaired.

(a) ***Assets carried at amortised cost***

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

Eadda Pte. Ltd.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

(b) ***Assets carried at cost***

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant difficulties of the issuer) that an impairment loss on a financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

3.8 ***Financial liabilities***

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

3.9 ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.10 ***Income taxes***

(a) ***Current tax***

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognised in the profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) ***Deferred tax***

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

4. Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Income taxes*

The Company has exposure to income taxes in Singapore. Significant judgement is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. There is no tax payable as at 31 March 2010 (2009 : Nil).

5. Income tax expense

There is no tax expense for the year ended 31 March 2010 and period ended 31 December 2009 as the Company is in a tax loss position.

A reconciliation between the tax expense and the product of accounting loss multiplied by applicable tax rate for the financial year ended 31 March 2010 and financial period ended 31 March 2009 is as follows :

	1.4.2009 to 31.3.2010	**1.1.2008 to 31.3.2009**
	$	$
Loss before tax	(2,987)	(4,722)
Tax at the applicable tax rate of 17%	(508)	(803)
Unrecognised deferred tax asset	508	803
Income tax expense	–	–

6. Amounts due to immediate holding company

The amounts due to immediate holding company are non-trade in nature, non-interest bearing and are repayable on demand. These amounts are unsecured and are to be settled in cash.

7. Share capital

	2010	**2009**
	$	$
Issued and fully paid :		
Balance at beginning and end of financial year/period	2	2

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

8. Financial risk management objectives and policies

The main risk arising from the Company's financial instruments is liquidity risk. The Board reviews and agrees policies for managing this risk and it is summarised below.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to a shortage of funds.

To ensure continuity of funding, the Company obtains short-term funding from its immediate holding company.

9. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amounts approximate fair values

Management has determined that the carrying amounts of accrued operating expenses, and amounts due to immediate holding company approximate their fair values based on their notional amounts, reasonably approximate fair values because these are mostly short term in nature or are repriced frequently.

10. Comparative figures

In the previous financial period, the Company changed the financial year end from 31 December to 31 March.

The financial statements for 2009 covered the fifteen months from 1 January 2008 to 31 March 2009. The financial statements for 2010 covered the twelve months from 1 April 2009 to 31 March 2010.

11. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2010 were authorised for issue in accordance with a resolution of the directors on 5 May 2010.

YTE Special Products Pte. Ltd.

Directors' Report

The Directors are pleased to present their report to the member together with the audited financial statements of YTE Special Products Pte Ltd (the "Company") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 March 2010.

Directors

The Directors of the Company in office at the date of this report are :-

Sudhir Laxmikant Deoras
P.V. Balasubramaniam
Dr Benety Chang
Anthony Sabastian Aurol

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

No Director of the Company who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Directors' contractual benefits

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Option

There is presently no option scheme on unissued shares of the Company.

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors :

Sudhir Laxmikant Deoras Director	P.V. Balasubramaniam Director

Singapore, May 5th, 2010

Statement by Directors

We, Sudhir Laxmikant Deoras and P.V. Balasubramaniam, being two of the Directors of YTE Special Products Pte Ltd, do hereby state that, in the opinion of the Directors :

(a) the accompanying balance sheet, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as the immediate holding has agreed to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

On behalf of the Board of Directors :

Sudhir Laxmikant Deoras Director	P.V. Balasubramaniam Director

Singapore, May 5th, 2010

Independent Auditors' Report

To the Members of YTE Special Products Pte Ltd

We have audited the accompanying financial statements of YTE Special Products Pte Ltd (the "Company"), which comprise the balance sheet of the Company as at 31 March 2010, the income statement, the statement of comprehensive income, the statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion,

(i) the financial statements of the Company and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Company for the year ended on that date; and

(ii) the accounting and other records required by the Act to be kept by the Company incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants

Singapore, May 5th, 2010

Income Statement for the financial year ended 31 March 2010

	Note	1.4.2009 to 31.3.2010 $	1.1.2008 to 31.3.2009 $
Revenue	5	5,558,158	14,312,798
Cost of sales		(4,499,095)	(14,651,982)
Gross profit/(loss)		1,059,063	(339,184)
Other operating income	6	–	114,445
Distribution expenses		(548,017)	(905,418)
Administrative expenses		(31,477)	(103,414)
Other operating expenses	7	(211,606)	(92,629)
Profit/(loss) from operating activities		267,963	(1,326,200)
Finance costs		–	(21,816)
Profit/(loss) before tax	8	267,963	(1,348,016)
Income tax expense	9	–	–
Profit/(loss) for the year/period		267,963	(1,348,016)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Comprehensive Income for the financial year ended 31 March 2010

	2010 USD	1.1.2008 to 31.3.2009 USD (Restated)
Profit/(loss) for the year/period	267,963	(1,348,016)
Other comprehensive income	–	–
Total comprehensive profit/(loss) for the year/period	267,963	(1,348,016)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Balance Sheet as at 31 March 2010

	Note	2010 USD	2009 USD (Restated)
Non-current assets			
Property, plant and equipment	10	–	–
Investment in a subsidiary	11	59,929	59,929
		59,929	59,929
Current assets			
Trade and other receivables	12	1,769,791	876,816
Cash and cash equivalents	13	326,541	418,075
		2,096,332	1,294,891
Current liabilities			
Trade and other payables	14	2,725,595	2,339,007
Other liabilities	15	209,728	62,838
		2,935,323	2,401,845
Net current liabilities		(838,991)	(1,106,954)
Net liabilities		(779,062)	(1,047,025)
Equity attributable to equity holder of the Company			
Share capital	16	1	1
Accumulated losses		(779,063)	(1,047,026)
Total deficit		(779,062)	(1,047,025)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Statement of Changes in Equity for the financial year ended 31 March 2010

	Note	Share capital (Note 16)	Accumulated losses	Total deficit
		USD	USD	USD
2010				
At 1 April 2009 as previously stated*		1	(1,051,725)	(1,051,724)
Effects of adopting of FRS 21	3.2	–	4,699	4,699
At 1 April 2009 as restated		1	(1,047,026)	(1,047,025)
Profit for the year		–	267,963	267,963
At 31 March 2010		1	(779,063)	(779,062)
2009				
At 1 January 2008 as previously stated**		1	86,774	86,775
Effects of adopting of FRS 21	3.2		214,216	214,216
At 1 January 2008 as restated		1	300,990	300,991
Loss for the period		–	(1,348,016)	(1,348,016)
At 31 March 2009		1	(1,047,026)	(1,047,025)

* This represents the previously stated SGD$ balances converted at the 31 March 2009 SGD-USD exchange rate of $1 : $1.53.

** This represents the previously stated SGD$ balances converted at the 31 December 2007 SGD-USD exchange rate of $1 : $1.45

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Cash Flow Statement for the financial year ended 31 March 2010

	2010	2009
	USD	USD (Restated)
Cash flows from operating activities :		
Profit/(loss) before tax	267,963	(1,348,016)
Adjustment for :		
Interest expense	–	21,816
Operating profit/(loss) before working capital changes	267,963	(1,326,200)
(Increase)/decrease in trade receivables and other receivables	(892,975)	2,529,965
Increase/(decrease) in trade payables and other payables	533,478	(1,150,252)
Net cash flows (used in)/generated from operations	(91,534)	53,513
Interest paid	–	(21,816)
Net cash flows (used in)/generated from operating activities	(91,534)	31,697
Net (decrease)/increase in cash and cash equivalents	(91,534)	31,697
Effect of exchange rate changes	–	212,561
Cash and cash equivalents at beginning of financial year/period	418,075	173,817
Cash and cash equivalents at end of financial year/period (Note 13)	326,541	418,075

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements - 31 march 2010

1. Corporate information

YTE Special Products Pte Ltd (the "Company") is a limited liability company, which is incorporated in Singapore, and its immediate holding company is York Transport Equipment (Asia) Pte. Ltd. Its intermediate and ultimate holding companies are TRF Singapore Pte Ltd and TRF Limited respectively.

The registered office and principal place of business of the Company is located at No. 5 Tuas Avenue, Singapore 639295.

The principal activities of the Company are those of distribution of truck and trailer axles and other components. The principal activities of the subsidiary are disclosed in Note 11 to the financial statements.

Related companies in the financial statements refer to companies within the York Transport Equipment (Asia) Pte Ltd.

2. Fundamental accounting concept

The financial statements have been prepared under going concern basis notwithstanding that it is in a net liabilities position as the immediate holding company has agreed to provide financial support to the Company to enable it to meet its obligation as and when they fall due.

3. Summary of significant accounting policies

3.1 ***Basis of preparation***

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis and are presented in United States Dollars ("USD").

3.2 ***Prior year adjustment***

In previous financial year, all transactions in currencies other than Singapore Dollars (SGD) were treated as transactions in foreign currencies and were recorded, on initial recognition, in SGD using the exchange rate at the transaction date. FRS 21 (revised), *The Effects of Changes in Foreign Exchange Rates* requires all transactions in currencies other than the functional currency to be treated as transactions in foreign currencies and to be recorded, on initial recognition, in the functional currency using the exchange rate at the transaction date.

The management has assessed the Company's functional currency to be United States dollars for the current and prior years as the Company mainly trades in USD. As sales and purchases are denominated primarily in United States dollars and net receipts from operations are usually retained in United States, the management is of the opinion that choosing the United States dollars as the functional currency best reflects the primary economic environment in which the Company operates and are also in line with FRS 21 (revised). Hence, the Company changed its functional and presentation currency from Singapore dollars ("SGD" or "S$") to United States dollars. The effect of adopting FRS 21 (revised) led to retrospective changes made to the financials for comparative purposes.

The impact of this change on opening reserves is as disclosed in the statement of changes in equity.

3.3 ***Changes in accounting policies***

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year, except for the changes in accounting policies discussed below.

With effect from 1 January 2009, the Company adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009.

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 107 Financial Instruments: Disclosures
- Improvements to FRS issued in 2008

The adoption of the above standards and interpretations did not result in any significant changes to the Company's accounting policies.

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements – Revised Presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Company has elected to present this statement as two linked statements.

3.4 ***Future changes in accounting policies***

The Company have not applied the following standards and interpretations that have been issued but not yet effective :

Description	*Effective for annual periods beginning on or after*
INT FRS 117 *Distributions of Non-cash Assets to Owners*	1 July 2009
Improvements to FRSs issued in 2009:	
– Amendments to FRS 38 *Intangible Assets*	1 July 2009
– Amendments to FRS 102 *Share-based Payment*	1 July 2009
– Amendments to FRS 108 *Operating Segments*	1 July 2009
– Amendments to FRS 1 *Presentation of Financial Statements*	1 January 2010
– Amendments to FRS 7 *Statement of Cash Flows*	1 January 2010
– Amendments to FRS 17 *Leases*	1 January 2010
– Amendments to FRS 36 *Impairment of Assets*	1 January 2010
– FRS 39 *Financial Instruments: Recognition and Measurement*	1 January 2010
– Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2010
– Amendments to FRS 108 *Operating Segments*	1 January 2010

The Directors expect that the adoption of the above pronouncements will have no material impact on the financial statements in the period of initial applications.

3.5 ***Functional and foreign currencies***

(a) Functional currency

The management has determined the currency of the primary economic environment in which the Company operates ie. functional currency, to be USD. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuation in USD.

(b) *Foreign currency transactions*

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit or loss.

3.6 ***Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded securities or other available fair value indicators. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.7 ***Subsidiary and principles of consolidation***

(a) ***Subsidiary***

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Company generally has such power when it directly or indirectly holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

Investment in subsidiary is accounted for at cost less impairment losses.

(b) ***Principles of consolidation***

Pursuant to the Consolidated and Separate Financial Statements under FRS 27, the Company is exempted from preparing consolidated financial statements as it has met the criteria for exemption provided in FRS 27 paragraph 10. The financial statements in this report comprise only the financial statements of the Company.

The immediate holding company, York Transport Equipment (Asia) Pte Ltd, prepares consolidated financial statements. The registered office of York Transport Equipment (Asia) Pte Ltd is at No. 5 Tuas Avenue 6, Singapore 639295.

3.8 ***Property, plant and equipment***

Cost

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss.

Depreciation

Depreciation of an asset begins when it is available for use and is computed on a straight line basis over the estimated useful lives of the asset as follows :

Office equipment - 5 years

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economics benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the assets is included in the profit or loss in the year the asset is derecognised.

3.9 ***Financial assets***

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income is recognised in the profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

3.10 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash and bank balances.

Cash carried in the balance sheet are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 3.9.

3.11 ***Trade and other receivables***

Trade and other receivables including amounts due from a related company are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 3.9.

An allowance is made for uncollectible amounts when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are noted in Note 3.12.

3.12 ***Impairment of financial assets***

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial asset is impaired.

(a) ***Assets carried at amortised cost***

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

(b) ***Assets carried at cost***

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant difficulties of the issuer) that an impairment loss on a financial asset carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

3.13 ***Trade and other payables***

Liabilities for trade and other amounts payable, which are normally settled on 30-90 days' terms, and payables to related parties are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

3.14 ***Financial liabilities***

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

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For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

3.15 ***Borrowing costs***

Borrowing costs are generally expensed in the period in which they are incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

3.16 ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.17 ***Employee benefits***

(a) ***Defined contribution plan***

The Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to a defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

3.18 ***Revenue***

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of goods sold.

Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

3.19 ***Income taxes***

(a) ***Current tax***

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognised in the profit or loss except to the extent that tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) ***Deferred tax***

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except :

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

4. Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Income taxes*

The Company has exposure to income taxes in Singapore jurisdiction. Significant judgement is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. There is no tax payable as at 31 March 2010 (2009: USDNil).

5. Revenue

Revenue represents invoiced value of goods sold.

	1.4.2009 to 31.3.2010 $	1.1.2008 to 31.3.2009 $
6. Other operating income		
Foreign exchange gains		
- Unrealised	–	114,445
7. Other operating expenses		
Foreign exchange losses		
- Realised	110,927	–
- Unrealised	100,679	92,629
	211,606	92,629
8. Profit/(loss) before tax		
The following items have been included in arriving at profit/(loss) before tax:		
Employee benefit expense		
- Salaries, bonuses and other costs	119,304	73,336
- Central Provident Fund	–	1,850
Interest expenses on discounted bills	–	21,816
Bad debts written off	–	295,045

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9. Income Tax expense

	1.4.2009 to 31.3.2010 $	1.1.2008 to 31.3.2009 $
Major components of income tax expense		
The major components of income tax expense for the respective financial period/year are:-		
Current income tax	–	–

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable tax rate for the financial year ended 31 March 2010 and financial period ended 31 March 2009 is as follows :-

Profit/(loss) before income tax	267,963	(1,348,016)
Tax expense at the applicable tax rate of 17%	45,554	(229,163)
Tax effect of expenses not deductible in determining taxable profit	14,413	22,042
Tax exemption	(18,129)	–
Tax effect of Group relief utilised by immediate holding company	–	135,266
Tax effect of Group relief (transferred from)/utilised by a related company	(7,763)	13,657
Tax losses utilisation	(34,075)	–
Deferred tax asset not recognised	–	58,198
Income tax expense	–	–

In the previous financial year, the Company transferred unutilised tax losses of approximately USD149,000 to its immediate holding company and related company under the group relief system, subject to compliance with the relevant rules and procedures and agreement of Inland Revenue Authorities.

In the current financial year, the Company utilised tax losses of approximately USD8,000 from a related company under the group relief system, subject to compliance with the relevant rules and procedures and agreement of Inland Revenue Authorities.

As at 31 March 2010, the Company has estimated unabsorbed tax losses of USD309,000 (2009: USD343,000) available for set-off against future taxable profits for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses are subject to the agreement of the tax authorities in which the Company operates.

10. Property, plant and equipment

	Office equipment USD
Cost :	
At 1 January 2008, 31 March 2009, 1 April 2009 and 31 March 2010	1,985
Accumulated depreciation :	
At 1 January 2008, 31 March 2009, 1 April 2009 and 31 March 2010	(1,985)
Net carrying amount :	
At 31 March 2009 and 31 March 2010	–

11. Investment in a subsidiary

The subsidiary company is :

	Subsidiary (Country of incorporation)	Cost of investments 2010 USD	Cost of investments 2009 USD (Restated)	Percentage of equity held 2010 %	Percentage of equity held 2009 %	Principal activities (Place of business)
[(1)]	Qingdao YTE Special Products Co. Ltd. (People's Republic of China)	209,569	209,569	100	100	Production and distribution of axles and related components (People's Republic of China)
	Less : Provision for impairment	(149,640)	(149,640)			
		59,929	59,929			

[(1)] Audited by other auditor, Qingdao Zhonghui Certified Public Accountants Co Ltd.

12. Trade and other receivables

	2010 USD	2009 USD (Restated)
Trade receivables :		
Third parties	1,640,022	851,440
Tax recoverable	129,769	22,817
	1,769,791	874,257
Other receivables:		
Other sundry receivables	–	2,559
	1,769,791	876,816
Add: Cash and cash equivalents (Note 13)	326,541	418,075
Total loans and receivables	2,096,332	1,294,891

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

The Company's trade receivables are denominated in US dollars.

At the balance sheet date, trade receivables arising from export sales amounting to approximately USD435,000 (2009: USD613,000) are arranged to be settled via letter of credits issued by reputable banks in countries where the customers are based.

Receivables that are past due but not impaired

The Company has trade receivables amounting approximate to USD17,441 (2009: USD186,871) that are past due at balance sheet but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet is as follows :

Trade receivables past due :		
Lesser than 30 days	–	121,903
30 - 60 days	–	49,900
61 - 90 days	–	5,563
91 - 120 days	–	–
More than 120 days	17,441	9,505
	17,441	186,871

13. Cash and cash equivalents

Cash and bank balances	326,541	418,075

The cash and bank balances are denominated in US dollars.

14. Trade and other payables

	2010 USD	2009 USD (Restated)
Trade payables:		
Third parties	113,578	149,205
Other payables:		
Other liabilities (Note 15)	209,728	62,838
Amounts due to immediate holding company	2,212,710	1,855,833
Amount due to a related company	399,307	333,969
Total financial liabilities carried at amortised cost	2,935,323	2,401,845

Trade payables/other payables

Trade payables were non-interest bearing and were normally settled on 30 to 90 days' terms.

Trade and other payables are denominated in the following currencies:

United States dollar		
Singapore dollar	2,935,323	2,401,845

Amounts due to immediate holding company and related company

The amounts due to immediate holding company and related company are non-interest bearing and are repayable on demand. These amounts are unsecured and are to be settled in cash.

15. Other liabilities

Accrued operating expenses	104,792	12,591
Other payables	104,936	50,247
	209,728	62,838

16. Share capital

Issued and fully paid :		
Balance at beginning and end of financial period/year	1	1

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

17. Related party transactions

An entity or individual is considered a related party of the Company for the purposes of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decision of the Company or vice versa); and

(ii) it is subject to common control or common significant influence.

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place during the period at terms agreed between the parties.

	2010 USD	2009 USD (Restated)
Immediate holding company		
Purchases	4,499,095	14,651,982
Related company		
Management fee	—	63,756

18. Financial risk management objectives and policies

The main risks arising from the Company's financial instruments are liquidity risk, foreign currency risk and credit risk.

The Board reviews and agrees policies for managing each of these risks and they are summarised below:-

(a) ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to a shortage of funds.

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations. Short-term funding is obtained from its immediate holding company.

YTE Special Products Pte. Ltd.

(b) ***Foreign currency risk***

As the Company operates in several countries, it is exposed to foreign currency risk arising from cash flows from anticipated transactions and financing arrangements denominated in foreign currencies, primarily the Singapore dollar. Transaction risk is calculated in each foreign currency and includes foreign currency denominated assets and liabilities and firm and probable purchases and sales commitments.

As at the balance sheet date, the Company did not enter into any forward exchange contracts to hedge its foreign currency risk exposure.

(c) ***Credit risk***

Credit risk is limited to the risk arising from the inability of a debtor to make payments when due. It is the Company's policy to provide credit terms to creditworthy customers. The Company has entered into trade credit insurance for customers who are on open credit term. These debts are continually monitored and therefore, the Company does not expect to incur material credit losses.

The carrying amount of trade and other receivables and cash and cash equivalents represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The Company has no significant concentration of credit risk. Cash is placed with the reputable banks.

19. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables and amounts due to immediate holding company and related companies approximate their fair values due to their short-term nature.

The fair value of interest-bearing borrowings are estimated based on the expected cash flows discounted to present value with reference to the current market interest rates applicable to interest-bearing borrowings with the same maturity profile. The carrying amount of interest-bearing borrowings approximate their fair value.

20. Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

As at year ended 31 March 2010 and period ended 31 March 2009, the Company had no loans and borrowings. As a result, the Company does not set a policy on maintaining its capital structure at a specific gearing ratio. The Company would consider dividend payment to shareholders, return of capital to shareholders, issuance of new shares or borrowings whenever it is in the best interest of the shareholders to do so. No changes were made in the primary objective during the year ended 31 March 2010 and period ended 31 March 2009.

21. Comparative figures

Prior year comparatives were presented in Singapore dollar and were remeasured and presented in United States dollar. The financial effects of the change were disclosed in Note 3.2 to the financial statements.

In the previous financial period, the Company changed the financial year end from 31 December to 31 March.

The financial statements for 2009 covered the fifteen months from 1 January 2008 to 31 March 2009. The financial statements for 2010 covered the twelve months from 1 April 2009 to 31 March 2010.

22. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2010 were authorised for issue in accordance with a resolution of the directors on 5 May 2010.

Qingdao YTE Special Products Co. Limited

Independent Auditor's Report

QZHKWSZ[2010] 01-0081A

To : The Board of Qingdao YTE Special Products Co. Ltd.

We have audited the accompanying financial statemtns of Qingdao YTE Special Products Co. Ltd., which comprise the statement of financial position as of 31 March 2010 and the income statement as at Year to Date Actual 09/10.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes : designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Qingdao YTE Special Products Co. Ltd. as of 31 March 2010, and of its financial performance for the Year to Date Actual 09/10 in accordance with International Financial Reporting Standards.

Qingdao Zhong Hui Certified Public Accountants Co. Ltd.

Certified Public Accountant :

Qingdao, China

April 6, 2010

Income Statement for the Year to Date Actual 09/10

	Year to Date 1.4.2009 - 31.3.2010 RMB'000	Year to Date 1.1.2008 - 31.3.2009 RMB'000
Continuing Operations		
Revenue	30,239	32,715
Cost of sales	(27,662)	(28,922)
Gross Profit	2,577	3,793
Distribution expenses	(43)	(8)
Marketing expenses	(1,146)	(335)
Administration expenses	(2,577)	(2,927)
Bad Debt Provision	(2)	–
Other Income	12	245
EBITDA	(1,179)	368
Depreciation	(135)	(153)
Interest - Third Party Rec'd	4	76
(LOSS)/PROFIT BEFORE FOREIGN EXCHANGE & TAX	(1,310)	291
Realised Foreign exchange loss	(21)	(91)
Unrealised Foreign exchange loss	–	(224)
Loss before tax	(1,331)	(24)
Income Tax expense	(1)	(223)
Loss for the year	(1,332)	(247)

Statement of Financial Position at 31 March 2010

	Year ended 31/03/2010 RMB'000	Year ended 31/03/2009 RMB'000
Assets		
Non-current assets		
Property, plant and equipment	518	439
Total non-current assets	518	439
Current assets		
Inventories	6,390	3,398
Trade and other receivables	11,047	4,563
Advance & Prepayment	120	207
Non Trade Debtors	403	495
Cash and bank balances	1,267	185
Total current assets	19,227	8,848
Total assets	19,745	9,287
Equity and liablities		
Capital and reserves		
Issued Capital	1,672	1,672
Reserves		
Retained earnings	(4,497)	(3,164)
Total equity	(2,825)	(1,492)
Current liablities		
Trade and other payables	10,447	5,471
Current tax liabilities	–	(127)
Provisions	318	58
Non Trade Creditors	211	72
Amount due from ultimate holding company	11,594	5,305
Total current liablities	22,570	10,779
Total liablities	22,570	10,779
Total equity and liabilities	19,745	9,287

Adithya Automotive Applications Private Limited

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of your Company have pleasure in presenting the 4th Annual Report of the Company, along with the Audited Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

During the period under review, the financial performance of the Company was as under

Rs. in Lakhs

Particulars	As at 31.03.2010	As at 31.03.2009
Net Sales and Service	292.37	–
Other Income	0.53	–
Total Income	292.90	–
Expenditure before transfer to Capital Work in Progress	424.27	201.87
Less: Amount transferred to Capital Work in Progress	(116.37)	(189.91)
Total Expenditure	307.89	11.96
Loss before Taxation	(14.99)	(11.96)
Deferred Tax	0.47	–
Fringe Benefit Tax	–	0.56
Loss after Taxation	(15.46)	(12.52)
Balance in Profit and Loss Account brought forward	(12.52)	–
Balance carried to Balance Sheet	(27.98)	(12.52)

During the year, pending commissioning of its plant, the Company had for the first time undertaken to supply and mount fully built tipper bodies for Tata Motors. The revenue generated from the same was Rs. 292.37 Lakhs. After transfer of expenditure attributable to Capital Work in Progress, the operations have resulted in a net loss of Rs. 15.46 Lakhs for the year as compared to Rs. 12.52 Lakhs in the previous year

The major portion of the amounts spent on the pre-operative activities by the Company attributable directly to the project, have been transferred to Capital Work-in-Progress pending allocation, which together with similar expenses incurred during the earlier period amounting to Rs.199.42 Lakhs aggregated to Rs.315.79 Lakhs as at 31st March, 2010.

DIVIDEND

As the Company has not commenced full fledged operations from its plant under implementation and due to the operating loss, the Directors have expressed their inability to declare dividend for the period under review.

PROJECT ACTIVITY

Having received all the requisite approvals from the respective competent authorities to commence the erection of the plant, the project activity started in all earnest from September, 2009. The main plant structure has since been completed and the rest of the civil structures are nearing completion.

All the major equipments including the imported ones have been received at site and are in an advanced stage of erection.

The first phase of the plant construction activity is expected to be completed by end May, 2010 and the plant commissioned shortly thereafter.

COMMERCIAL ACTIVITY

Our customer having commissioned their new expanded plant, has started to roll out products from the same. From November, 2009, the Company had organized the activity in a substantially outsourced mode, from approved suppliers and with assembling and mounting being done in-house. During the period ended 31st March, 2010, the Company had supplied 128 Fully Built Tipper Bodies to the customer their range of Tippers. Apart from meeting the committed requirements of customer, the 'outsourcing' model of operations have helped in providing useful training to the staff prior to the commissioning of the Company's own plant , which should facilitate the smooth stabilization of the plant operations on its start up.

BUSINESS OUTLOOK

The automobile sector in general and the commercial vehicles segment in particular ,which was severely effected from October, 2008, in line with the rest of the economy as a result of the global meltdown, has started to show some perceptible signs of revival in demand during the fourth quarter. This coupled with the recent improvement reported in the growth rates in almost all segments of the economy and the optimistic forecasts being made by several economic agencies of the GDP returning to its earlier 8 – 9% trajectory shortly, on the back of the Government's stated priority to inter alia focus on the development of infrastructure with increased spending on the same, bodes well for the growth of the economy in general and consequently for the commercial vehicles sector in particular . Hence, your Directors while being cautiously optimistic, are of the view that the worst for the sector is over and the demand for tippers whose bodies are expected to be manufactured in the first phase by the Company, will pick up reasonably well shortly.

NEW PRODUCTS STRATEGY

With a view to expanding its product profile to achieve higher capacity utilization of the plant in a short span of time, the Company has been looking at other products which can be conveniently manufactured at the plant with minimum additional investment

In this regard the Company is pursuing a two-pronged strategy. One is design and manufacture of new applications on trucks with technology available from TRF group companies. The project identified is on advance stage and we should be able to launch the new application during the second half of the year.

The second involves a technical tie-up with a leading European company for the manufacture of fabricated vessels for different applications. The project is being supported by the customer and currently is in evaluation stage.

SHIFTING OF THE REGISTERED OFFICE

With the imminent commissioning of the Company's Plant at Lucknow and the relocation of all its administrative and secretarial functions to Lucknow, it was felt expedient to shift the Registered Office of the Company to the State of Uttar Pradesh from the State of Andhra Pradesh. Accordingly an application was made during the year and the process for locating the Registered Office at Lucknow formalized.

SHARE CAPITAL

Authorised Capital

The Authorised Share Capital of the Company was increased from Rs.7 Crores to Rs.10 Crores. during the year

Issued, Subscribed and Paidup Capital

The JV partners were allotted their respective share of the Initial Subscription Shares on 16th June, 2009 as per the terms of the Shareholders Agreement, whereby the Paidup Share Capital stood increased from Rs.1 Lakh to Rs.400 Lakhs as of that date. On 31st March, 2010 the Company allotted a further Rs.300 Lakhs capital in aggregate to the respective JV partners as Rights Shares in the proportion of 3 shares for every 4 shares held by them. Consequently, the Paidup Share Capital of the Company stood at Rs.700 Lakhs as on 31st March, 2010.

DIRECTORS

Dr. J. J. Irani, who was appointed as a Director of the Company.and also as the Non-Executive Chairman of the Company with effect from 16th June, 2009, resigned from the Board effective from 28th June, 2009. Dr. Irani was a Nominee Director representing TRF Ltd. The Board places on record the valuable guidance given by Dr. Irani, in taking the JV forward.

Mr. D. Venkatram, who was the founder Director of the Company. with effect from 24th August, 2006, resigned from the Board effective from 16th June, 2009. The Board places on record its appreciation for the valuable services extended by Mr. Venkatram, during its formative period and in the formation of the JV.

On the resignation of Dr. J. J. Irani from the Board, Mr. R. C. Nandrajog, was appointed, as a Director of the Company with effect from 29th September, 2009. He is the Nominee Director of M/s TRF Ltd. Mr. Nandrajog is an engineer and a Cost Acountant by profession having long years of experience as a finance professional. He retired as the Chief Financial Officer of Tata Steel Ltd and has also been an Executive Director of TRF Ltd. upto his retirement.

Mr. B. Ramakrishna, who is the moving spirit behind the conceptualization and formation of the Company was appointed as a Director of the Company with effect from 16th June, 2009. He resigned from the Board effective from 27th March, 2010. Mr. Ramakrishna was a Nominee Director representing Jasper Industries Pvt. Ltd. The Board places on record its appreciation for the intensive efforts and excellent direction provided by Mr. Ramakrishna, in the shaping of the Company and its progress till date.

On the resignation of Mr. B Ramakrishna from the Board, Mr. Sumanth Badiga, was appointed as an Additional Director of the Company with effect from 3rd May, 2010. He is the Nominee Director of Jasper Industries Pvt. Ltd. Mr. Sumanth Badiga is a Management Graduate from Rochester University, New York and has served for eighteen years in Tata AIG and AIG in senior executive positions mainly in the area of finance across various geographies. As Additional Director he holds office upto the date of the next AGM but being eligible has offered himself for appointment as Director. The Board recommends the appointment of Mr. Sumanth Badiga to the members.

Mr. Sudhir Deoras was appointd as a Director of the Company with effect from 16th June, 2009. Mr. Deoras is the Managing Director of TRF Ltd. besides being a Director in several companies. Mr. Deoras is a Nominee Director representing TRF Ltd. In accordance with the provisions of the Companies Act, 1956, Mr. Deoras retires by rotation and being eligible offers himself for reappointment.

Mr. K. C. Girotra was appointed as a Director of the Company with effect from 16th June, 2009. Mr. Girotra is an engineer by profession having long years of experience in the automobile industry. Mr.Girotra is a Nominee Director representing TRF Ltd. In accordance with the provisions of the Companies Act, 1956, Mr. Girotra retires by rotation and being eligible offers himself for reappointment.

PARTICULARS OF EMPLOYEES

The Directors report that there are no employees whose names are to be disclosed under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, and drawing a salary in excess of specified limits.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) that in the preparation of the Annual Accounts for the year ended 31st March 2010, the applicable accounting standards have been followed along with proper explanations in case of material departures;

(ii) that the selected accounting policies were applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31st March 2010 and of the loss of the Company for that period;

(iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the annual accounts for the year ended 31st March 2010 have been prepared on a 'going concern' basis.

Adithya Automotive Applications Private Limited

ADDITIONAL INFORMATION REQUIRED UNDER SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956

(a) Conservation of Energy: The Company is monitoring the consumption of energy and is identifying measures for conservation of energy.

(b) (i) Research and Development (R & D) : No Research and Development has been carried out.

(ii) Technology absorption, adaptation and innovation: No technology either Indigenous or foreign is involved.

(c) Foreign exchange earnings : Nil

(d) Foreign exchange out go : Rs. 101.54 Lakhs.

AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants., retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Board recommends the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company in the ensuing Annual General Meeting of the Company to hold office till the conclusion of the next Annual General Meeting of the Company.

ACKNOWLEDGEMENT

The Board of Directors of the Company acknowledge and thank the relevant Government Agencies for the constructive guidance and support extended to the Company, Tata Motors Limited for their continued encouragement and patronage, HDFC Bank for providing Term Loan and Working Capital facilities and to all the employees of the Company who have worked tirelessly to get the project off the ground.

For and on behalf of the Board

Sudhir Deoras

May 3rd, 2010 Director

AUDITORS' REPORT

THE MEMBERS OF

ADITHYA AUTOMOTIVE APPLICATIONS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **ADITHYA AUTOMOTIVE APPLICATIONS PRIVATE LIMITED** as at March 31, 2010 and the Profit and Loss Account and the Cash Flow Statement 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 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 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 of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

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

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

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

   c. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, Profit and Loss Account and 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.

   e. 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:

      i) in the case of the Balance Sheet, of the state of the affairs of the Company as at March 31, 2010

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

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

5. On the basis of written representations received from the Directors as on March 31, 2010 and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2010 from being appointed as directors in terms of Section 274(1)g) of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

Ganesh Balakrishnan
Partner
Membership No.201193

Place: Secunderabad
Date : May 3rd, 2010.

COMPLIANCE CERTIFICATE

To
The Members
M/s. Adithya Automotive Applications Private Limited
Hyderabad

We have examined the registers, records, books, and papers of ***M/s. Adithya Automotive Applications Private Limited*** ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act") and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company ***for the Financial Year ended on 31 March, 2010*** *(from 1st April, 2009 to 31st March, 2010).* In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in ***Annexure 'A'*** to this Certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.

2. The Company has filed the forms and returns as stated in ***Annexure 'B'*** to this Certificate, with the Registrar of Companies as required under the Act and the rules made thereunder.

3. The Company being private limited company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was (5) five excluding its past and present employees, and the Company during the year under scrutiny:

   (i) has not invited public to subscribe for its shares or debentures; and

   (ii) has not invited or accepted any deposits from any individual.

4. a. The Board of Directors duly met 5 (Five) times on 27th April 2009, 16th June 2009, 10th August, 2009, 27th October, 2009 and 27th January 2010. In respect of each meeting proper notices were given, the proceedings were properly recorded and signed including the Circular Resolutions passed on 17th July 2009, 6th October 2009 and 31st March 2010 in the Minutes Book maintained for the purpose.

   b. The members of the Audit Committee duly met 2 (two) times on 27th January 2010 and 24th February 2010. In respect of each meeting proper notices were given, the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

   c. The members of the Share Allotment Committee duly met 1 (One) time on 24th February 2010. In respect of such meeting proper notices were given, the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

5. The Company has not closed its register of members during the Financial Year under review.

6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 10th August, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

7. Four (4) Extra-ordinary General Meetings were held during the financial year under review after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.

8. The Company during the financial year under review has not advanced any loans to its directors and/or persons or firms or companies referred in section 295 of the Act

9. The Company has not entered into any contracts falling within the purview of Section 297 of the Companies Act, 1956.

10. The Company has made necessary entries in the register maintained under Section 301 (3) of the Act.

11. The Company has obtained necessary approvals from the Board of Directors, members pursuant to section 314 of the Act wherever applicable.

12. The Company has not issued any duplicate share certificates during the financial year under review.

13. The Company has

    (i) delivered all the certificates on allotment of securities and on lodgement thereof for transfer in accordance with the provisions of the Act;

    (ii) The Company was no required to deposit any amount in a Separate Bank Account as no dividend was declared during the financial Year.

    (iii) The Company was not required to post warrants to any member(s) of the Company as no dividend was declared during the Financial Year.

    (iv) The Company has duly complied with the requirement of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors have been duly made during the financial year,

15. The Company has not appointed any Managing Director/Manager/Whole Time Director during the year under review.

16. The Company has not appointed any sole-selling agents during the financial year under scrutiny.

17. The Company has made the following applications with the Company Law Board during the financial year under review:-

    a. Application for shifting of the registered office of the Company from the state of Andhra Pradesh to Uttar Pradesh.

    b. Application for condonation of delay in filing creation of charge with the Registrar of Companies.

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

Adithya Automotive Applications Private Limited

19. The Company has issued 69,90,000 shares during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year under scrutiny.
21. The Company does not have any Preference Shares/Debentures.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits falling within the purview of Section 58A of the Act during the financial year under scrutiny.
24. The amount borrowed by the Company from financial institutions and banks during the financial year ending 31st March 2010 is within the borrowing limits of the Company and that necessary resolutions as per section 293 (l)(d) of the Act have been passed in duly convened extra ordinary general meeting held on 24th September 2009..
25. The Company has not made any loans and investments or given guarantees or provided securities to other bodies corporate during the financial year under scrutiny.
26. The members of the Company in the Extra Ordinary General Meeting held on 22nd February 2010 have approved the proposal to shift the registered office from the state of Andhra Pradesh to the state of Uttar Pradesh. In this regard, necessary applications have been made with the Company Law Board, but the approval for the same is being awaited.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum with respect to Share Capital of The Company during the year under scrutiny and complied with the provisions of the Act.
30. The Company has altered its Articles of Association after obtaining the approval of the members in the Extra Ordinary General Meeting held on 16th June 2009 and 24th September 2009 and the amendments to the articles of association have been duly registered with the Registrar of Companies.
31. There was no prosecution initiated against or show cause notices received by the Company for alleged offences and no fines and penalties or any other punishment was imposed on the Company during the Financial Year for offences under the Act.
32. The Company has not received any money as security from its employees during the Financial Year.
33. The Company has not constituted Provident Fund for its employees and as such, Section 418 of the Act is not applicable to the Company.

Place : Hyderabad
Date : May 3rd, 2010

(G. Raghu Babu)
Partner
C.P. #2820

Annexure - A

Registers as maintained by the Company:

1. Register of Charges u/s 143.
2. Register of Members u/s 150.
3. Minutes Book of Meeting of Directors u/s 193.
4. Minutes Book of proceedings of General Meetings u/s 193.
5. Register of Particulars in which Directors are interested under Section 301.
6. Register of Directors, Managing Director, Manager u/s. 303.
7. Register of Directors' Shareholdings u/s. 307.

Annexure - B

Forms and Returns as filed by the Company with the Registrar of Companies, Andhra Pradesh, Hyderabad during the financial year ending 31st March 2010.

S.No	Form No./ Return	Filed on	Under Section	Event
1	Form 32 SRN: A61978573	19-05-2009	303	Appointment of Mr. N H Italia and resignation of Mr T V N Bhaskara Rao as Director of the Company with effect from 27th April 2009
2	Form 32 SRN: A61978383	19-05-2009	303	Resignation of Mr. Y N V K Surya Chandra Rao as Director of the Company with effect from 28th March 2009.
3	Form 23 SRN: A64238512	26-06-2009	192	Alteration of Articles of Association pursuant to the shareholders agreement entered into by the Company on 14th June 2009.
4	Form 2 SRN: A64236961	26-06-2009	75	Allotment of 39,90,000 Equity Shares of Rs.10/- each on 16th June 2009 pursuant to the shareholders agreement entered into by the Company.
5	Form 32 SRN: A64236078	26-06-2009	303	Appointment of Dr. J. J. Irani, Mr. Sudhir Deoras, Mr. K. C. Girotra as Additional Directors and cessation of Mr. D. Venkat Ram in the Board Meeting held on 16th June 2009
6	Form 32 SRN: A65901829	25-07-2009	303	Appointment of Mr. P. C. Bandivadekar and Mr. B. Ramakrishna as Additional Directors in the Board Meeting held on 16th June 2009 and regularization of Mr. Sudhir Deoras and Mr. K. C. Girotra as Directors in the Extra Ordinary General Meeting held on 16th June 2009.
7	Form 32 SRN: A66262577	30-07-2009	303	Regularization of Mr. P. C. Bandivadekar and Mr. B. Ramakrishna as Directors in the General Meetings held on 16th June 2009
8	Form 20B SRN: P35678762	09-10-2009	159	Annual Accounts for the financial year ended 31st March 2009
9	Form 32 SRN: A70586292	09-10-2009	303	Resignation of Dr. J. J. Irani as Director with effect from 16thJune 2009.
10	Form 23AC & ACA SRN: P34465658	10-10-2009	220	Annual Accounts for the financial year ended 31st March 2009
11	Firm 23 SRN: A71323356	23-10-2009	192	Alteration of Articles of Association of the Company pursuant to increase in authorized capital from Rs.7.00 crores to Rs. 10.00 crores, Approval of the Borrowing limits under section 293 (l)(a) and 293 (l)(d) in the Extra-ordinary General Meeting held on 24th September 2009
12	Form 5 SRN : A71323802	23-10-2009	97	Increase in authorized capital from Rs.7.00 crores to Rs.l0.00 crores in the Extra-ordinary General Meeting held on 24th September 2009.
13	Form 32 SRN:A71632590	29-10-2009	303	Appointment of Mr. R. C. Nandrajog as Director of the Company w.e.f 24th September 2009.
14	Form 23 SRN: A72627714	20-11-2009	192	Alteration of Articles of Association of the Company pursuant to the shareholders agreement entered into by the Company on 14th June 2009. (Revised Form 23 filed)
15	Form 23 SRN: A73710030	01-12-2009	31	Alteration of Articles of Association of the Company pursuant to increase in authorized capital from Rs. 7.00 crores to Rs. 10.00 crores. (Revised Form 23)
16	Form 23 SRN: A79060562	22-02-2010	192	Special resolution passed for shifting of registered office of the Company from the state of Andhra Pradesh to the state of Uttar Pradesh in the Extra Ordinary General Meeting held on 22nd February 2010.
17	Form 8 SRN; A79215596	24-02-2010	127	Creation of Charge by availing loan from HDFC Bank on 6th October 2009.
18	Form 61	22-03-2010	141	Petition to the Company Law Board for condonation of delay in filing creation of Charge.

Adithya Automotive Applications Private Limited

Balance Sheet as at March 31, 2010

	Schedule	As at 31.03.2010	As at 31.03.2009
		Amount in Rupees	
SOURCES OF FUNDS			
SHARE CAPITAL	1	70,000,000	100,000
SECURED LOANS	2	80,000,000	253,430
DEFERRED TAX LIABILITY (Refer note (g) of Sch-17(ii))		47,076	-
TOTAL		**150,047,076**	**353,430**
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	1,563,373	823,800
Less : Depreciation		353,525	152,269
Net Block		1,209,848	671,531
Capital work-in-progress		114,354,569	19,941,964
(Refer Note (e) of Sch-17(ii))		115,564,417	20,613,495
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	4	2,073,305	–
Debtors	5	20,555,321	–
Cash and bank balances	6	25,721,095	1,281,798
Loans and advances	7	7,640,486	48,000
		55,990,207	1,329,798
Less: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	8	24,305,216	22,800,723
Provisions	9	–	40,669
		24,305,216	22,841,392
NET CURRENT ASSETS		31,684,991	(21,511,594)
Profit & Loss Account		2,797,668	1,251,529
TOTAL		**150,047,076**	**353,430**
Significant Account Policies and Notes on Accounts	17		

The annexed Schedules and Notes referred to above form an integral part of the Accounts.

In terms of our report attached — **For and on behalf of the Board of Directors**

For DELOITTE HASKINS & SELLS
Chartered Accountants — Chief Operating Officer — Director — Director

Ganesh Balakrishnan — Chief Financial Officer — Director — Director
Partner

PLACE : SECUNDERABAD — PLACE : Kolkata
DATE : 03/05/2010 — DATE : 03/05/2010

Profit and Loss Account for the year ended March 31, 2010

	Schedule	Year Ended 31.03.2010	Year Ended 31.03.2009
		Amount in Rupees	
INCOME			
Sales and Services (Gross)		31,901,228	–
Less- Excise Duty		2,663,876	–
Net Sales and Services	10	29,237,352	–
Other Income	11	53,086	–
TOTAL		29,290,438	–
EXPENDITURE			
Materials and components	12	27,174,198	–
Employee costs	13	3,286,185	3,290,661
Operation, administration and selling expenses	14	8,624,552	16,765,065
Depreciation		201,256	91,536
Interest	15	3,140,720	39,919
		42,426,911	20,187,181
Less: Amount Transferred to Capital Work in Progress (Refer note (f) of Sch-17(ii))		(11,637,410)	(18,991,321)
TOTAL EXPENDITURE		30,789,501	1,195,860
LOSS BEFORE TAXATION		(1,499,063)	(1,195,860)
Provision for Taxation			
Current Tax		–	–
Deferred Tax		47,076	–
Fringe Benefit Tax		–	55,669
LOSS AFTER TAXATION		(1,546,139)	(1,251,529)
Balance in Profit and Loss Account brought forward		(1,251,529)	–
Balance carried to Balance Sheet		(2,797,668)	(1,251,529)
Statement forming part of the profit and loss account	16		
Basic and Diluted Loss per share (Face Value of Rs 10 each) (Refer note (g) of Sch -16)		(0.49)	(125.15)
Significant Account Policies and Notes on Accounts	17		

The annexed Schedules and Notes referred to above form an integral part of the Accounts.

In terms of our report attached — **For and on behalf of the Board of Directors**

For DELOITTE HASKINS & SELLS
Chartered Accountants — Chief Operating Officer — Director — Director

Ganesh Balakrishnan — Chief Financial Officer — Director — Director
Partner

PLACE : SECUNDERABAD — PLACE : Kolkata
DATE : May 3rd, 2010 — DATE : 03/05/2010

Cash Flow Statement for the year ended March 31, 2010

Particulars	31.03.2010	31.03.2009
	Amount in Rupees	
A. Cash Flow from Operating Activities		
Net Loss before Tax	(1,499,063)	(1,195,860)
Adjustments for :		
Depreciation	201,256	91,536
Interest income	(53,086)	
Interest expense	3,140,720	39,919
Operating Profit/(Loss) before Working Capital Changes	**1,789,827**	**(1,064,405)**
Adjustments for :		
Inventories	(2,073,305)	–
Debtors	(20,555,321)	–
Loans and Advances	(4,576,182)	1,977,000
Trade Payables and Other Liabilities	9,278,377	4,071,997
Cash (used in)/generated from Operating activities	**(16,136,604)**	**4,984,592**
Direct taxes paid	**(44,343)**	**(15,000)**
Net Cash (used in)/generated from Operating activities	**(16,180,947)**	**4,969,592**
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(106,601,796)	(3,706,916)
Interest received	36,738	–
Net Cash used in Investing Activities	**(106,565,058)**	**(3,706,916)**
C. Cash Flow from Financing Activities		
Proceeds from issue of share capital	69,900,000	–
Proceeds from secured loans (net of repayments)	79,746,570	(179,201)
Interest Paid	(2,461,268)	(39,919)
Net Cash generated from/(used in) Financing Activities	**147,185,302**	**(219,120)**
Increase in Cash & Cash Equivalents	**24,439,297**	**1,043,556**
Opening Balance of Cash & Cash Equivalents	**1,281,798**	**238,242**
Closing Balance of Cash & Cash Equivalents	**25,721,095**	**1,281,798**

Note :

(i) Cash and Cash Equivalents Include fixed deposits of Rs 200,000 (31.03.2009 Rs 100,000 kept with bank as margin money against bank guarantees

(ii) Previous Year figures have been regrouped/reclassified/rearranged wherever necessary

The annexed Schedules and Notes referred to above form an integral part of the Accounts.

In terms of our report attached — **For and on behalf of the Board of Directors**

For DELOITTE HASKINS & SELLS
Chartered Accountants — Chief Operating Officer — Director — Director

Ganesh Balakrishnan — Chief Financial Officer — Director — Director
Partner

PLACE : SECUNDERABAD — PLACE : Kolkata
DATE : May 3rd, 2010 — DATE : May 3rd, 2010

Adithya Automotive Applications Private Limited

Schedules forming part of the Balance Sheet

		Amount in Rupees	
		As at 31.03.2010	As at 31.03.2009
1.	**SHARE CAPITAL**		
	Authorised		
	10,000,000 equity shares of Rs.10 each (31.03.2009: 7,000,000 equity shares of Rs.10 each)	100,000,000	70,000,000
	Issued, Subscribed and Paid-up :		
	70,00,000 equity shares of Rs.10 each (31.03.2009: 10,000 equity shares of Rs.10 each)	70,000,000	100,000
		70,000,000	100,000

Of the above
3,570,000 equity shares of Rs.10 each were held by TRF Limited -holding company

Schedules forming part of the Balance Sheet

		Amount in Rupees	
		As at 31.03.2010	As at 31.03.2009
2	**LOANS - Secured**		
	Term Loan from Bank (Secured by hypothecation of stocks, book debts and plant and machinery)	80,000,000	–
	Vehicle Loan (Secured by hypothecation of the vehicle)	–	253,430
		80,000,000	253,430

(Repayable within one year Rs 5,000,000 (31.03.2009 Rs 199,915)

3. FIXED ASSETS

Amount in Rupees

Particulars	Cost as at 01.04.2009	Additions	Deductions	Cost as at 31.03.2010	Depreciation as at 01.04.2009	Depreciation for the year	Deductions	Depreciation as at 31.03.2010	Net Block as at 31.03.2010	Net Block as at 31.03.2009
PLANT AND MACHINERY	–	429,464	–	429,464	–	36,064	–	36,064	393,400	–
FURNITURE AND FIXTURES	–	93,909	–	93,909	–	61,437	–	61,437	32,472	–
OFFICE EQUIPMENT	197,839	200,000	–	397,839	32,070	43,817	–	75,887	321,952	165,769
MOTOR VEHICLES	625,961	–	–	625,961	120,199	59,466	–	179,665	446,296	505,762
ELECTRICAL INSTALLATION	–	16,200	–	16,200	–	472	–	472	15,728	–
GRAND TOTAL	823,800	739,573	–	1,563,373	152,269	201,256	–	353,525	1,209,848	671,531
PREVIOUS YEAR	*625,961*	*197,839*	–	*823,800*	*60,733*	*91,536*	–	*152,269*	*671,531*	

		Amount in Rupees	
		As at 31.03.2010	**As at 31.03.2009**
4.	**INVENTORIES**		
	Materials and Components	2,073,305	–
		2,073,305	–
5.	**DEBTORS**		
	Unsecured		
	Over six months old		
	Considered good	–	–
	Considered doubtful	–	–
	Other debts		
	Considered good	20,555,321	–
	Considered doubtful	–	–
		20,555,321	–
6.	**CASH AND BANK BALANCES**		
	Cash on hand	–	–
	Balances with Schedule Banks		
	Current accounts	10,521,095	1,181,798
	Deposit Accounts*	15,200,000	100,000
		25,721,095	1,281,798

* Includes Rs 200,000 (31.03.09: Rs 100,000) margin money deposits lodged with bank against bank guarantees

7.	**LOANS AND ADVANCES**		
	(Unsecured, considered good unless otherwise specified) Advances recoverable in cash or in kind or for value to be received		
	Interest accured but not due on deposits	16,348	–
	Other advances (Includes capital advances Rs 2,996,283)	6,686,964	–
	Security Deposits	933,500	48,000
	Advance Tax	3,674	–
		7,640,486	48,000
8.	**CURRENT LIABILITIES**		
	Sundry Creditors		
	i) For goods and services supplied		
	- Micro and small enterprises	–	–
	- Others*	21,075,563	22,704,325
	*Includes Rs Nil (31.03.09 Rs 15,257,554) due to holding company		
	ii) For Accrued wages and salaries	521,221	87,500
	iii) For other liabilities	2,028,980	8,898
	Interest accrued but not due on term loan	679,452	–
		24,305,216	22,800,723

		Amount in Rupees	
		As at 31.03.2010	**As at 31.03.2009**
9.	**PROVISIONS**		
	Fringe Benefit Tax, less payments (Net)	–	40,669
		–	40,669
10	**SALES AND SERVICES**		
	Sales (net of excise duty Rs 2,663,876)	29,188,352	–
	Services	49,000	–
		29,237,352	–
11	**OTHER INCOME**		
	Interest earned on deposits	53,086	–
	(Gross, inclusive of tax deducted at source Rs 3,674)	–	–
		53,086	–
12	**MATERIALS AND COMPONENTS CONSUMED**		
	Opening stock	–	–
	Add : Purchases	29,247,503	–
	Less : Closing stock	2,073,305	–
		27,174,198	–
13	**EMPLOYEE COSTS**		
	Salaries, wages and other benefits	3,188,491	3,285,355
	Staff welfare expenses	97,694	5,306
		3,286,185	3,290,661
14	**OPERATION, ADMINISTRATION AND SELLING EXPENSES**		
	Stores, spare parts and loose tools consumed	105,348	–
	Payments to sub-contractors	234,964	–
	Travelling, conveyance and car running expenses	1,032,032	2,075,302
	Land development expenses	–	1,758,621
	Lease Rental	1,980,000	2,025,000
	Rent	194,400	192,000
	Rates, taxes and licences	223,300	599,058
	Insurance	7,259	10,628
	Freight and handling charges	1,594,928	–
	Bank charges	39,196	14,977
	Professional fees	2,688,885	9,516,954
	Telephone expenses	111,186	44,152
	Software expenses	39,000	–
	Prior Period expenses	–	224,700
	Other expenses	374,054	303,673
		8,624,552	16,765,065

Adithya Automotive Applications Private Limited

Schedules forming part of the Balance Sheet

		Amount in Rupees	
		As at 31.03.2010	**As at 31.03.2009**
15	**INTEREST**		
	On term loans from		
	bank	3,112,329	38,839
	others	22,663	–
	Others	5,728	1,080
		3,140,720	39,919

16. STATEMENT FORMING PART OF THE PROFIT & LOSS ACCOUNT

a) Auditors Remuneration (excluding service tax)

	31.03.2010	31.03.2009
Audit	**225,000**	225,000
Other services	–	–

	UOM	31.03.2010 Qty	31.03.2010 Rupees	31.03.2009 Qty	31.03.2009 Rupees
(b) Material and components consumed					
1. Cubic Bodies	Nos	128	19,079,250	–	–
2. Hydraulic kit and accessories	Sets	128	7,231,889	–	–
3. Hydraulic Oil	Ltr	6,720	392,513	–	–
4. Others			470,546	–	–
Total			**27,174,198**		
(c) Consumption of imported and indigenous materials and components, stores and spare parts and percentage of each to total consumption.		%			
Materials and components					
Imported		–	–	–	–
Indigenous		100	**27,174,198**	–	–
Stores and spare parts					
Imported		–	–	–	–
Indigenous		100	**105,348**	–	–
(d) CIF Value of imports					
Capital goods			11,244,806	–	–

(e) Stocks, production and turnover

	Quantitative denomination	Opening stock Units	Opening stock Rupees	Production/ Assembled Units	Turnover Units	Turnover Rupees	Closing stock Units	Closing stock Rupees
Coach and bodies for motor vehicles	Nos	–	–	128	128	29,188,352	–	–

	Amount in Rupees 31.03.2010	31.03.2009
(f) Expenditure in Foreign Currency (on payment basis)		
Travelling	9,811	–
(g) Earnings per share		
Loss after tax	1,546,139	1,251,529
Weighted average number of equity shares of Rs 10/- each outstanding during the year	3,177,425	10,000
Loss per share-		
Basic & Diluted (Rs)	0.49	125.15

17. (i) SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF ACCOUNTS

The financial statements have been prepared in compliance with the generally accepted accounting principles in India and the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant presentation requirements of the Companies Act, 1956

(b) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialized.

(c) FIXED ASSETS

All fixed assets are stated at original cost net of tax/duty credits availed, if any less amortization/ depreciation. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

(d) DEPRECIATION

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

(e) INVENTORIES

Raw materials, work-in- progress and finished goods are valued at lower of cost and net realisable value. Stores and spare parts and loose tools are carried at cost.

Cost of inventories is ascertained on the 'weighted average' basis.

(f) REVENUE RECOGNITION

Revenue is recognised on completion of sale of goods / rendering of services. Sales exclude sales tax collected from customers.

(g) FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities relating to foreign currency transactions are translated at year end exchange rates. The difference in translation and realised gains/losses are recognised in the Profit and Loss Account.

(h) BORROWING COST

Borrowing costs which are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as a part of the cost of that asset. Other borrowing costs are recognised as expenses.

(i) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when 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 obligation

(j) TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax can be realised.

(k) OPERATING LEASES

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term are classified as operating leases. Lease rentals under non-cancellable operating leases are recognised as an expense in the profit and loss account on straight line basis over the lease term.

(l) SEGMENT REPORTING

The company operates only in one business segment i.e. coach and body building for motor vehicles. The company's operations is production/assembling and sale of coach and bodies for motor vehicles which constitutes one business segment and there are no other reportable segment under Accounting Standard-17.

(ii) NOTES

(a) Sundry Creditors- Dues to Micro and Small Enterprises

The company has not received any intimation from "Suppliers" claiming their status as micro, small or medium enterprise as defined under Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures, if any, relating to amounts not paid as at the end of the year together with the interest paid/payable as required on the said amount have not been given.

(b) RELATED PARTY DISCLOSURES

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

i) List of related parties and their relationship

Name of the party	**Relationship**	**Remarks**
TRF Limited	Holding Company	W.e.f 16-june-09
Jasper Industries Private Limited	Holding Company	Till 15-june-09

ii) List of related party transactions Amount (Rs)

	Holding Company (TRF Ltd)		Holding Company (Jasper Industries Private Limited)		Director	
Particulars	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Salaries	–	–	–	–	–	672,000
Expenses paid on behalf of the company	–	–	2,831,243	–		
Advance repaid	–	–	18,088,797			
Advance Received	–	–		- 11,883,783	–	–
Closing balance	–	–		-15,257,554	–	–

Adithya Automotive Applications Private Limited

Schedules forming part of the Balance Sheet

(c) Managerial Remuneration

Particulars	31.03.2010	31.03.2009
	Amount in Rupees	
Salaries	–	672,000

(d) The Company has not hedged its foreign currency exposures. The year end foreign currency exposures that have not been hedged by the derivative instrument or otherwise are given below :

	31.03.2010		31.03.2009	
	US $	INR equivalent	US $	INR equivalent
Amount payable in foreign currency on account of Import of Capital Goods:	24,500	1,101,030	–	–

(e) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances Rs 2,062,623) is Rs 35,253,840 (31.03.2009: Rs Nil).

(f) The company is setting up a coach and body building unit for motor vehicles at Lucknow which is under construction. The expenditure incurred during the construction period of the project has been transferred to capital work in progress pending allocation. Upon completion of the project these expenditure will be apportioned among the assets. The details of expenditure included in capital work-in-progress are as given below

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
	Amount in Rupees	
Amount transferred to Capital Work in Progress		
Professional fees	2,109,093	9,268,779
Rent	189,360	192,000
Land Development expenses	-	1,758,620
Lease Rentals	1,980,000	2,025,000
Travelling, conveyance and car running expenses	966,000	2,052,879
Telephone Expenses	103,896	44,152
Rates, taxes and licences	11,400	42,000
Bank Charges	39,196	14,977
Salaries	2,790,513	3,285,355
Staff Welfare Expenses	88,242	5,306
Other Interest	–	1,080
Interest on Term Loan	3,112,329	–
Insurance	7,259	–
Other Expenses	293,208	301,173
	11,690,496	18,991,321
Less: Interest income	(53086)	–
Expenses transferred to CWIP	11,637,410	–
Add: Opening Balance	19,941,964	950,643
Total	31,579,374	19,941,964

(g) Deferred Tax

Deferred Tax liability	As at 31.03.2009	Charge/(Credit) during the year	As at 31.03.2010
			Amount in Rupees
Timing difference on account of depreciation	–	47,076	47,076
Total	**–**	**47,076**	**47,076**

(h) Figures for the previous year have been regrouped and restated wherever necessary.

For and on behalf of the Board of Directors

Chief Operating Officer Director Director

Chief Financial Officer Director Director

PLACE : Kolkata
DATE : May 3rd, 2010

Dutch Lanka Trailer Manufacturers Limited

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Dutch Lanka Trailer Manufacturers Limited has pleasure in presenting their Annual Report together with the Audited Financial Statements of the Group for the year ended 31st March 2010.

This Annual Report on the affairs of the Company contains the information required in terms of Section 168 of the Companies Act, No. 7 of 2007 and certain additional information.

General

Dutch Lanka Trailer Manufacturers Limited is a company which was incorporated under the Companies Act, No.17 of 1982 under the name Dutch Lanka Trailer Manufacturers (Private) Limited as a limited liability company on 13th March 1992, changed under its name to the present name on 5th October 2005 and re-registered as per the Companies Act, No.7 of 2007 on 1st February 2008 with P B 175 as the new number assigned to the Company.

The Company is a BOI (Board of Investment of Sri Lanka) Enterprise.

Principal activities of the Company and review of performance during the year

The Company's principal activities, which remained unchanged during the year, were the business of production, manufacture, sale and distribution of trailers and semi trailers and its related parts and accessories for export and local markets, and fabrication, assembling, maintenance and servicing of trailers.

The Company sold 257 trailers during the year as against 443 during the previous year. In addition, the Company also supplied chassis frames to its joint venture, TATA International DLT Pvt Ltd, India.

The year under review was not a favourable year for the Company and the industry as a whole. Both Port as well as Road segments were affected as *a* large section of the Company's customers was affected adversely with the global meltdown. Despite the steepest slump in revenue, the Company survived the crisis by controlling its expenditure and made a nominal proft at the end of the year.

During the period under review, the financial performance of the Company was as under :

SLRM

	Consolidated		Company	
	Year ended 31-03-2010	**Year ended 31-03-2009**	**Year ended 31-03-2010**	**Year ended 31-03-2009**
Net Sales and Service	1,818.65	2,992.83	674.67	1,255.95
Other Income	30.19	6.42	14.92	7.90
Total Income	1,848.84	2,999.25	689.59	1,263.85
Total Expenditure	(1,781.73)	(2,919.88)	686.20	(1.173.54)
Profit before Taxation	67.11	79.37	3.39	90.31
Deferred Tax	(3.82)	11.67	6.13	–
Economic Service Cnarge Tax	(8.51)	–	(8.51)	(0.21)
Profit after Taxation	42.35	80.49	1.01	90.10
Retained Profit b/f	236.56	156.08	226.76	136.66
Retained Profit c/f	278.91	236.56	227.77	226.76

The product development activities undertaken by the Company are also worthy of mention. During the year the Company added two new products for export from Sri Lanka and also created three products for TATA International DLT Pvt. Ltd. for the Indian market.

This Report together with the Financial Statements, reflect the state of affairs of the Company.

Business Outlook

It is encouraging to note that the markets where the Company is present seem to be improving. The Company is receiving good enquiries from its customers and there had been a significant improvement in the order book at the beginning of the current year vis-a-vis that of the preceding year

The Company is aggressively pursuing its plans to reach out to new customers and is also expanding its sales force. A multi prong strategy is in place which includes widening product portfolio, entering new markets, strengthening sales via large sales organizations, carrying out assembly nearer the market and essential initiative to reduce costs in all the areas.

The management is optimistic that the Company will meet its targets for the year ahead

Financial Statements

The complete Consolidated Financial Statements of the Company and the Group duly signed by Mr. K. C. Girotra and Mr. B. Molenaar on behalf of the Board are included in this Annual Report and forms part and parcel hereof.

The Group Financial Statements include the results of Dutch Lanka Engineering (Private) Limited, TATA International DLT Pvt. Ltd. and Dutch Lanka Trailers LLC.

Auditors' Report

The Report of the Auditors on the Financial Statements of the Company is attached with the Financial Statements.

Accounting Policies

The principal accounting policies adopted by the Company in the preparation of Financial Statements are given in Note 02 of the Financial Statements, which are, unless otherwise stated, consistent with those used in previous period.

Change of Ownership

In July 2009, TRF Singapore Pte Ltd, a company incorporated in Singapore and having its Registered Office at 80, Raffles Place, 3325-01, UOB Plaza 1, Singapore 048624, acquired 77,676,137 ordinary shares representing 51% of the Stated Capital of the Company.

Directors

The Board was reconstituted on 30th July 2009 resulting from the change of ownership of the Company. The names of the Directors who held office as at the end of the accounting period are:

Mr. Sudhir L. Deoras	Chairman
Mr. Kulbushan C. Girotra	Managing Director
Mr. Bastiaan Molenaar	Executive Director
Mr. Sarosh J. Ghandy	
Mr. Hemant C. Kharkar	
Mr. Ashim Roy	
Mr. Dilip Kodikara	
Mr. Rusi S. Captain	
Mr. Nissanka B. Weerasekera	
Mr. Dirk B. Flamer Caldera	Alternate Director to Rusi S Captain
Dr. S. Selliah	Alternate Director to Bastiaan Molenaar

The Board was reconstituted as aforesaid consequent to the changes in the directorate / nominations as noted below:

(i) Messrs MAT Raaymakers, Sohrabji E Captain, Nigel Austin, S P Kodikara and Dr. S Selliah resigned and Mr. Nissanka B. Weerasekera, who was the nominee of Aueras South Asia LLC ceased to hold office in that capacity with effect from 30th July 2009. Messrs Indika Hettiarachchi and Pushya M Gunawardena, Alternates to Messrs Nissanka B. Weerasekera and S. P. Kodikara ceased to hold office as Alternate Directors.

(ii) Messrs Sudhir L Deoras, Sarosh J Ghandy, Kulbushan C Girotra, Hemant C. Kharkar and Ashim Roy were appointed to the Board as nominees of TRF Singapore Pte Ltd in terms of the Shareholders Agreement of 30th July 2009; such appointments being effective from 30th July 2009.

(iii) Messrs Dilip Kodikara, Bastiaan Molenaar, Rusi S Capstan and Nissanka B. Weerasekera were nominated as Directors by the 'Sellers' in terms of the said Shareholders Agreement, effective from 30th July 2009,

Board Sub-Committees

Two Board Sub Committees were established and the reconstitution of the Remuneration Committee was addressed during the year in line with the Best Practices on Corporate Governance.

The Sub-Committees are Audit Committee. Executive Committee of the Board and the Remuneration Committee.

Interests Register

Ttie Company maintains an Interests Register as stipulated by the Companies Act, No. 7 of 2007.

The names of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period under review are given in Note 26 to the Financial Statements.

Directors' Remuneration

The Directors' remuneration is disclosed in Note 26.1 to the Financial Statements thereof.

Donations

The donations made during the year amounted to Rs 38,000/-.

Auditors

Messrs Amerasekera & Company, Chartered Accountants served as the Auditors of the Company and also provided tax compliance services to the Company during the year under review. The Auditors do not have any interest in the Company or its group companies other than that of Auditor and in the aforesaid capacity as advisors on tax compliance.

A sum of Rs 318,000/- is paid/payable by the Company to the Auditors as Audit Fees and Rs 61,860/- for tax compliance services, for the year under review.

Based on the recommendations of the Audit Committee, the Board is recommending to the shareholders, the appointment of Messrs SJMS Associates, Chartered Accountants of No.4 Castle Lane, Colombo 4, the correspondent firm of Deloitte Touche in Sri Lanka as trie Auditors of the Company to hold office from the conclusion of this Annual General Meeting in place of the retiing Auditors, Messrs Amarasekera & Company.

Notice of the proposed resolution will be served on the retiring Auditors as required by the Companies Act, No.7 of 2007.

Events occurring after the Balance Sheet date

No material events have taken place after the Balance Sheet date upto the date of the Report of the Auditors which require adjustment to, or disclosure in the Financial Statements.

This Annual Report is signed for and on behalf of the Board of Directors by

Director **Director**

PW Corporate Secretarial (Pvt) Ltd
Secretaries

May 7th, 2010

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of Dutch Lanka Trailer Manufactures Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Dutch Lanka Trailer Manufactures Limited and the consolidated financial statements of the company and its subsidiaries as at March 31, 2010 which comprise the balance sheet as at March 31, 2010 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Dutch Lanka Trailer Manufacturers Limited

Scope of Audit and Basis of Opinion

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
4. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
5. 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. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

6. In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2010 and the financial statements give a true and fair view of the Company's state of affairs as at March 31, 2010 and its results and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.
7. In our opinion, the consolidated financial statements give a true and fair view of the state of affairs as at March 31, 2010 and the results and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its subsidiaries dealt with thereby, so far as concerns the members of the Company.

Report on Other Legal and Regulatory Requirements

8. These financial statements also comply with the requirements of Section 153 (2) to 153 (7) of the Companies Act No. 07 of 2007.

CHARTERED ACCOUNTANTS
COLOMBO.

BALANCE SHEET

As At March 31,		Group		Company	
		2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
ASSETS	Note				
Non - Current Assets					
Property, Plant and Equipment	3	479,807,241	426,286,655	298,200,175	259,588,612
Investments	4	51,100	44,800	229,181,353	171,954,703
Deferred Expenses - Joint Venture			1,388,815		
Deferred Taxation	5	8,724,717	11,724,553	6,135,040	
Total Non Current Assets		**488,583,058**	**439,444,823**	**533,516,568**	**431,543,315**
Current Assets					
Inventories	6	639,096,836	331,574,953	283,280,692	93,700,921
Trade and Other Receivables	7	323,584,931	414,098,405	293,530,384	375,943,860
ESC Receivables		–	7,952,068	–	7,952,068
Advances, Deposits and Prepayments	8	89,867,166	62,415,118	18,401,942	5,167,295
Income Tax Receivables		41,000	41,000	41,000	41,000
Cash and Cash Equivalents		17,268,479	22,464,380	6,165,123	4,670,659
Total Current Assets		**1,069,858,412**	**838,545,924**	**601,419,141**	**487,475,802**
Total Assets		**1,558,441,470**	**1,277,990,747**	**1,134,935,710**	**919,019,117**
EQUITY AND LIABILITIES					
Equity					
Stated Capital	9	312,228,618	312,228,618	312,228,618	312,228,618
Revaluation Reserves		2,900,000	2,900,000	–	–
Legal Reserves		740,323	747,401	–	–
Exchange Translation Reserve		7,242,882	(8,771,063)	–	–
Retained Earnings		278,918,150	236,565,629	227,776,501	226,764,116
		602,029,972	**543,670,585**	**540,005,119**	**538,992,734**
Minority Interest		15,979,888	16,662,106	-	-
Total Equity		**618,009,860**	**560,332,691**	**540,005,119**	**538,992,734**
Non - Current Liabilities					
Interest Bearing Loans and Borrowings - *(Fall Due more than one Year)*	10	114,044,900	158,611,350	114,044,900	–
Leasing Obligations - *(Fall Due more than one Year)*	11	2,463,445	7,142,937	1,502,715	4,979,093
Retirement Benefit Obligations	12	9,483,699	11,270,375	6,587,108	8,980,508
Total Non Current Liabilities		**125,992,044**	**177,024,662**	**122,134,724**	**13,959,601**
Current Liabilities					
Trade and Other Payables	13	326,148,082	256,014,838	105,557,376	82,951,728
Interest Bearing Loan and Borrowings - *(Fall Due within one Year)*	10	50,290,817	549,500	92,536	549,500
Lease Obligation - *(Fall Due within one Year)*	11	4,642,025	4,285,673	3,213,223	2,885,027
Income Tax Payable		4,824,689	15,071,386	–	–
Advance from Customers	14	11,471,006	1,662,206	8,325,245	–
Short Term Loans	15	387,986,279	225,031,985	333,687,215	247,529,237
Bank Overdrafts		29,076,667	38,017,805	21,920,272	32,151,290
Total Current Liabilities		**814,439365**	**540,633,394**	**472,795,867**	**366,066,782**
Total Equity and Liabilities		**1,558,441,470**	**1,277,990,747**	**1,134,935,710**	**919,019,117**

I certify that the Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007

Finance Officer

The Board of Director is Responsible for Preparation and Presentation of these Financial Statments

Approved and signed for and on behalf of the Board by,

Director **Director**

May 7th, 2010 :

Income Statement for the year ended March 31,					
Revenue	16	1,818,640,628.00	2,001,293,071.00	674,241,850.00	1,255,949,256.00
Cost of Sales		(1,485,863,427.00)	(1,677,830,812.00)	(523,289,598.00)	(1,034,420,658)
Gross Profit		**332,777,201.00**	**323,462,258.00**	**150,952,252.00**	**221,528,98**
Other Income	17	30,185,768.00	6,422,827.00	14,124,480.00	7,901,463.00
Administrative Expenses		(138,329,182.00)	(96,632,622.00)	(49,351,198.00)	(42,466,505.00)
Distribution Cost		(105,231,728.00)	(54,847,506.00)	(80,430,909.00)	(43,304,945.00)
Finance Cost	18	(52,292,391.00)	(99,033,870.00)	(31,908,322.00)	(53,351,942.00)
Profit Before Taxation	19	**67,109,667.00**	**79,371,087.00**	**3,386,303.00**	**90,306,669.00**
Income Tax Expense	20	(24,750,333.00)	1,115,920.00	(2,373,918.00)	(214,236.00)
Profit for the Year		**42,359,334.00**	**80,487,007.00**	**1,012,385.00**	**90,092,433.00**
Attributable to :					
Equity Holders of the Parent Company		42,886,289.00	76,454,554.00		
Minority Interest		(526,955.00)	4,032,453.00		
		42,359,334.00	**80,487,007.00**		
Earning Per Share (Rs.)	**21**	**0.28**	**0.53**	**0.01**	**0.59**

Dutch Lanka Trailer Manufacturers Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR EANDED MARCH 31, 2010

Group	Stated Capital Rs.	Revaluation and other Reserves Rs.	Legal Reserves Rs.	Retained Earnings Rs.	Exchange Translation Reserve Rs.	Minority Interest Rs.	Total Rs.
Balance as at April 01, 2009	312,228,618	**2,900,000**	747,401	236,565,629	(8,771,063)	16,662,106	560,332,691
Profit for the Year	–	–	–	42,359,334	–	(526,955)	41,832,380
Currency Translation Differenee	–	–	(7,078.00)	299,092	16,013,944	(15,526,320)	16,150,694
Dividends Paid	–	–	–	(305,905)	–	–	(305,905)
Balance as at March 31, 2010	**312,228,618**	**2,900,000**	**740,323**	**278,918,150**	**7,242,881**	**15,979,888**	**618,009,860**

Company	Stated Capital Rs.	Revaluation and other Reserves Rs.	Retained Earnings Rs.	Total Rs.
Balance as at April 01, 2009	**312,228,618**	–	**226,764,116**	**538,992,734**
Profit for the Year	–	–	1,012,385	1,012,385
Balance as at March 31, 2010	**312,228,618**	–	**227,776,501**	**540,005,119**

Exchange Translation Reserve

The Exchange Equalisation Reserve consists of net exchange gain or loss arising on the translation of equity investments of overseas subsidiaries, into Sri Lankan rupees.

Legal Reserve

The Legal Reserve has been made in respect of the foreign Subsidiary according to the Article 106 of the Commercial Companies Law of 1974 of OMAN which sales *5%, 10%* of net profit for the year will be transferred to a non-distributable legal reserve. The transfer will be made until the amount of legal reserve is equal to one-third of the amount of company's paid up capital.

CASH FLOW STATEMENT

For The Year Ended March 31,

	Group 2010 Rs.	Group 2009 Rs.	Company 2010 Rs.	Company 2009 Rs.
Cash Flow from Operating Activities				
Profit Before Taxation	67,109,667	79,371,087	3,386,303	90,306,669
Adjustments for;				
Depreciation	30,608,203	25,336,565	19,597,820	17,817,324
Gratuity	1,871,158	1,556,595	1,277,725	1,656,508
Overdraft *I* Loan Interest	43,797,181	26,393,483	24,235,620	25,925,709
Lease Interest	972,678	1,265,422	576,785	1,302,762
Provision for Bad Debts	1,523,090	4,951,684	–	–
Interest Income	(143,452)	(786,567)	(143,452)	(786,567)
Operating Profit Before Changes in Operating Net Assets	**145,738,525**	**138,138,269**	**48,930,802**	**136,222,405**
Changes in Operating Net Assets				
Inventories	(307,521,883)	(82,526,719)	(189,579,772)	104,830,125
Trade and Other Receivables	90,513,474	55,267,503	90,365,544	83,058,481
Advances, Deposits and Prepayments	(27,452,048)	(28,641,670)	(13,234,647)	2,133,169
Trade and Other Payables	95,637,135	15,610,511	16,470,608	(102,322,547)
Advances From Customers	9,808,799	(22,698,357)	8,325,245	(23,791,811)
Cash Generated from / (used in) Operations	**6,724,002**	**75,149,537**	**(38,722,221)**	**200,129,822**
Gratuity Paid	(3,657,834)	(673,500)	(3,671,125)	(673,500)
Interest Paid	(43,797,181)	(26,393,483)	(24,235,620)	(25,925,709)
ESC *I* Income Tax Paid	(34,997,030)	(9,008,955)	(2,373,918)	(214,236)
Net Cash Flow from / (used in) Operating Activities	**(75,728,042)**	**39,073,600**	**(69,002,883)**	**173,316,376**
Cash Flow from Investing Activities				
Purchase of Property, Plant and Equipment	(83,497,215)	(140,033,926)	(58,209,384)	(119,299,362)
Investment in Joint Venture / Subsidiary /Other	–	30,800	(57,226,650)	(94,803,649)
Other Investments	(6,300)	1,150,421	–	1,150,421
Disposal of Property, Plant and Equipment	–	1,867,156	–	–
Interest Received	143,452	786,567	143,452	786,567
Net Cash Flow from / (used in) Investing Activities	**(83,360,063)**	**(136,198,982)**	**(115,292,582)**	**(212,166,024)**
Cash Flow from Financing Activities				
Bank Loan (IDL) Obtained / (Paid) - Net	212,695,611	14,971,099	196,925,928	–
Receipt /(Payment) of Bank Loan (Term) - Net	(44.566,450)	71,166,614	–	16,154,581
Lease Rentals Paid	(5,295,818)	(4,748,364)	(904,981)	(4,438,406)
Net Cash Flow from Financing Activities	**162,833,343**	**81,389,349**	**196,020,948**	**11,716,175**
Net Change in Cash and Cash Equivalents During the Year	**3,745,237**	**(15,736,033)**	**11,725,482**	**(27,133,473)**
Cash and Cash Equivalents at Beginning of the Year	(15,551,425)	182,608	(27,480,631)	(347,158)
Cash and Cash Equivalents at End of the Year (Note 22)	**(11,808,188)**	**(15,553,425)**	**(15,755,149)**	**(27,480,631)**

Dutch Lanka Trailer Manufacturers Limited

1 CORPORATE INFORMATION

1.1 General

Dutch Lanka Trailer Manufacturers Limited (the parent company) is a public limited liability company incorporated and domiciled in Sri Lanka and is a BOI venture under Section 17 of BOI Law. The registered office of the company and the principle place of business is located at No. 32, Wijayarama Road, Gonawala, kelaniya.

The core business of the company is to Manufacture, and Sale of all type of Trailers to export and local markets. The company employed 243 persons as at March 31, 2010. (2009 – 143)

1.2 Companies in the Group

The Group Financial Statements include the results of the Dutch Lanka Engineering (Private) Limited. Dutch Lanka Trailer LLC Oman and TATA International DLT Private Limited. The percentage ownership is as follows.

Dutch Lanka Engineering (Private) Limited	- 100%	Local Subsidiary
Dutch Lanka Trailer LLC Salalah - Sultanate of Oman	- 70%	Foreign Subsidiary
TATA International DLT Private Limited	- 50%	Foreign Joint Venture

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the Financial Statements are set out below:

2.1 General

2.1.1 Basis of Preparation

The Financial Statements, presented in Sri Lanka Rupees, have been prepared on an accrual basis and under the historical cost convention unless staled otherwise.

2.1.2 Statement of Compliance

The Balance Sheet, Statements of Income, Changes in Equity and Cash Flows, together with Accounting Policies and Notes. ("Financial Statements") of the Company as at March 31. 2010 and for the year then ended, comply with the Sri Lanka Accounting Standards (SLAS) issued by the Institute of Chartered Accountants of Sri Lanka.

2.13 Comparative Information

The Accounting Policies applied by the group are, unless otherwise stated, consistent with those used in the previous year.

2.1.4 Post Balance Sheet Events

All material events occurring after the Balance Sheet date have been considered and where necessary, adjustments have been made in the Financial Statements.

2.1.5 Basis of Consolidation

The Consolidated Financial Statements include the Financial Statements of the Company, its Subsidiaries and Joint Venture over which it has control or joint control interest.

The group's Financial Statements comprise of the Consolidated Financial Statements of the Company and the group which have been prepared in compliance with the group's accounting policies.

All inter company balances, transactions, income und expenses and profits and losses resulting from intra group transactions that are recognized in assets, are eliminated in full.

2.1.5.1 Subsidiaries

Subsidiary undertakings which are those companies in which the group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations have been consolidated. Subsidiaries are consolidated from the date on which affect control is transferred to the group and are no longer consolidated from the date of disposal.

The Group's principal Subsidiaries are set out in Note. 4.1.

2.1.5.2 Joint Ventures

A Joint Venture is a contractual arrangement, whereby the group and other parties undertake an economic activity that is subject to Joint Control. The group recognizes its interest in the joint venture using the "proportionate consolidation" method. The group's share of each of the assets, liabilities, income and expenses of the joint venture are combined with the similar items, line by line, in the Consolidated Financial Statements.

A listing of the Joint Venture companies in the Group is set out in Note 4.2.

2.1.6 Foreign Currency Translations

The Consolidated Financial Statements are presented in Sri Lanka Rupees, which is the company's functional and presentation currency.

The functional currency is the currency of the primary economic environment in which the entities of the group operate.

All foreign exchange transactions are converted to Sri Lanka Rupees, at the rates of exchange prevailing at the time the transactions are effected.

Monetary assets and liabilities denominated in foreign currency are translated to Sri Lanka Rupee equivalents at the exchange rate prevailing at the Balance Sheet date. Non monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The resulting gains and losses are accounted in the Income Statement.

2.1.7 Foreign Operations

The Balance Sheet and Income Statement of overseas Joint Venture (TATA International DLT Private Limited), Subsidiary (Dutch Lanka Trailer LLC Salalah - Sultanate of Oman) deemed to have foreign operations are translated to Sri Lanka Rupees equivalents at the exchange rate prevailing at the Balance Sheet date and at the average annual rate of exchange for the period respectively.

The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the Income Statement.

Exchange rate applicable during the period, were as follows;

	Balance Sheet 2009/1010 Rs.	Income Statement (Average Rate) 2009/2010 Rs.	Net Equity Investment Rs.
Indian Rupee	2.5422	2.3969	2.8160
Omani Riyal	296.24	297.66	279.93

2.1.8 Taxation

The profit of the Company under Section 17 of BOI Law of No. 4 of 1978 is exempted for a period of ten (10) years reckoned from the Year of Assessment as may be determined by the BOI. For this purpose, the year of assessment shall be reckoned from the date on which the enterprise reaches the percentage of export target (direct / indirect) of Ninety percent (90%) of its output. After the expiration of the aforesaid period, the provisions of the Inland Revenue Laws for the time being in force shall apply to the enterprise.

However, other income of the company is liable for income tax under the provisions of Inland Revenue Act No. 10 of 2006,

2.1.9 Deferred Taxation

Deferred Tax provisions are made to provide for the tax incidences arising from income tax applicable to the excess of the net book value of assets on which depreciation allowances have been claimed over their lax written down value.

2.2 ASSETS AND BASES OF THEIR VALUATION

2.2.1 Property, Plant and Equipment (PPE)

The cost of Property, Plant and Equipment is the cost of acquisition or construction together with any expenses incurred in bringing the assets to its working condition for its intended use. PPE except, Motor Vehicles, Office Equipment and Furniture have been shown at market value based on a valuation by external independent valuer.

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business has been treated as Capital Expenditure.

The Property, Plant and Equipment are recorded at cost or valuation less accumulated depreciation, which is provided for on the basis specified below.

Depreciation

Depreciation is on the straight-line basis over the estimated useful lives as follows;

Buildings	-	05%			per annum
Office Equipment and Fumiture	-	18.10%	-	33.33%	per annum
Plant and Machinery	-	25%	-	33.33%	per annum
Computers	-	15%	-	40%	per annum
Tools and Equipment	-	15%	-	25%	per annum
Fork Lifts	-	25%	-	33.33%	per annum
Motor Vehicle	-	25%	-	3.33%	per annum
Generator	-	25%			per annum
Electrical Installations	-	13.91%	-	20%	per annum

Depreciation is provided on a pro - rata basis on the assets purchased / constructed / disposed during the year.

2.2.2 Accounting for Leases

Leases of Property, Plant and Equipment where the Company assumes substantially all the benefits and risks of ownership are classified as Finance Leases. Finance Leases are capitalized at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant race on the finance balance outstanding. The corresponding rental obligations net of finance charges are included in other long-term payables. The interest element of the finance charge is charged to the Income Statement over the lease period. The Property, Plant and Equipment acquired under finance leasing contracts arc depreciated over the useful life of the asset.

Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating leases. Payments made under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

2.2.3 Inventories

Inventories are valued at either cost or estimated realizable value. Realizable value is the price at which Inventories can be sold in the normal course of business alter allowing for cost of realization and or cost of conversion from their existing state to saleable condition.

2.2.4 Trade and Other Receivables

Loans, Advances and Other Receivables are stated in the Balance Sheet as the amounts estimated to realise.

2.2.5 Cash and Cash Equivalents

For the purpose of Cash Flow Statement, Cass and Cash Equivalents consist of cash in hand and deposits at bank, net of bank overdraft Short - term cash investments where maturity falls less than one year are also treated as Cash and Cash Equivalents.

2.3 LIABILITIES AND PROVISIONS

2.3.1 Liabilities

All material liabilities as at the Balance Sheet date have been included in the Financial Statements and adequate provision has been made for liabilities which are known to exist, but the amount of which cannot be determined accurately.

2.3.2 Employee Benefits - Parent

2.3.2.1 Defined Contribution Plans - EPF and ETF

Contributions to Defined Contribution Plans, EPF and ETF are recognized as an expense in the Income Statement as incurred.

2.3.3 Retiring Gratuity

The liability recognized in the Balance Sheet is the present value of the defined benefit obligation at the Balance Sheet date using the projected unit credit method.

However, according to the payment of Gratuity Act, No. 12 of 1983, the liability arises only on the completion of 5 years of continued service.

The Gratuity liability is not externally funded. This item is grouped under non current liabilities in the Balance Sheet.

2.4 INCOME STATEMENT

2.4.1 Revenue Recognition

Revenue principally is recognized on accrual basis in terms of Sri Lanka Accounting Standard No. 29 "Revenue".

Dutch Lanka Trailer Manufacturers Limited

3. PROPERTY, PLANT AND EQUIPMENT

Group	Land and Buildings	Motor Vehicles	Tools & Equipment	Plant & Machinery	Office Equipment & Furniture	Total
Cost / Valuation	Rs.	Rs.	Rs.	Rs.	Rs	Rs.
Balance as at April 1, 2009	**214,168,004**	**28,904,225**	**27,512,940**	**65,236,912**	**18,157,651**	**353,979,732**
Additions for the Year	187,158,680	2,676,606	2,752,243	36,141,338	5,777,808	234,506,675
Disposals	–	(1,358,015)	–	(111,093)	–	(1,469,108)
Balance as at March 31. 2010	**401,326,684**	**30,222,816**	**30,265,183**	**101,267,157**	**23,935,459**	**587,017,300**
Depreciation						
Balance as at April 1, 2009	**7,642,645**	**12,465,634**	**16,966,996**	**30,966,121**	**11,221,775**	**79,263,170**
Charge for the Year	3,216,807	9,461,374	2,563,155	12,595,490	2,771,377	30,608,203
Disposals / Adjustments	–	(605,230)	–	(30,810)	–	(636,040)
Balance as at March 31, 2010	**10,859,452**	**21,321,778**	**19,530,151**	**43,530,801**	**13,993,152**	**109,235,333**
Work-in-Progresses - Buildings						
Balance as at April 1, 2009	151,240,970	–	–	329,123		151,570,093
Capitalised during the year	(151,240,970)	–	–		–	(151,240,970)
Expenses during the year	1,435,086	–	–	261,065	–	**1,696,151**
Balance as at March 31, 2010	**1,435,085,63**	**–**	**–**	**590,188**	**–**	**2,025,274**
Net Book Value as at March 31, 2010	**391,902,319**	**8,901,038**	**10,735,032**	**58,326,544**	**9,942,308**	**479,807,241**
Net Book Value as at March 31, 2009	**357,766,330**	**16,438,591**	**10,545,944**	**34,270,791**	**6,935,877**	**426,286,655**

Company	Land and Buildings	Motor Vehicles	Tools & Equipment	Plant & Machinery	Equipment & Furniture	Total
Cost / Valuation	Rs.	Rs.	*Rs.*	Rs.	Rs	Rs.
Balance as at April 1, 2009	82,513,671	22,666,034	16,260,894	36,415,415	13,016,771	170,872,785
Additions for the Year	173,025,978	2,500,000	1,204,392	29,986,076	2,733,907	209,450,353
Balance as at March 31, 2010	**255,539,650**	**25,166,034**	**17,465,286**	**66,401,491**	**15,750,678**	**380,323,139**
Depreciation						**209,450,353**
Balance as at April 1, 2009	**5,629,586**	**13,371.220**	**13,132,824**	**21,533,151**	**8,858,361**	**62,525,143**
Charge for the Year	2,627,647	7,22,472	1,380,534	6,711,847	1,655,321	19,597,820
Balance as at March 31, 2010	**8,257,233**	**20,593,692**	**14,513,358**	**28,244,998**	**10,513,682**	**82,122,963**
Work-in-Progresses - Buildings						
Balance as at April 1, 2009	151,240,970	–	–	–	–	151,240,970
Capitalised during the year	(151,240,970)	–	–	–	–	(151,240,970)
Balance as at March 31, 2010	–	–	–	–	–	–
Net Book Value as at March 31, 2010	**247,282,416**	**4,572,342**	**2,951,928**	**38,156,494**	**5,236,996**	**298,200,175**
Net Book Value as at March 31, 2009	**228,125,054**	**9,294,814**	**3,128,070**	**14,882,264**	**4,158,409**	**259,588,612**

3.1 Exchange Gains / (Losses) arising from Overseas Subsidiaries

Additions to the Property, Plant and Equipment include exchange differences arising from the foreign currency balance to Sri Lanka Rupees.

3.2 The property situated at No. 32 Gonawala, Kelaniya owned by the company has been mortgaged in favour of Commercial Bank. Borrella Branch over the banking facilities obtain by the company. The value of the mortgages so held against the said property by the bank is Rs. 26

Apart from the above, the following PPE also have been mortgaged to Commercial Bank

a) Movable machinery as specified in the mortagage list

b) Immovable Machinery as specified in the mortgage list.

Dankotawa Land, Building and Immovable Machinery & Equipment for USD 750,000.00 primary mortgage to Standard Chartered Bank No. 37. York Street, Colombo 01 along with a deed of renunciation. Secondary mortgage over Land, Buildings & Immovable Machinery and Equipment for USD 1,100,000.00 along with a deed of renunciation.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31,

	Group 2010 Rs.	Group 2009 Rs.	Company 2010 Rs.	Company 2009 Rs.
4 Investments				
Investments - Subsidiary (Note 4.1)	-	-	41,706,400	41,706,400
Investments - Joint Venture (Note 4.2)	-	-	187,423,853	130,203,503
Investments - Others (Note 4.3)	51,100	44,800	51,100	44,800
	51,100	**44,800**	**329,181,353**	**171,954,703**

4.1 Subsidiaries

Investment in subsidiaries represents the following :

	Share Holding (%)	Number of Shares	Value 2010 Rs.	Value 2009 Rs.
Dutch Lanka Engineering (Private) Limited	100	1,149,998	11,500,000	11,500,000
Dutch Lanka Trailers LLC, Salalah-Sultanate of Oman	70	105,000	30,206,400	30,206,400
			41,706,400	**41,706,400**

Investments has been made with Dutch Lanka Trailers LLC, Oman at January 31, 2008

4.2 Joint Venture

Investment in Joint Venture represents of the following:

	Share Holding (%)	Number of Shares	Value 2010 Rs.	Value 2009 Rs.
TATA International DLT (Private) Limited	50	53,400	130,203,503	130,203,503
Share Application Money			57,220,350	-
			187,413,853	**130,203,503**

Dutch Lanka Trailer Manufacturers Limited

The Company has entered in to a joint venture agreement with Tata International Limited on February 08. 2005. According the Company and Tata International Limited participate and contribute to the issued and paid up capital of the Joint Venture namely TATA International DLT Private Limited on 50:50 basis,

4.3	**Others**				
	Lanka IOC Limited			75.600	75.600
	Provision for Diminution in Value of Shares			(24,500)	(30,800)
				51,100	**44,800**

The Company holds 2,800 Shares of Lanka IOC Limited, The market value of the Shares as of the Balance Sheet date was Rs 167-

		Group		Company	
		2010 Rs.	**2009 Rs.**	**2010 Rs.**	**2009 Rs.**
5	**Deferred Taxation**				
	Balance as at April 1,1009	**11,724,553**	**1,289,280**	**–**	**–**
	Exchange Difference	815,548	(1,230,774)	–	–
	Provision/(Reverse) during the Year	(3,815,384)	11,666,047	6,135,040	–
	Balance as at March 31, 2010	**8,724,717**	**11,724,553**	**6,135,040**	**–**
6	**Inventories**				
	Raw Materials	275,701,700	183,862,631	27,537,692	20,259,732
	Raw Materials - Duty Free	203,925,876	63,598,482	203,923,876	63,598,4S2
	Work-in-Progress	52,310,775	37,133,555	29,919,125	7,932,117
	Finished Goods	107,160,485	46,767,333	21,900,000	1,910,289
	Machinery Spares Stock	–	212,452	–	–
		639,096,836	**331,574,953**	**283,280,692**	**93,700,921**
7	**Trade and Other Receivables**				
	Trade Receivables	227,443,709	319,171,958	208,071,512	300,107,608
	Other Receivables	96,141,222	94,926,447	85,458,872	75,836,252
		323,584,931	**414,098,405**	**293,530,384**	**375,943,860**
8	**Advances, Deposits and Prepayments**				
	Advances and Deposits	89,853,350	62,397,655	18.388,126	5,149,832
	Prepayments	13,816	17,463	15,816	17,463
		89,867,166	**62,415,118**	**18,401,942**	**5,167,295**
9	**Stated Capital**				
	Issued and fully paid				
	152,306,150 Ordinary Shares	**312,228,618**	**312,228,618**	**312,228,618**	**312,228,618**
10	**Interest bearing Loans and Borrowings**				
	Term Loans Payable - *Fall Due within one Year*	50,290,817	549,500	92,536	549,500
	Term Loans Payable - *Fall Due more than one Year*	114,044,900	l58,61l,350	114,044,900	–
		164,335,717	**159,160,850**	**114,137,436**	**549,500**
	The above facilities consist of followings :				
	Fall Due within one Year				
	The Company- Commercial Bank	50,290,817	549,500	92,536	549,500
	Standard Chartered Bank	–	–	114,044,900	–
	Fall Due more than one Year				
	TATA International DLT (Private) Limited	114,044,900	153,611,350	–	–
		164,335,717	**159,160,850**	**114,137,436**	**549,500**

The company has obtained term loan facilities from Commercial Bank for the purpose of financing overhead cranes, one forklift and five numbers of welding plants and 10 construct a new building at its factory premises. These loan facilities are secured over primary mortgage bond executed on movable machinery and the property at No.32, Oonawata, Kelaniya.

The company has obtained term loan facilities from Standard Chartered Bank for the purpose of financing construction of a new container trailer manufacturing plant at Dankotuwa. These loan facilities are secured over primary mortgage bond executed over land, buildings & movable machinery and the equipment at Dankotuwa for USD 750,000/- along with a Deed of Renunciation.

All the present and future inventories, receivable and fixed assets of the company were mortgaged against Term - Loans of the company.

		Group 2010 Rs.	Group 2009 Rs.	Company 2010 Rs.	Company 2009 Rs.
11	**Least Obligations**				
	Amount Repayable more than one year				
	Lease Liability	2,626,375	8,069,707	1,552,478	5,603,792
	Finance Charges	(162,930)	(926,770)	(49,763)	(624,699)
		2,463,445	**7,142,937**	**1,502,715**	**4,979,093**
	Amount Repayable within one Year				
	Lease Liability	5,539,853	5,707,973	3,916,120.32	3,916,120
	Finance Charges	(897,829)	(1,422,300)	(702,897.74)	(1,031,094)
		4,642,025	**4,285,673**	**3,213,222.58**	**2,885,027**
12	**Retirement Benefit Obligations**				
	Balance as at April 01, 2009	**11,270,375**	**10,031,375**	**8,980,508**	**7,997,500**
	Provision in the Years	1,521,582	2,008,799	1,019,893	1,329,394
	Payments Made During the Year	(3,657,834)	(684,496)	(3,671,125)	(673,500)
	Interest Charge for the Year	1,961,234	1,805,648	1,616,491	1,439,550
	Over Provision for the Gratuity	(1,611,659)	(1,890,951)	(1,358,659)	(1,112,436)
	Balance as at March 31, 2010	**9,483,699**	**11,270,375**	**6,587711)8**	**8,980,508**
13	**Trade and Other Payables**				
	Trade Payables	262,955,917	178,100,741	86,989,206	27,490,464
	Other Payable	63,192,165	77,914,097	18,568,170	55,461,264
		326,148,082	**256,014,838**	**105,557,376**	**82,951,728**

Dutch Lanka Trailer Manufacturers Limited

		Group		Company	
		2010 Rs.	2009 Rs.	2010 Rs.	2009 Rs.
14	**Advances from Customers**				
	Advances Received from Customers for Jobs Undertaken	11,471,006	1,662,206	8,325,245	–
		11,471,006	**1,662,206**	**8,325,245**	**–**
15	**Short Term Loans**				
	Inter Company Loans	–	–	23,949,429	24,180,618
	Import Related Loans	316,979,786.21	219,283,331	309,737,786	217,599,965
	Short Term loan	71,006,493.00	–	–	–
	Temporary Loan	–	5,748,654	–	5,748,654
		387,986,279.21	**225,031,985**	**333,687,215**	**247,529,237**

The import related loans comprise of loan facilities obtained under letter of credit, import demand loans, and guarantee facilities. These facilities have been obtained from Commercial Bank-Borella branch to a secured over title documents relating to the goods under import and the Company's stocks in trade and other movable assets together with an assignment over book debts.

The import related loan facilities are comprise of loan facilities obtained under letter of credit, import demand loans and guarantee facilities. These facilities have been obtained from the Commercial Bank Borella branch. Standard Chartered Bank and NDB. These loans have been secured over title documents relating to the goods under import and the company's stock in trade and other movable assets together with an assignment over book debts.

		Group 2010 Rs.	Group 2009 Rs.	Company 2010 Rs.	Company 2009 Rs.
16	**Revenue**	629,634,845	1,108,641,224	650,672,153	1,216,776,256
	Export Sales - Traders	48,216,353	1,546,102.00	9,149,150.52	–
	Spare Parts Sales	1,107,377,445	742,600,296	15,438,508	39,173,000
	Repair Income	118,207,609	150,051,551	350,000	–
	Less - Taxes	(84,795,625)	(4,935)	(1,367,961)	(4,935)
		1,818,640,628	**2,002,834,238**	**674,241,850.52**	**1,255,944,320**
17	**Other Incone**				
	Interest Recerved	143,452	786,567	143,452	786,567
	Asset Disposals	–	205,260	–	–
	Intercompany Spare Parts	–	–	–	7,114,896
	Divident Income	–	–	2,753,095.21	–
	Currency Gain	22,106,802	–	9,514,446	–
	Miscellaneous	7,935,514	5,431,000	1,713,487	–
		30,185,768	**6,422,827**	**14,124,480.21**	**7,901,463**
18	**Finance Cost**				
	Loan Interest	38,360,568	47,011,541	19,124,022	25,925,709
	Debit Tax Charges	504,188	909,442	300,677	731,352
	Overdraft Interest	5,436,612	6,785,617	5,111,598	5,903,592
	Lease Interest	972,678	1,327,087	567,785	1,302,762
	Stamp Duty	324,287	325,061	252,140	325,061
	Provision for Dimunition in Value of shares	(6,300)	30,800	(6,300)	30,800
	Bank Charges	6,700,358	5,131,864	6,549,400	5,176,821
	Exchange Loss	–	37,657,524	–	13,950,910
		52,292,391	**99,028,935**	**31,908,322**	**53,347,007**
19	**Profit Before Taxation**				
	is Stated after Charging all Expenses including the following :				
	Director's Remuneration	13,572,092	11,030,140	10,818,058	11,030,140
	Staff Cost	80,136,001	54,247,172	20,210,364	19,050,832
	Depreciation	32,670,705	29,827,293	19,597,820	20,037,688
	Export Expenses	34,373,555	86,561,619	34,373,555	86,561,619
	Donations	224,033	195,976	38,000	195,976
	Audit Fees	1,095,249	385,545	318,000	100,000
	Bad Debts	1,523,090	4,951,684	–	1,057,038
	Welfare – Factory and Staff	10,182,996	6,404,481	3,837,349	2,813,235

20 Income Tax Expense

Dutch Lunka Trailer Manufacturers Limited

According to the agreement the company entered into, with the Board of Investments (BOI) dated August 30, 2007, the company's profit and income are exempted from income tax for a period of ten (10) years. However, other income of the company is liable for income tax under the provision of the Inland revenue Act No. 10 of 2006.

Dutch Lanka Engineering (Private) Limited

Provision for Taxation is based on the profit for the year, adjusted in accordance with the inland Revenue Act No. 10 of 2006 and amended thereto.

		Group 2010 Rs.	Group 2009 Rs.	Company 2010 Rs.	Company 2009 Rs.
	Income Tax Provision for the Year (Note 20.1)	**12,425,991**	**(1,115,920)**	–	**214,236**
20.1	Dutch Lanka Trailer Manufacturers Limited	–	214,236	–	1,678,354
	Dutch Lanka Engineering (Private) Limited	9,310,021	9,526,832	–	–
	Share of TATA International DLT Private Limited	3,115,970	583,822	–	–
	Dutch Lanka Traders LLC Salalah – Sultante of Oman	–	225,236,25	–	–
		12,425,991	**10,590,127**	**–**	**1,678,354**
	Economic Service Charge	8,508,958	–	8,508,958	–
	Deferred Taxation Movement During the Year	3,815,384	(11,666,047)	(6,135,040)	–
		24,750,333	**(1,115,920)**	**2,373,918**	**1,678,354**

Dutch Lanka Trailer Manufacturers Limited

	Group 2010 Rs.	Group 2009 Rs.	Company 2010 Rs.	Company 2009 Rs.
21 Earnings Per Share				
Earnings Per Share is calculated by dividing the Net Profit Attributable to Ordinary Shareholders by the weighted average number of ordinary shares issued during the year.				
Ner Profit Attributable to Ordinary Shareholders (Rs.)	42,359,334	80,487,007	1,012,385	90,092,433
Weighted Average Number of Ordinary Shares (Nos.)	152,306,150	152,306,150	152,306,150	152,306,150
Earning Per Share (Rs.)	**0.28**	**0.53**	**0.01**	**0.59**
22 For the purpose of Cash Flow Statement, Cand and Cash Equivalents represent as follows :				
Favorable Cash and Cash Equivalents Balance				
Cash and Bank and Cash in Hand	17,268,479	22,464,380	6,165,123	4,670,659
Bank Overdrafts	(29,076,667)	(38,017,805)	(21,920,272)	(32,151,290)
Cash and Cash Equivalents	**(11,808,188)**	**(15,553,425)**	**(15,755,149)**	**(27,480,631)**

23 Contigent Liabilities

In respect of liquidated damages [excluding that referred to in notes v and vi(b) below] and other claims pending against the Company not accepted

Customers

Others

Bank Guarantees

Direct General of Customs	LG/BOR/03/97	EXP : 14/12/2010	INR600,000.00
Alexandria International Container terminal	DBUGTEUSD0803443	EXP : 15/08/2010	USD37,890.00
Alexandria Container & cargo handling	DBUGTEUSD0902575	EXP : 27/06/2010	USD3,800.00
Alexandria Container & cargo handling	DBUGTEUSD0906292	EXP : 02/07/2011	USD2,700.00
Damietla Container & cargo handling	DBUGTEUSD0907270	EXP : 02/07/2011	USD2,700.00
Alexandria Container & cargo handling	DBUGTEUSD0966292	EXP : 02/07/2011	USD43,093.51
Alexandria Container & cargo handling	DBUGTEUSD00901151	EXP : 02/07/2011	USD4,000.00

Provision for anticipated warranty costs relating to certain products manufactured and sold by the Company up to March 31, 2010 is made on the basis of technical and available cost estimates.

For recognizing profit on contracts, stage of completion is determined as a proportion that contract costs incurred for the work performed bear to the estimated total costs. Further, expected loss on contracts is recognised when it is probable that the total contract costs will exceed the total contract revenue. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts in progress, which is arrived at by the management based on current technical data, forecasts and estimate of net expenditure to be incurred in future including for contingencies etc., which being technical matters have been relied on by the auditors Revisions in projected profit/loss arising from change in estimated etc., are reflected during the course of work in each accounting period which however cannot be disclosed separately in the financial statments as the effect cannot be accurately determined.

24. Commitments

As at the date of reporting, there were no commitments financial or otherwise committed or consented by the Directors against the Company, the Subsidiary or the Joint Venture.

25. Post Balance Sheet Events

26. Related Party Transactions

Details of significant related party disclosures are as follows :

26.1 Transactions with Key Management Personnel

The key management personnel of the company are the members of its Boards of Directors and that of

	Group 2010 Rs.	Group 2009 Rs.	Company 2010 Rs.	Company 2009 Rs.
a) Key Management Personnel Compensation				
Short - Term Employee Benefits				
Director Remuneration	13,400,140	12,275,251	11,030,140	10,700,001

Other Related Companies includes companies of which the parent companies of key management personnel of the Company, their close family members have significant influence and has the control over such Companies.

Name of Company	**Particulars of Transaction**	**Common Directors**	**C/A Outstanding Balance March 31, 2009**	**March 31, 2008**
Dutch Lanka Engineering (Private) Limited	Sales of Goods amounting to Rs.	Mr. D. Kodikara Mr. B. Molenar	1,979,109	1,979,109
	Expenses Administration & Distribution	Mr. D. F. Caldera	**Debtor/Creditor Outstanding Balance**	
Dutch Lanka Trailers LLC, Salalah-Sultanate of Oman	Sales of Goods amounting to Fund Received & Taken USD132,316,60	Mr. D. Kodikara	**Debtor/Creditor Outstanding Balance** 49,694,519 **Loans outstanding Balance** (24,180,618)	–
TATA International DLT (Pvt.) Ltd India	Sales of Goods amounting to Capital investment USD875,000	Mr. D. Kodikara Mr. B. Molenar	**Debtor/Creditor Outstanding Balance**	

Joint Venture

Export sales to the Joint Venture by the Company

Dutch Lanka Engineering (Private) Limited

ANNUAL REPORT OF THE BOARD
ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Dutch Lanka Engineering (Private) Limited has pleasure in presenting their Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2010.

This Annual Report on the affairs of the Company contains the information required in terms of Section 168 of the Companies Act, No. 7 of 2007 and certain additional information.

General

Dutch Lanka Engineering (Private) Limited is a company which was incorporated under the Companies Act, No.17 of 1982 under the name Dutch Lanka Bowsers (Private) Limited as a limited liability Company on 16th May 1997, changed under its name to the present name on 4th June 2002 and re-registered as per the Companies Act, No.7 of 2007 on 27th August 2008 with P V 7006 as the new number assigned to the Company.

Principal activities of the Company and review of performance during the year

The Company's principal activities, which remained unchanged during the year, were the business of production, manufacture, fabrication, sale and distribution of trailers, bowsers and tippers of all types and descriptions, maintenance and servicing thereof and sale of trailer spare parts.

The Company recorded a sale of 62 units with a market share of approx. 50% with the balance market share being met by three main competitors in the local market.

Presently the Company holds the No.1 position for repairs to and service of trailers with a record of zero complaints for the financial year 2009/10.

During the year the Company embarked on steel fabrication for petroleum related projects in Sri Lanka and completed one such contract with very high rate of satisfaction and completing the entire project as per the schedule.

During the period under review, the financial performance of the Company was as under:

		SLR M
	Year ended 31-03-2010	Year ended 31-03-2009
Net Sales and Service	**191.38**	159.08
Other Income	**5.02**	5.06
Total Income	**196.40**	164.14
Total Expenditure	**-170.77**	-137.78
Profit before Taxation	**25.63**	26.36
Deferred Tax	**1.03**	-0.11
Income Tax	**-9.70**	-9.53
Profit after Taxation	**16.96**	16.72
Retained Profit b/f	**27.81**	11.09
Dividend Paid	**-3.06**	0.00
Retained Profit c/f	**41.71**	27.81

This Report together with the Financial Statements, reflect the state of affairs of the Company.

Business Outlook

The business prospects appear to be improving and the Company expects to achieve its targets this year – both in terms of financial performance as well as growth in market share.

The market survey carried out by the Company identified (revealed) new fields and opportunities which it could exploit to its advantage on its own as also with a leading Commercial Vehicle OEM

With a positive approach, the Company is optimistic that it will be able to enhance its business activity remarkably during the current year.

Financial Statements

The complete Financial Statements of the Company duly signed by Mr. K. C. Girotra and Mr. H. A. C. P. Haturusinghe on behalf of the Board and the Auditors are included in this Annual Report and forms part and parcel hereof.

Auditors' Report

The Report of the Auditors on the Financial Statements of the Company is attached with the Financial Statements.

Accounting Policies

The principal accounting policies adopted by the Company in the preparation of Financial Statements are given in Note 2 of the Financial Statements, which are, unless otherwise stated, consistent with those used in previous period.

Change of Ownership of the holding company

In July 2009, TRF Singapore Pte Ltd, a company incorporated in Singapore and having its Registered Office at 80, Raffles Place, 3325-01, UOB Plaza 1, Singapore 048624, acquired 77,676,137 ordinary shares representing 51% of the Stated Capital of Dutch Lanka Trailer Manufacturers Limited, the holding company of Dutch Lanka Engineering (Private) Limited.

Ownership

The Company continues to be a subsidiary of Dutch Lanka Trailer Manufacturers Limited.

Directors

The Board was reconstituted on 30th July 2009 resulting from the change of ownership of the holding company. The names of the Directors who held office as at the end of the accounting period are :

Mr. Sudhir L. Deoras — Chairman
Mr. Kulbhushan C. Girotra
Mr. Dilip Kodikara
Mr. Ashim Roy
Mr. H. A. C. Prasanna Haturusinghe

The Board was reconstituted as aforesaid consequent to the changes in the directorate / confirmations as noted below :

(i) Messrs Rusi Captain, Bastiaan Molenaar, M A T Raaymakers and Dirk B Flamer Caldera resigned.

(ii) Messrs Sudhir Deoras, Kulbushan C Girotra and Ashim Roy were appointed to the Board as nominees of TRF Singapore Pte Ltd in terms of the Shareholders Agreement of 30th July 2009; such appointments being effective from 30th July 2009.

(iii) Messrs Dilip Kodikara and H. A. C. Prasanna Haturusignhe were nominated as Directors by the 'Sellers' in terms of the said Shareholders Agreement, effective from 30th July 2009,

Interests Register

The Company maintains an Interests Register as stipulated by the Companies Act, No. 7 of 2007.

The names of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period under review are given in Note 23.2 to the Financial Statements.

Directors' Remuneration

The Directors' remuneration is disclosed in Note 23.1 to the Financial Statements on page 13 thereof.

Donations

The donations made during the year amounted to Rs. 171,150/-

Dividends

The Directors recommend a first and final dividend of Rs 2.75 per share for the year under review subject to obtaining a Certificate of Solvency from the Auditors.

As required by Section 56 of the Companies Act, the Directors have certified that the Board is satisfied that the Company will, immediately after the distribution is made, satisfy the solvency test in accordance with the provisions of the Companies Act, No. 7 of 2007.

Auditors

Messrs Amerasekera & Company, Chartered Accountants served as the Auditors of the Company and also provided tax compliance services to the Company during the year under review. The Auditors do not have any interest in the Company or its group companies other than that of Auditor and in the aforesaid capacity as advisors on tax compliance.

A sum of Rs 90,478/- is payable by the Company to the Auditors as Audit for the year under review.

Based on the recommendations of the Audit Committee of the holding company, the Board is recommending to the shareholders, the appointment of Messrs SJMS Associates, Chartered Accountants of No.4 Castle Lane, Colombo 4, the correspondent firm of Deloitte Touche in Sri Lanka as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting in place of the retiring Auditors, Messrs Amerasekera & Company.

Notice of the proposed resolution has been served on the retiring Auditors as required by the Companies Act, No.7 of 2007.

Events occurring after the Balance Sheet date

No material events have taken place after the Balance Sheet date upto of this Report, which require adjustment to the Financial Statements.

This Annual Report is signed for and on behalf of the Board of Directors by

Director **Director**

P W Corporate Secretarial (Pvt) Ltd
Secretaries
May 5, 2010

Dutch Lanka Engineering (Private) Limited - Annual Report of the Board on the affairs of the Company

INDEPENDENT AUDITOR'S REPORT

To The Members of Dutch Lanka Engineering (Private) Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Dutch Lanka Engineering (Private) Limited** which comprise the balance sheet as at March 31, 2010, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes asset out on Pages 02-14.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards, This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

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

4. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

Dutch Lanka Engineering (Private) Limited

5. 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. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

6. In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2010 and the financial statements give a true and fair view of the Company's state of affairs as at March 31, 2010 and its results and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards,

Report on Other Legal and Regulatory Requirements

7. These financial statements also comply with the requirements of Section 151 (2) of the Companies. Act No. 07 of 2007.

CHARTERED ACCOUNTANTS
COLOMBO

BALANCE SHEET AS AT MARCH 31, 2010 *(Expressed in Sri Lankan Rupees)*

	Note		*March 31, 2009*
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	3	21,517,171.64	22,971,652
Deferred Tax Asset		1,069,286.36	433,246
		22,586,458.00	**23,404,898**
Current Assets			
Inventories	4	58,816,999.54	41,451,363
Trade and Other Receivables	5	39,014,169.66	30,393,622
Advances and Deposits	6	2,229,472.81	281,394
Cash and Cash Equivalents	7	103,362.52	255,937
Total Current Assets		**100,164,004.53**	**72,382,316**
Total Assets		**122,750,462.17**	**95,787,214**
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	8	11,500,000.00	11,500,000
Revaluation Reserves		2,900,000.00	2,900,000
Retained Earnings		41,713,357.86	27,817,304
Total Equity		**56,113,357.86**	**42,217,304**
Non - Current Liabilities			
Retirement Benefit Obligations	9	**2,358,308.61**	**1,933,963**
Current Liabilities			
Trade and Other Payables	10	45,231,977.78	34,762,599
Amounts Due to Related Parties	11	1,979,108.62	1,979,109
Advances from Customers		1,960,770.49	478,193

BALANCE SHEET AS AT MARCH 31, 2010 (Cotd.) *(Expressed in Sri Lankan Rupees)*

	Note		*March 31, 2009*
Current Liabilities (Contd.)			
Income Tax Payable		1,502,486.24	5,276,926
Lease Obligations – *Amount Repayable within one Year*	12	–	228,253
VAT Payable		–	1,360,986
Short Term Loans		7,242,000.00	1,683,366
Bank Overdrafts		6,362,452.57	5,866,515
Total Current Liabilities		**64,278,795.70**	**51,635,947**
Total Equity and Liabilities		**122,750,462.17**	**95,787,214**

I Certify that the Financial Statements of the Company comply with the requirements of the Companies Act No 07 of 2007.

Finance Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and Signed for and on behalf of the Board.

Colombo, May 07, 2010 Director Director

INCOME STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Expressed in Sri Lankan Rupees)

	Note		*March 31, 2009*
Revenue	13	191,308,714.75	159,076,196
Cost of Sales	14	(151,003,498.70)	(115,909,646)
Gross Profit		**40,305,216,05**	**43,166,550**
Other Income	15	5,019,196,66	5,058,094
Administrative Expenses	16	(12,942,939.40)	(10,265,551)
Distribution Expenses	17	(5,398,850.23)	(10,043,297)
Finance Cost	18	(1,353,588.61)	(1,552,213)
Profit Before Taxation		**25,629,034.47**	**26,363,583**
Income Tax Expense	19	(8,673,980.90)	(9,640,628)
Profit for the Year		**16,955,053.57**	**16,722,955**
Earnings Per Share (Rs.)	**20**	**14.74**	**14.54**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31. 2010 *(Expressed in Sri Lankan Rupees)*

	Stated Capital	Share Capital	Share Application	Revaluation Reserves	Retained Earnings	Total
Balance as at April 01. 2008	–	**1,150,020.00**	**10,349,980.00**	**2,900,000.00**	**11,094,349.44**	**25,494,349.44**
Transfer to Stated Capital	11,500,000.00	(1,150,020.00)	(10,349,980.00)	–	-	-
Profit for the Year	–	–	–	–	16,722,955.00	16,722,955.00
Balance as at March 31, 2009	**11,500,000.00**	–	–	**2,900,000.00**	**27,871,304.44**	**42,217,304.44**
Profit for the Year	–	–	–	–	16,955,053.57	16,955.053.57
Dividend paid	–	–	–	–	(3,059,000.00)	(3,059,000.00)
Balance as at March 31, 2010	**11,500,000.00**	–	–	**2,900,000.00**	**41,713,358.01**	**56,113,358.01**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(Expressed in Sri Lankan Rupees)

		March 31, 2009
Cash Flows from Operating Activities		
Profit Before Taxation	25,629,034.47	26,363,583
Adjustments for :		
Depreciation	2,836,354.14	1,900,114
Lease Interest	22,664.39	24,325
Provision for Gratuity (Net - Over Provision)	424,345.61	(99,912)
Provision for Bad Debts	1,523,090.01	3,894,645
Loan Interest	802,398.43	467,773
Operating Profit Before Working Capital Changes	**31,237,887.05**	**32,550,528**
Working Capital Changes		
Inventories	(17,365,636.54)	478,114
Trade and Other Receivables	(12,515,193.59)	(7,660,234)
Advances and Deposits	(1,948,078.81)	237,609
Value Added Tax	(1,360,986.00)	1,350,515
Trade and Other Payables	16,028,012.78	(15,361,226)
Advances from Customers	1,482,577.49	(62,097)
Cash Generated from Operations	**15,558,552.38**	**11,533,208**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010 (Contd.)

(Expressed in Sri Lankan Rupees)

		March 31, 2009
Gratuity Paid	(253,000.00)	(8,794,718)
Income Tax / ESC / WHT Paid	(7,003,290.58)	–
Dividend Paid	(3,059,000.00)	–
Interest Paid	(802,398.43)	(467.773)
Net Cash Flows from Operating Activities	**4,440,893.37**	**2,270,717**
Cash Flows from Investing Activities		
Purchase of Property. Plant and Equipment	(4,632,494.20)	(4,836,955)
Net Cash used in Investing Activities	**(4,632,494.20)**	**(4,836,955)**
Cash Flows from Financing Activities		
Lease Rentals Paid	(250,917.39)	(309,958)
Net Cash used in Financing Activities	**(250,917.39)**	**(309,958)**
Net Change in Cash and Cash Equivalents During the Year	**(442,518.22)**	**(2,876,196)**
Cash and Cash Equivalents at Beginning of the Year	(5,610,578.00)	(2,734,382)
Cash and Cash Equivalents at End of the Year	**(6,259,090.05)**	**(5,610,578)**
Cash and Cash Equivalents at End of the Year Represent By :	*March 31, 2010*	*March 31, 2009*
Cash in hand	103,362.52	255,936
Bank Overdrafts	(6,362,452.57)	(5,866,514)
	(6,259,090.05)	**(5,610,578)**

Dutch Lanka Engineering (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

1 CORPORATE INFORMATION

1.1 General

Dutch Lanka Engineering (Private) Limited is a Private Limited Liability Company incorporated and domiciled in Sri Lanka. The registered office of the company and the principle place of business are located at No. 32, Wijayarama Road, Gonawala , Kelaniya.

The company's main business is Repair and Maintenance of all type of Trailers.

1.2 Number of Employees

The number of employees at end of the year was 113 (2009 - 97)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General Policies

2.1.1 Accounting Convention

The Financial Statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles and the Accounting Standards (SLAS) issued by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting and Auditing Standards Act No 15 of 1995. These principles and standards have been applied consistently in the previous year.

No adjustments are made for inflationary factors affecting these Financial Statements.

2.1.2 Taxation

a) **Current Taxation**

Provision for Taxation is based on the profit for the year adjusted in accordance with the Inland Revenue Act No, 10 of 2006 and amendments thereto,

b) **Deferred Taxation**

Deferred Taxation is provided on the liability method. The Tax effect of all timing differences that occur where items are allowed for income tax purposes in a period different from that when are recognized in Financial Statements is included in the provisions for deferred taxation, at current rate of taxation.

2.1.3 Post Balance Sheet Events

All material events occurring after the Balance Sheet date have been considered and where necessary, adjustments have been made in the Financial Statements.

As per the revised standard, lease hold lands which were hitherto classified under Property. Plant and Equipment was reclassified as prepayments and was accounted as a part of other assets.

2.2 ASSETS & BASES OF VALUATION

2.2.1 Property, Plant & Equipment (PPE)

The Property, Planl & Equipment are recorded at cost or valuation less accumulated depreciation which is provided for on the bases specified below.

Depreciation

Depreciation is on the straight line basis over the estimated useful lives as follows;

Buildings	-	5% per annum
Tools and Equipment	-	25% per annum
Office Equipment & Furniture	-	20% per annum
Motor Vehicles	-	25% per annum
Plant & Machinery	-	25% per annum
Computer Equipment	-	20% per annum

As per the revised SLAS 18, Depreciation is provided on a pro-rata basis on the assets purchased / disposed during the Year.

2.2.2 Inventories

Inventories are valued at either cost or estimated realizable value. Realizable value is the price at which inventories can be sold in the normal course of business after allowing for cost of realization and or cost of conversion from their existing state to saleable condition.

2.2.3 Receivables

Loans, advances and other receivables are stated in the Balance Sheet as the amounts estimated to realize.

2.2.4 Cash and Cash Equivalents

For the purpose of Cash Flow Statements, Cash and Cash Equivalents consist of cash in hand and deposits at bank, net of outstanding Bank Overdraft. Short term cash investments where maturity falls less than one year are also treated as Cash Equivalents.

2.3 LIABILITIES AND PROVISIONS

2.3.1 Liabilities

All material Liabilities as at the Balance Sheet date have been included in the Accounts and adequate provision has been made for liabilities which are known to exist, but the amount of which cannot be determined accurately.

2.3.2 Retirement Benefit Obligations

The cost of defined benefit plans - Gratuity is determined using actuarial valuations. The Group Measures the present value of the promised retirement benefits for gratuity, which is a defined benefit plan with the advice of an independent professional actuary at the end of every financial year using the Projected Unit Credit Method (PUC) as required by Sri Lanka Accounting Standards No. 16, Employee Benefits (Revised 2006).

The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertain. All assumptions are reviewed at each reporting date.

2.3.3 The item is stated under Retirement Benefit Liability in the Balance Sheet.

Employees are eligible for Employees' Provident Fund and Employees' Trust Fund Contributions in line with respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively

2.4 INCOME STATEMENT

Revenue Recognition

"Revenue" principally is recognized on accrual basis in terms of Sri Lanka Accounting Standard No. 29.

3. PROPERTY, PLANT AND EQUIPMENT

(Expressed in Sri Lankan Rupees)

Cost / Valuation	Land	Buildings	Motor Vehicles	Fork Lifts	Tools & Equipment	Plant & Machinery	Office Equ. & Furniture	Computers	Electrical Installations	Total
Balance as at April 01, 2009	**14,400,000.00**	**1,823,061.58**	**6,485,360.90**	**–**	**2,743,759.48**	**1,369,093.48**	**383,986.46**	**435,819.00**	**2,550.00**	**27,643,630.90**
Additions During the Year	–	–	307,759.00	2,728,794.62	104,200.00	1,105,500.00	165,360.58	220,880.00	–	4,632,494.20
Disposal During the Year	–	–	(3,858,015.40)	–	–	–	–	–	–	(3,858,015.40)
Balance as at March 31,2010	**14,400,000.00**	**1,823,061.58**	**2,935,104.50**	**2,728,794.62**	**2,847,959.48**	**2,474,593.48**	**549,347.04**	**656,699.00**	**2,550.00**	**28,418,109.70**
Depreciation	**Land**	**Buildings**	**Motor Vehicles**		**Tools & Equipment**	**Plant & Machinery**	**Office Equ. & Furniture**	**Computers**	**Electrical Installations**	**Total**
Balance as at April 01, 2009	**–**	**241,637.69**	**2,198,737.61**	**–**	**1,367,102.77**	**603,780.56**	**170,365.72**	**89,260.99**	**1,094.40**	**4,671,979.74**
Charge for the Year	–	91,153.08	1,011,775.83	456,045.13	700,868.28	375,143.21	83,816.65	117,041.96	510.00	2,836,354.14
Depreciation on Disposal	–	–	(607,395.82)	–	–	–	–	–	–	(607,395.82)
Balance as at March 31,2010	**–**	**332,790.77**	**2,603,117.62**	**456,045.13**	**2,067,971.05**	**978,923.77**	**254,182.37**	**206,302.95**	**1,604.40**	**6,900,938.06**
Net Book Value as at March 31, 2010	**14,400,000.00**	**1,490,270.81**	**331,986.88**	**2,272,749.49**	**779,988.43**	**1,495,669.71**	**295,164.67**	**450,369.05**	**945.60**	**21,517,171.64**
Net Book Value as at March 31, 2009	**14,400,000.00**	**1,581,423.89**	**4,286,623.29**	**–**	**1,376,656.71**	**765,312.92**	**231,620.74**	**346,558.01**	**1,455.60**	**22,971,651.16**

Dutch Lanka Engineering (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

		(Expressed in Sri Lankan Rupees)	March 31, 2009
4	**Inventories**		
	Raw Materials	54,452,753.07	38,098,649
	Raw Materials - Prime Mover	51,832.00	212,452
	Work-in-Progress	4,312,414.47	3,140,262
		58,816,999.54	**41,451,363**
5	**Trade and Other Receivables**		
	Trade Receivables	44,842,217.67	34,698,580
	Bad Debtors Provision	(5,828,048.01)	(4,304,958)
		39,014,169.66	**30,393,622**
6	**Advances and Deposits**		
	Advances & Deposits	2,229,472.81	281,394
		2,229,472.81	**281,394**
7	**Cash and Cash Equivalents**		
	Cash in Hand	103,362.52	255,937
		103,362.52	**255,937**
8	**Stated Capital**		
	Issued and Fully Paid		
	1,150,000 Ordinary Shares	11,500,000.00	11,500,000
		11,500,000.00	**11,500,000**
9	**Retirement Benefit Obligations**		
	Balance as at April 01, 2009	**1,933,962.61**	**2,033,875**
	Provision for the Year	315,942.00	312,505
	Previous Year under Provision (Gain)/Loss	13,291.00	(778,515)
	Interest Charge for the Year	348,113.00	366,097
	Payments Made During the Year	(253,000.00)	–
	Balance as at March 31, 2010	**2,358,308.61**	**1,933,962**
10	**Trade and Other Payables**		
	Trade Payables	43,005,967.58	33,989,787
	Other Payables	2,151,010.20	682,812
	Audit Fees Payable	75,000.00	90,000
		45,231,977.78	**34,762,599**
11	**Amount Due to Related Parties**		
	Dutch Lanka Trailer Manufacturers Limited	1,979,108.62	1,979,109
		1,979,108.62	**1,979,109**
12	**Lease Obligations**		
	Amount Repayable within one Year		
	Lease Liability	–	237,833
	Interest in Suspense	–	(9,580)
		–	**228,253**
13	**Revenue**		
	Manufacturers		
	Local Sales	91,550,226.88	45,201,309
	Income from Repair & Spare Parts		
	Spare Parts Sales	39,067,202.54	39,781,964
	Repair Income	50,018,929.96	59,909,594
	General Services Income	15,342,998.37	14,183,329
	NBT Expenses	(4,670,643.00)	–
		191,308,714.75	**159,076,196**
14	**Cost of Sales**		
	Raw Materials		
	Raw Materials as at April 01, 2009	38,311,100.78	38,541,306
	Raw Material Purchases	142,022,135.20	91,308,166
	Raw Materials as at March 31, 2010	(54,504,585.07)	(38,311,101)
	Cost of Raw Materials Consumed	**125,828,650.91**	**91,538,371**
	Direct Labour Charges		
	Factory Wages - Basic (EPF/ETF)	13,062,188.56	12,354,835
	EPF- Factory	965,991.55	846,009
	ETF - Factory	241,497.87	211,517
	Bonus - Factory	563,008.35	956,854
	Gratuity - Factory	263,541.51	(330,437)
	Casual Wages	80,275.00	53,425
		141,005,155.75	**105,630,574**

		(Expressed in Sri Lankan Rupees)	March 31, 2009
14	**Cost of Sales (Cont.d)**		
	Factory Overheads		
	Building Maintenance	51,054.00	154,100
	Electricity Charges	1,269,385.30	1,019,912
	Fork Lift Running Expenses	5,760.00	87,978
	Fork Lift Hire Expenses	586,200.00	987,150
	Machine Maintenance	18,890.00	127,512
	SAGT Expenses	554,131.00	454,788
	Transport	540,226.97	641,390
	Tyre Fitting Expenses	26,950.00	124,671
	Sand blasting Cost	152,000.00	–
	Factory Maintenance	1,678,492.65	1,508,664
	Water Expenses	140,824.60	102,011
	Factory Welfare	628,172.59	506,528
	Depreciation	2,119,409.86	1,408,874
	Crane Hire Charges	24,000.00	109,000
	Plant Hire Charges	–	13,600
	Yard Lease Rent	3,375,000.00	3,075,000
	Permit Charges	–	17,575
		11,170,496.97	**10,338,753**
		152,175,650.72	**115,969,327**
	Work-in-Progress as at April 01, 2009	3,140,262.43	3,080,580
	Work-in-Progress as at March 31, 2010	(4,312,414.47)	(3,140,262)
		151,003,498.70	**115,909,645**
	Finished Goods as at April 01, 2009	–	–
	Finished Goods as at March 31, 2010	–	–
	Total Cost of Sales	**151,003,498.70**	**115,909,645**
15	**Other Income**		
	Inter Company Income - Repair	–	12,391
	Sundry Income	5,019,196.66	5,045,703
		5,019,196.66	**5,058,094**
16	**Administrative Expenses**		
	Security Charges	671,789.77	623,029
	Advertising38,380.00	33,090	
	Maintenance of Office Equipment	58,891.45	48,200
	Printing & Stationary	460,437.80	435,030
	Postage	14,790.44	3,338
	Insurance	50,703.65	86,720
	Staff Welfare	293,446.26	26,250
	Management Fees	975,000.00	975,000
	Salaries - Administration	6,598,281.04	5,496,656
	EPF - Staff	661,395.20	633,925
	ETF - Staff	165,348.77	158,481
	Bonus - Staff	513,163.33	435,591
	Gratuity - Staff	52,400.88	(135,572)
	Gratuity Actuarial Loss	13,291.00	–
	Gratuity Interest	348,113.00	366,098
	Donation	171,150.00	36,100
	Telephone & Faxes	548,376.34	460,083
	Depreciation	357,389.57	245,620
	Survey, Valuation Legal	35,540.75	43,100
	Maintenance of Computer	5,296.00	34,833
	Audit & Secretarial Work	90,478.00	132,875
	Currency Gain Loss	146,230.20	–
	Bank Charges	112,225.08	37,274
	Staff Training	–	89,830
	Disposal of Fixed Assets	560,820.87	–
		12,942,393.40	**10,265,551**
17	**Distribution Expenses**		
	Travelling Expenses	79,708.09	1,591,504
	Commission	1,390,937.29	1,131,953
	Foreign Client Expenses	–	91,860
	Staff Salaries	–	739,200
	EPF - Selling	–	88,704

Dutch Lanka Engineering (Private) Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010

(Expressed in Sri Lankan Rupees)

			March 31, 2009
17	**Distribution Expenses (Contd.)**		
	ETF - Selling	–	22,176
	Foreign Travel Expenses	53,786.56	–
	Vehicle Running Expenses	1,328,244.10	1,847,115
	Prime Mover Run	–	67,710
	Depreciation	357,389.43	245,620
	RMV Expenses	507,380.00	138,000
	Custom Expenses	1,630.00	13,000
	Gift Expenses	156,685.00	171,810
	Bad Debt Provision	1.523,089.76	3,894,645
		5,398,850.23	**10,043,297**
18	**Finance Cost**		
	Debit Tax Charges	203,511.46	178,090
	Overdrafts Interest	325,014.35	882,025
	Loan Interest -Term Loan &. Import Loan	802,398.43	467,773
	Lease Interest	22,664.39	24,325
		1,353,588.61	**1,552,213**

19 Income Tax Expense

Provision for Taxation is based on the profit for the year, adjusted in accordance with the Inland Revenue Act No. 10 of 2006 and amended there to.

Current Income Tax			
Current Tax Expense on Ordinary Activities for the Year	**(Note 19.1)**	9,703,711.11	9,526,832
Deferred Income Tax			
Deferred Taxation (Asset)	**(Note 19.2)**	(1,029,730.21)	113,796
		8,673,980.90	**9,640,628**

19.1 A Reconciliation between Tax Expense and the Product of Accounting Profit *Multiplied by the Statutory Tax Rate is as follows :*

Accounting Profit Before Tax from Continuing Operations	25,629,034.47	26,363,583
Accounting Profit before Income Tax	**25,629,034.47**	**26,363,583**
Income Exempt from Tax	–	2,201,344
Non Deductible Expenses	3,628,227.00	(1,747,665)
Others	(1,942,100.00)	–
Taxable Income	**27,315,161.47**	**26,817,262**
At the Effective Income Tax Rate of 35% (2009 : 35%)		
Income Tax Expense	9,560,306.51	9,386,042
Social Responsibility Levy	143,404.60	140,790
Income Tax Expense Reported in the Income Statement	**9,703,711.11**	**9,526,832**

19.2 Deferred Tax Expense /(Income) arising Due to Origination and Reversal of Timing Differences

Deferred Tax Expense /(Income) arising Due to Origination and Reversal of Timing Differences	(1,029,730.21)	113,796
	(1,029,730.21)	**113,796**

20 Basic Earnings Per Share

The Basic Earnings Per Share is calculated by dividing the Profit / (Loss) Attributable to Ordinary Shareholders by the Weighted Average Number of Ordinary Shares in issue during the Year.

Profit Attributable to Ordinary Shareholders (Rs.)	16,955,053,57	16,722,955
Weighted Average Number of Ordinary Shares (Nos.)	1,150,000	1,150,000
Earnings Per Share (Rs.)	**14.74**	**14.54**

21 Contingent Liabilities

There are no known liabilities in the company and its subsidiary contingent or otherwise as at the Balance Sheet date that may require disclosure.

22 Commitments

As at the date of reporting, there were no commitments financial or otherwise committed or consented by the directors against the company or the subsidiary.

23 Related Party Transactions

Details of significant related party disclosures are as follows:

23.1 Transactions with Key Management Personnel

The key management personnel of the Company are the members of its Board of Directors and that of its related entities

	March 31, 2010	*March 31, 2009*
a) Key Management Personnel Compensation		
Short - Term Employee Benefits		
- Directors Remuneration	2,754,034.00	2,370,000,00

23.2 Transaction with the parent and related entities

Other Related Companies includes Companies of which the parent companies or key management personal of the Company, their close family members have significant influence and has the control over such Companies.

Company Name	Common Directors	Nature of Transaction	C/A Outstanding Balance *March 31, 2010*	C/A Outstanding Balance *March 31, 2009*
Duch Lanka Trailer Manufactures Ltd	Mr. Sudhir Deoras Mr. Kulbhushan C. Girotra Mr. Ashim Roy Mr. Dilip Kodikara	Purchase of Goods & Services amounting to Rs. 13,641,917.38	1,979,108.62	1,979,109
			Credit Outstanding Balance *March 31, 2010*	**Credit Outstanding Balance** *March 31, 2009*
		Expenses Administration Distribution Rs. 24,004,788,81	24,004,788.81	23,471,798
		Fund Received & Taken Rs. 50,472,2		
		Dividend Paid Rs. 2,753,095.21		

24 Post Balance Sheet Events

Subsequent to the date of the Balance Sheet no circumstances have arisen which would require adjustments to or disclosure in the Financial Statements.

Tata International DLT Pvt. Limited

DIRECTORS' REPORT

Your Directors are pleased to present the Fourth Annual Report of your Company for the Financial Year ended on 31st March, 2010.

1. FINANCIAL RESULTS

Rs. in Lakhs

Particulars	2009-10	2008-09
Turnover (net of stock transfer)	7690.20	4808.96
Profit / (Loss) before Depreciation and Tax	410.06	(292.89)
Profit / (Loss) for the year after Tax & Depreciation	244.83	(246.81)
Profits brought forward	(138.85)	107.96
Profits available for Appropriation	105.98	(138.85)
Transfer to General Reserve	105.98	–
Surplus Carried Forward to Balance Sheet	–	(138.85)

2. OPERATIONS

The Company sold 1379 trailers during 2009-10 with a turnover (net of excise) of Rs. 7690.20 lakhs compared to sale of 873 trailers and a turnover of Rs. 4808.96 in the previous year.

3. NEW PRODUCTS

During the year, the Company initiated research and experiments on a range of new products like Agricultural Trolleys, Special Low Bed Trolleys, Running Gears for Tanker Trailers, etc. The Company has already commenced commercial production of these products and are being received very well in the market. During the current year, the Company has started building Dealers' network to reach the markets for these new products especially for Agricultural Trolleys.

4. DIVIDEND

In view of the expansion of the production capacity, no dividend is proposed for the year 2009-10.

5. DEPOSITS

The Company has not accepted any deposits from the members of the public as defined in section 58A of the Companies Act, 1956.

6. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The provisions relating to energy conversation and technology absorption have been adhered to the extent applicable to the Company.

7. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings in Foreign Currency:	
Export of Goods (FOB)	NIL
Expenditure in Foreign Currency:	Rs. 78,975/-
Import of Raw Materials and Components	Rs. NIL
Import of accessories, stores & Parts of Trailer	Rs. 18,18,73,415/-

8. DIRECTORS

Mr. Bas A. Molenaar and Mr. Sohli Captain resigned as Directors of the Company with effect from 13th October.

The Board places on record its appreciation of the services rendered by Mr. Bas Molenaar and Mr. Sohli Captain during their tenure as Directors of the Company.

Mr. Sudhir Deoras and Mr K.C. Girotra were appointed as additional Directors of the Company with effect from 13th October 2009 and being eligible have offered themselves for appointment as Directors of the Company in the forthcoming Annual General Meeting.

9. AUDITORS

M/s. G. N. Joshi Associates, Chartered Accountants, the Auditors of the Company retire at the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment. Members are requested to re-appoint them as Auditors of the Company to hold the office from the conclusion of the forthcoming Annual General Meeting till the conclusion of the next Annual General Meeting.

10. PARTICULARS OF EMPLOYEES

There were no employees in the Company during the year falling under the provisions of Section 217(2A) of the Companies Act, 1956.

11. DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of the amended Section 217 of the Companies (Amendment) Act, 2000, the Board of Directors of the Company confirms:

(a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.

(b) That the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the Profit and Loss account of the Company for the year ended on that date.

(c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.

(d) That the annual accounts have been prepared on a going concern basis.

12. ACKNOWLEDGMENTS

Your Board of Directors are grateful to the Company's Bankers, Government Authorities, Customers, Suppliers, the Shareholders and Business Associates for their continued and valued support. The Directors also wish to place on record their appreciation to Company's personnel at all levels for the contribution made by them towards the working of your company.

By Order of the Board of Directors,
For TATA International DLT Private Limited

	Sd/-	Sd/-
Date : 11th May 2010	(O. K. Kaul)	(K. C. Girotra)
Place : Mumbai	Director	Director

AUDITOR'S REPORT

TO,
THE MEMBERS
M/s TATA INTERNATIONAL DLT PRIVATE LIMITED
MUMBAI.

1. We have audited the attached Balance Sheet of **TATA INTERNATIONAL DLT PRIVATE LIMITED,** as at **31st March, 2010** and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date 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 auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amended) Order 2004 (together the order'), issued by the central Government of India in terms of section 227(4A) of the Companies Act, 1956. We enclose in the Annexure a statement on the matters specified on the matters specified in the paragraphs 4 and 5 of the said Order.

4 Further to our comments in the Annexure referred to in paragraph (1) above

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

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

c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;

d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

e) On the basis of the written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on March 31, 2010 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes on 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:

i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

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

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

For G. N. JOSHI ASSOCIATES
CHARTERED ACCOUNTANTS

G. N. JOSHI
(PROPRIETOR)

Place : Mumbai — Membership No. 2373
Date : 30/04/2010 — Firm Registration No. 104371W

ANNEXURE TO THE AUDITOR'S REPORT

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

As required by the Company (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the "Order"), issued by the Central Government of lndia in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, in our opinion, and on the basis of such checks of the books and the records as we considered appropriate and according to the information and explanation given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that-

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) A substantial portion of the fixed assets has been physically verified by ifie management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.

(c) No Fixed assets are disposed off during the year.

(ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of ihe Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt wiih in the books of account.

(iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub - clause (b), (c) and (d) are not applicable.

(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub clause (f) and (g) are not applicable.

Tata International DLT Pvt. Limited

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. ***However, the internal control system in respect of inventory and its movement within the factory and with the vendor for processing needs to be strengthened.***

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.

(b) In our opinion, and according to the information given to us, these transactions made in pursuance of such contracts and arrangements have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from public to which the provisions of Sections 58A. 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.

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

(viii) As explained to us, the Company is not required to maintain cost records under Section 209(1)(d) of the Companies Act, 1956.

(ix) (a) According to the records of the Company and as per the information and explanations given to us, the Company generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2010 for a period of more than six months from the date on which they became payable. Except Custom duty of Rs. 22.81 lacs (Including Anti-dumping duty of Rs. 4.37 lacs).

(b) According to the information and explanation given to us there were no amounts outstanding on account of any dispute on account of any taxes, duty or cess as on 31st March, 2010.

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and has incurred cash losses during the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or banks.

(xii) Based on our examination of the records and 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 other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.

(xv) In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.

(xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.

(xix) The Company has not issued any debentures during the financial year and therefore the question of creating securities or charge in respect thereof does not arise.

(xx) The Company has not made any public issue and therefore the question of disclosing the end use of money does not arise.

(xxi) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For G. N. JOSHI ASSOCIATES
CHARTERED ACCOUTANTS

G. N. JOSHI
(PROPRIETOR)
Membership No. 2373
Firm Registration No. 104371W

Place : Mumbai
Date : 30/04/2010

BALANCE SHEET AS AT 31st MARCH, 2010 (Amount in Rupees)

SOURCES OF FUNDS	**Schedule**	**31/03/2010**		**31/03/2009**	
SHAREHOLDERS' FUNDS					
Share Capital	A	106,800,000.00		106,800,000.00	
Reserve & Surplus	B	10,598,047.22	117,398,047.22	–	106,800,000.00
Share Application Money			45,016,000.00	–	–
LOAN FUNDS					
Secured	C	55,862,240.20		100,887,680.00	
Unsecured Loan From Tata International Limited		9,492,000.00		40,000,000.00	
Unsecured Loan From Tata Capital Limited		30,000,000.00	95,354,240.20		140,887,680.00
TOTAL FUNDS EMPLOYED			257,768,287.42		247,687,680.00
APPLICATION OF FUNDS					
FIXED ASSETS	D				
Gross Block		135,423,868.42		128,863,442.42	
Less : Depreciation		14,172,293.23		9,082,222.45	
Net Block			121,251,575.19		119,781,219.97
DEFFERED TAX		1,196,122.00	1,196,122.00	10,029,585.00	10,029,585.00
CURRENT ASSETS, LOANS AND ADVANCES	E				
Inventories		207,362,680.62		147,001,722.26	
Sundry Debtors		34,919,771.15		59,641,309.27	
Cash and Bank Balances		1,579,495.79		11,273,840.88	
Loans & Advances		46,542,718.16		43,824,244.96	
Deposits		6,752,500.00	297,157,165.72	7,526,400.00	269,267,517.36
Less : CURRENT LIABILITIES AND PROVISIONS	F				
Current Liabilities		156,860,026.03		153,993,317.65	
Provisions		5,865,117.46	162,725,143.49	12,515,418.46	166,508,736.11
NET CURRENT ASSETS			134,432,022.23		102,758,781.25
PROFIT AND LOSS ACCOUNT	B		–		13,884,468.79
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	G	888,568.00	888,568.00	1,233,625.00	1,233,625.00
SIGNIFICANT ACCOUNTING POLICIES	J				
NOTES FORMING PART OF ACCOUNTS AND ADDITIONAL INFORMATION	K				
TOTAL ASSETS			257,768,287.42		247,687,680.00

As per Report of even date, attached
For G. N. JOSHI ASSOCIATES
Chartered Accountants
G. N. JOSHI
(PROPRIETOR)
Membership No. 2373
Firm Registration No. 104371W
Mumbai, 30/04/2010

For and on behalf of the Board of Directors,
Opendra K. Kaul, Director
Ajay M. Ponkshe, Director
K. C. Girotra, Director

Tata International DLT Pvt. Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010 (Amount in Rupees)

		for the year ended			
INCOME	**Schedule**	**31/03/2010**		**31/03/2009**	
Gross Sales		834,735,459.08		547,223,860	
Less : Excise Duty		65,715,733.99		66,327,696	
Net Sales			769,019,725.09		480,896,164.04
Other Income	H		15,901,965.91		300,204.10
			784,921,691.00		481,196,368.14
EXPENDITURE					
Operating and Other Expenses	I	724,149,983.63		475,370,487	
Interest		15,441,857.94		16,378,505	
Exchange Loss		4,323,799.50		18,914,363	
Depreciation		5,090,070.92	749,005,711.99	4,226,984.13	514,890,338.92
PROFIT/(LOSS) BEFORE TAXES			35,915,979.01		(33,693,970.78)
Less : Indian Taxes on Income					
Current tax		2,600,000.00		–	
Deffered tax		8,833,463.00		(9,483,239)	
Fringe Benefit tax		–	11,433,463.00	470,000	(9,013,239.00)
PROFIT/(LOSS) AFTER TAXES			24,482,516,01		(24,680,731.78)
Balance brought forward from Previous year			(13,884,468.79)		10,796,262.99
BALANCE CARRIED TO BALANCE SHEET			10,596,047.22		(13,884,468.79)
EARNINGS PER SHARE - BASIC (Rs.)			229		(178)
SIGNIFICANT ACCOUNTING POLICIES	J				
NOTES FORMING PART OF ACCOUNTS AND ADDITIONAL INFORMATION	K				

As per Report of even date, attached

For G. N. JOSHI ASSOCIATES
Chartered Accountants
G. N. JOSHI
(PROPRIETOR)
Membership No. 2373
Firm Registration No. 104371W
Mumbai, 30/04/2010

For and on behalf of the Board of Directors
Opendra K. Kaul, Director
Ajay M. Ponkshe, Director
K. C. Girotra, Director

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

	31/03/2010		**31/03/2009**	
SCHEDULE A				
SHARE CAPITAL				
Authorised				
2,50,000 (Prev. years 2,50,000) Equity Shares of Rs. 1,000 each		25,00,00,000.00		25,00,00,000.00
Issued and Subscribed				
1,06,800 (Prev. Year 26,800) Equity Shares of Rs. 1,000 each		10,68,00,000.00		10,68,00,000.00
Called-up and Paid-up				
1,06,800 (Prev. Year 26,800) Equity Shares of Rs. 1,000 each		10,68,00,000.00		10,68,00,000.00
SCHEDULE B				
RESERVES AND SURPLUS				
Profit and loss account				
As per last Balance Sheet	(1,38,84,468.79)		1,07,96,262.99	
Add : Appropriation from the Profit and Loss Account for the year				
Transfered during the current year	2,44,82,516.01		(2,46,80,731.78)	
		1,05,98,047.22		(1,38,84,468.79)
SCHEDULE C				
SECURED LOANS				
SHORT-TERM From Bank	1,00,00,000.00		10,08,87,680.00	
(Secured by hypothecation of all the slocks, receivables and Fixed Assets present and future)				
Buyer Credit Loan	4,58,62,240.20		–	
		5,58,62,240.20		10,08,87,680.00

Tata International DLT Pvt. Limited

SCHEDULE D (Amount in Rupees.)

FIXED ASSETS

		cost as at 01/04/2009	Additions for the year	Deduction for the year	Gross Block as at 31/03/2010	Depreciation Upto 31/03/2009	Depreciation for the year	Depreciation Adjust-ments	Depreciation Upto 31/03/2010	Net Block as at 31/03/2010	Net Block as at 31/03/2009
1)	Tangible Assets :										
	Land (Waki)	10,00,25,612.00	–	–	10,00,25,612.00	–	–	–	–	10,00,25,612.00	10,00,25,612.00
	Leasehold Improvement	27,77,381.15	5,68,945.00	–	33,46,326.15	14,21,426.70	3,91,792.09	–	18.13,218.79	15,33,107.36	13,55,954.45
	Vehicle	2,98,538.00	–	–	2,98,538.00	1,02,459.39	50,764.74	–	1,53,224.13	1,45,313.87	1,96,078.61
	Plant and Machinery	1,95,30,745.11	23,25,386.19	–	2,18,56,131.09	60,88,082.80	38,84,782.04	–	99,72,864.84	1,18,83,266.25	1,34,42,662.31
	Furniture and Fixtures	10,77,602.69	7,27,059.50	–	18,04,662.19	3,49,644.29	2,07,783.40	–	5,57,427.69	12,47,234.50	7,27,958.40
	Office and Other Equipments...	2,58,197.91	2,35,571.00	–	4,93,768.68	84,952.94	57,055.40	–	1,42,008.33	3,51,760.35	1,73,244.98
	Air Conditioners	2,82,741.99	1,52,298.25	–	4,35,040.65	44,844,38	44,873.73	–	89,718.11	3,45,322.54	2,37,897.61
	Electrical Installation	18,49,009.00	10,86,584.00	–	29,35,593.04	4,86,026.95	1,92,075.35	–	6,78,102.30	22,57,490.74	13,62,982.05
	Computers	6,12,352.51	1,18,040.56	–	7,30,393.25	3,10,045.32	1,47,868.29	–	4,57,913.61	2,72,479.64	3,02,307.19
	Tools	7,02,577.27	2,27,724.50	–	9,30,301.69	1,32,712.60	90,516.57	–	2,23,229.17	7,07,072.52	5,69,864.67
	Tangible Assets **- Total**	**12,74,14,757.63**	**54,41,609.00**	**–**	**13,28,56,366.74**	**90,20,195.37**	**50,67,511.60**	**–**	**1,40,87,706.97**	**11,87,68,659.77**	**11,83,94,562.26**
II)	Intangible Assets :										
	Software	1,10,700.00	8,63,476.58	–	9,74,176.58	62,026.94	22,559.32	–	84,586.26	8,89,590.32	48,673.06
	Intangible Assets **- Total**	**1,10,700.00**	**8,63,476.58**	**–**	**9,74,176.58**	**62,026.94**	**22,559.32**	**–**	**84,586.26**	**8,89,590.32**	**48,673.06**
	Total	**12,75,25,457.63**	**63,05,085.58**	**–**	**13,38,30,543.32**	**90,82,222.31**	**50,90,070.92**	**–**	**1,41,72,293.23**	**11,96,58,250.09**	**11,84,43,235.32**
Ill)	Assets work in progress :										
	Plant & Machinery	2,92,346.29	1,71,966.81	–	4,64,313.10	–	–	–	–	4,64,313.10	2,92,346.29
	Waki Land/Building	10,45,639.00	83,373.00	–	11,29,012.00	–	–	–	–	11,29,012.00	10,45,639.00
	Total	13,37,985.29	2,55,339.81	–	15,93,325.10	–	–	–	–	15,93,325.10	13,37,985.29
Total		**12,88,63,442.92**	**65,60,425.39**	**–**	**13,54,23,868.42**	**90,82,222.31**	**50,90,070.92**	**–**	**1,41,72,293.23**	**12,12,51,575.19**	**11,97,81,220.61**
Previous Year's Figures. 31.03.09		2,00,22,124.01	10,88,41,318.41	–	12,88,63,442.42	48,55,238.33	42,26,984.13	–	90,82,222.45	11,97,81,219.97	1,51,66,885.68

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

(Amount in Rupees)

	31/03/2010	31/03/2010	31/03/2009	31/03/2009
SCHEDULE E				
CURRENT ASSETS, LOANS AND ADVANCES :				
(A) CURRENT ASSETS				
Inventories (As certified by the management)				
Raw Material (including spares & stores)	14,90,59,550.54		10,63,39,007	
Work-in-progress	1,42,23,299.54		2,31,48,761	
Finished Goods	4,40,79,830.54		1,75,13,954	
Total Inventories		20,73,62,680.62		14,70,01,722.26
Sundry Debtors (Unsecured) Considered goods				
Outstanding More than Six Months	43,59,875.81		4,09,26,347	
Others	3,05,59,895.34		1,87,14,962	
		3,49,19,771.15		5,96,41,309.27
Cash and Bank Balances				
Cash on hand	60,521.00		45,013	
Bank Balance With Scheduled Bank	15,18,974.79		1,12,28,828	
		15,79,495.79		1,12,73,840.88
(B) LOANS AND ADVANCES (Unsecured considered good)				
Loans and Advances recoverable either in cash or kind or for value to be received				
i) Advance to Employees	-		-	
ii) Tax & Duties	3,38,10,741.77		4,22,41,657.81	
iii) Advance to Suppliers	1,20,78,289.39		12,37,459.15	
iv) Others	6,53,687.00		3,45,128.00	
		4,65,42,718.16		4,38,24,244.96
Deposits		67,52,500.00		75,26,400.00
		5,32,95,218.16		5,13,50,644.96

Tata International DLT Pvt. Limited

(Amount in Rupees)

	31/03/2010		31/03/2009	
SCHEDULE F				
CURRENT LIABILITIES AND PROVISIONS				
(A) CURRENT LIABILITIES				
Sundry Creditors				
SSI	1,68,92,357.56		19,24,456.66	
Others	13,29,28,836.09		14,66,61,416.48	
Advances from customers	47,297.13		11,63,661.00	
Other Laibilities	64,91,535.25		42,43,783.51	
Distributor Deposit	5,00,000.00		–	
Acceptance	–		–	
		15,68,60,026.03		15,39,93,317.65
(B) PROVISIONS				
Income tax	26,00,000.00		87,00,000.00	
Fringe Benefit Tax	13,644.00		8,70,000.00	
Provision for Employees Benefits	7,37,060.00		4,43,424.00	
Provision for Provident Fund	1,58,468.00		1,34,239.00	
Provision for Others	23,55,945.46		23,67,755.46	
		58,65,117.46		1,25,15,418.46
		16,27,25,143.49		16,65,08,736.11
SCHEDULE G				
MISCELLANEOUS EXPENDITURE	8,88,568.00		12,33,625.00	
(to the extent not written off)				
		8,88,568.00		12,33,625.00
SCHEDULE H				
OTHER INCOME				
Gain on Foreign Exchange	14,831,001.84		–	
Misc. Income	1,070,964.07		3,00,204.10	
		15,901,965.91		3,00,204.10
SCHEDULE I				
OPERATING AND OTHER EXPENSES				
Raw Material Consumed				
Opening Stock	106,339,007.29		27,247,999.12	
Add : Purchases	656,069,628.59		489,477,772.94	
Less : Closing Stock (RM)	149,059,550.54		106,339,007.29	
		613,349,085.34		410,386,764.77
Power & Fuel		47,55,729.00		3,075,169.00
Assembling Charges		24,754,642.66		22,108,175.61
Freight inwards		9,378,677.25		15,025,058.71
Duty Clearing Forwarding and other Charges		23,980,529.09		23,200,220.20
Repairs and Maintenance				
Building	353,535.00		172,862.00	
Machinery	784,766.61		135,912.78	
Others	146,508.62		249,116.65	
		12,84,810.23		557,891.43
Salaries, Wages, Allowance and Bonus	15,702,229.00		11,490,211.50	
Contribution to Superannuation Funds	853,436.00		663,745.00	
Contribution to Provident Funds	915,046.00		643,385.00	
Gratuity	167,322.00		57,146.00	
Staff Welfare Expense	1,376,736.30		390,246.00	
		19,014,769.30		13,244,733.50
Rates and Taxes		2,398,846.29		–
Rent		11,637,924.00		11,987,120.00
Insurance		297,643.00		294,469.47
Auditors' Remuneration				
Audit Fees	100,000.00		100,000.00	
Tax Audit Fees	75,000.00		25,000.00	
Other Services	100,000.00		50,000.00	
		275,000.00		175,000.00
Travelling Expenses		1,565,410.00		1,438,847.00
Conveyance		989,098.63		899,352.00
Sales Expenses		15,641,802.66		1,082,977.33
Miscellaneous Expenses		10,924,171.16		9,310,181.68
Amortisation Expenses		345,058.00		345,058.00
Waranty Charges		1,197,202.13		1,065,994.00
Change in inventory of Work-in-progress/Finished Goods				
Opening Stock	40,662,714.97		1,836,189.07	
Closing Stock WIP & Finished Goods	58,303,130.08		40,662,714.97	
		(17,640,415.11)		(38,826,525.90)
		724,149,983.63		475,370,486.80

Tata International DLT Pvt. Limited

SCHEDULE J

SIGNIFICANT ACCOUNTING POLICIES

1. **Significant Accounting Policies**

a) Basis of Preparation

The financial statements are prepared under the historical cost convention, on an accrual basis, in conformity with the accounting principles, generally accepted in India and in accordance with accounting standards referred to in Section 211(3C) of the Companies Act, 1956.

b) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include accounting for obligations under employee retirement benefit plans, income taxes, and the useful lives of fixed and intangible assets. Actual results could differ from those estimates.

c) Fixed Assets

Fixed Assets are shown at cost less depreciation. The cost comprises purchase price and other attributable expenses incurred up to acquisition and installation.

d) Depreciation on Fixed Assets

Depreciation has been provided for on the written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 except in case of Leasehold improvements which is depreciated over the lease period on straight line method and asset less than Rs. 5000/- has been depreciated 100% in the year purchased.

Capital expenditure incurred on immovable assets within the leasehold premises during the year have been apportioned over the unexpired period of the respective lease as we expect to shift our operation to waki land by that time.

e) Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lesser, are recognised as operating leases. Lease rentals under operating leases are recognized in the profit and loss account on a straight-line basis.

f) Inventories

Inventories are valued at cost or net realisable value; whichever is lower, as certified by Management as to quantity and value.

Cost comprises of cost of purchases, fabrication cost and cost incurred in bringing inventory to it's present location and condition and same is ascertained on weighted average basis.

g) Preliminary & Pre Operative Expenses

Preliminary & Pre Operative Expenses are amortised over the period of five years starting from the year in which company started its activity.

h) Revenue Recognition

Income from sales is recognised on delivery of goods. Sale is shown exclusive of excise duty.

i) Employee Benefits

a. Retirement benefit in the form of Provident Fund / Family Pension Fund and Superannuation Fund, which are defined contribution plans are accounted on accrual basis and charged to Profit & Loss Account of the Year.

b. Liabilities on Account of retirement benefit in the form of Gratuity and Leave encashment, which are defined benefit plans are determined through accrual valuation.

j) Borrowing Costs

Borrowing cost that, are attributed to the acquiring, construction or production of assets are capitalized as part of the cost of such assets. Other borrowing costs have been charged to Profit and Loss Account during the year.

k) Income Tax

Income taxes are computed using the tax effect accounting method in accordance with the Accounting Standard - AS-22" Accounting for Taxes on Income" which includes current taxes and deferred taxes. Deferred Income taxes reflect the impact of current year timing difference between Taxable Income and Accounting Income for the year and the reversal of timing difference of earlier years.

Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liabilities settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted to set off against the deferred taxes.

l) Foreign Currency Transactions

The Company translates all foreign currency transactions at transaction rates. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are restated at year-end rates.

m) Warranty

The warrantee cost is determined based on past experience and estimates and accrued in the year of Sale.

2. In the opinion of the Board, the Current Assets and Loans and Advances have a value of relation in the ordinary course of business at least equal to the amount stated in the Balance Sheet and the provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

3. **Information pursuant to Part II of Schedule VI of the Companies Act, 1956.**

SCHEDULE K

NOTES FORMING PART OF THE ACCOUNT

1. **The increase/(decrease) in the Stocks of Finished Goods and Work-in-Progress**

Particulars	**2009-10 Amounts**	**2008-09 Amounts**
Closing Stock		
Work-in-Progress	14,223,299.54	23,148,760.82
Finished Goods	44,079,830.54	17,513,954.15
Opening Stock		
Work-in-Progress	23,148,760.82	766,764.07
Finished Goods	17,513,954.15	1,069,425.00
	17,640,415.11	39,895,950.90

2. **Quantitative information with regard to the goods manufactured by the Company**

Particulars	**Unit of Measurement**	**Licenced Capacity***	**Installed Capacity**	**Actual Production**
Trailors	No.	2300	2,300	1,354
Others	No.	–	–	24

* As certified by the management and relied upon by the auditors being technical matters

Tata International DLT Pvt. Limited

3. (a) **CIF Value of Imports**

Particulars	2009-10 Amounts	2008-09 Amounts
Raw Materials & Components	0.00	31,803,657.00
Accessories, Stores and Parts of Trailor	181,873,415.00	174,404,064.25
Capital Goods	0.00	0.00
	181,873,415.00	205,207,721.25

(b) **Consumption of Raw Material**

	2009-10 Value	2009-10 Amounts % of Consumption	2008-09 Value	2008-09 Amounts % of Consumption
Imported	171,038,148.61	28%	136,064,331.55	33%
Indigenous	442,310,936.73	72%	274,322,433.22	67%
	613,349,085.34	100%	410,386,764.77	100%

(c) **Consumption of Stores & Spares**

	2009-10 Value	2009-10 Amounts % of Consumption	2008-09 Value	2008-09 Amounts % of Consumption
Imported	0.00	–	0.00	–
Indigeneous		100%		100%
		100%		100%

(d) **Export of goods on FOB basis**

	2009-10 Amounts	2008-09 Amounts
(i) Export of goods calculated on FOB basis	–	670,755.87
	–	670,755.87

(e) **Break-up of Sales**

	Unit of Measurement	2009-10 Quantity	2009-10 Amounts Value (Net of Excise)	2008-09 Quantity	2008-09 Amounts Value (Net of Excise)
Trailors	No.	1379	761,935,249.78	873	475,305,826.43
Trailors Spare Parts					
Lending Legs	No.	0	0.00	0	0.00
Hub Seal	No.	1524	1,271,793.76	209	246,178.27
Equiliser Bush (Rubber)	No.	110	88,255.01	316	197,046.00
Break System	No.	0	0.00	0	0.00
Others	No.	0	2,270,866.64	0	2,717,004.24
Purchase Rejection			0.00		17,355.00
Scrape					
Steel	M.T.	146.401	2,607,532.00	107.63	2,294,131.25
Others			846,027.00		118,622.50
			769,019,725.09		480,896,163.69

(f) **Break-up of Raw Material Consumed**

	Unit of Measurement	2009-10 Quantity	2009-10 Amounts Value	2008-09 Quantity	2008-09 Amounts Value
Trailor Kit	No.			57	29,401,168.25
Steel	M.T.	4433.92	147,722,126.83	3120.04	140,613,389.40
York Axle	No.	3,985	268,556,327.79	840	98,947,392.59
Tyre & Tube	Set	17230	129,333,213.99	8651	61,292,228.63
Others			67,737,416.73		80,132,585.90
			613,349,085.34		410,386,764.77

4. **The Profit for the year is arrived at after taking into account Profit of Rs. 1,05,07,202.34 for exchange difference on remittance/revaluation of foreign currency transactions as under**

Particulars	2009-10 Amounts	2008-09 Amounts
Sales	–	4,572,941.34
Purchases	10,507,202.34	(23,487,303.86)
Others	–	–
Total	10,507,202.34	(18,914,362.52)

5. **Deferred Tax :**
Break up of Major Name of Deferred Tax Assets/Liabilities into major components of the respective balances are as under :

Particulars	2009-10 Amounts	2008-09 Amounts
<u>**Deferred Tax Assets :**</u>		
1. Loss	0.00	93,88,369.00
2. Depreciation (D/l Assets)	5,04,684.00	5,35,841.00
3. Retirement Benefit (As 43 B)	6,91,438.00	1,05,375.00
Total	**11,96,122.00**	**1,00,29,585.00**

Tata International DLT Pvt. Limited

6. a) **The Sundry Creditors include dues to Small Scale industrial and Ancillary Undertakings of Rs. 6105876.92, No intrest has been claimed on the same hence no intrest has been provided. The Identification of the Small Scale Industrial suppliers is based on the management knowledge of their status. This has been relied upon by the Auditors.**

Party Name	Amount
ACE Engineerings & Chemical Pvt. Ltd.	1,66,865.29
Anusaya Auto Press Parts Pvt. Ltd. (Cr.)	24,81,664.69
Deep Tec Forgings Ltd.	1,65,880.00
Jai Jagdamba Precision	2,23,200.00
JAPTECH INDUSTRIES (BHOSARI)	1,39,227.81
MAHESHAWARI STAMPING	2,01,096.00
Phoenix Enterprises	21,32,554.00
Soham Industries	1,63,180.00
Sujali Enterprises	1,70,695.00
Suvama Fibrotech Pvt. Ltd.	2,61,514.13
Total	**61,05,876.92**

b) **As of 31st March 2010 on a/c of Medium Enterprises to whom the amounts outstanding for more than 45 days are due. Total outstanding is Rs. 1045320.86. No interest has been claimed on the same, hence no interest has been provided in the books.**

Party Name	Amount
Bharat Iron Syndicate	8,07,157.00
Kishor Pressing	29,404.86
Sanman Engineers	68,500.00
Shreeji Switchgtear	1,40,259.00
Total	**10,45,320.86**

7. **Retirement benefits :**

a) **Contribution to Defined Contribution Scheames such as Provident Fund are charged to the Profit and Loss Account as Follows :**
Provident Fund = Rs. 9,15,046/-

b) **The Company also provides retirement benefits in the form of gratutity and leave encashement on the basis of valuation, as at the Balance Sheet Date, Carried out by independent Acturies, as per revised AS 15 issued by the Institute of Chartered Accountants of India net Liability as per Acturial Valuation is as follows :**

i) **Gratuity = Rs. NIL**

ii) **Leave Encashment = Rs. 7,37,060/-**

Earnings Per Share (EPS) :	2009-10 Amounts	2008-09 Amounts
Profit / (Loss) after Tax	2,44,82,516	(2,46,80,732)
Weighted Average No. of Equity Shares (Nos)	1,06,800	1,38,400
Nominal Value of Equity Shares	1,000	1,000
Earnings Per Equity Share (Rs.)	229	(178)

(There are no diluted equity shares and hence no working for diluted earning per share)

8. **Warranty cost of Rs. 20.98 lakhs (P.Y. 10.66) provided in the books as on 31-03-2010 and debited during the year Rs. 11.97 lakhs.**

9. **Related Party Transaction**

a) **Related PArties**

i) **Tata International Limited**

ii) **Dutch Lanka Trailers, Srilanka**

iii) **Chairman / Director**

b)

	Chairman	Directors	TIL	DLT
i) Remuneration	0.00	0.00	0.00	0.00
ii) Sitting Fee	0.00	0.00	0.00	0.00
iii) Purchase	0.00	0.00	0.00	11,752,650.00
iv) Sale	0.00	0.00	0.00	0.00
v) Other Services	0.00	0.00	1,063,138.54	424.30
vi) Loan Outstanding	0.00	0.00	9,492,000.00	0.00
vii) Loan Repayment	0.00	0.00	30,508,000.00	0.00
viii) Loan Interest Paid (Gross)	0.00	0.00	4,693,772.00	0.00
ix) Fixed Asset Purchase	0.00	0.00	1,014,794.00	0.00
x) Duty Recovarable	0.00	0.00	0.00	2,718,348.00
xi) Foreign exchange Gain	0.00	0.00	0.00	426,689.53
xii) Share Application Money	0.00	0.00	22,508,000.00	22,508,000.00

10. **AUDITOR'S REMUNERATION**

Payments to the Auditors (Wether as fees, expenses or otherwise for services rendered)

a) As Auditor	100,000.00
b) As advisor, or in any other capacity, in respect of	
i) Taxation matters	75,000.00
ii) Company Law Matter	
iii) Management services	
c) In any other manner (Certification)	100,000.00

11. **OPERATING LEASE**

i) **The Company has taken three Factory Premises on operating lease. The future minimum lease rental payment, as at 31st March, 2010 is Rs. 1,53,07,224.00**

Particulars	(Amount in Rs.) 31st March, 2010	(Amount in Rs.) 31st March, 2009
1) Not later than one year	14,330,724.00	11,637,924.00
2) Later than one year and not later than five years	976,500.00	976,500.00
3) Later than five years	0.00	0.00
	15,307,224.00	**12,614,424.00**

Lease Rent recognised in profit & Loss Account for the period is Rs. 1,16,37,924.00

12. **FOREIGN CURRENCY TRANSACTION**

The Company has remitted in foreign currencies on account of import of Material and Foreign Visit during the year are as follows :

Particulars	31st March, 2010	31st March, 2009
1) Foreign Travel	78,975.00	0.00
2) Remittance against Import	225,728,870.99	143,100,384.800
	225,807,845.99	**143,100,384.88**

Tata International DLT Pvt. Limited

13. Capital Contracts remaining to be excuted Rs. 17.76 Lakhs (P.Y. Rs. 17.76 lakhs)

14. Segment Reporting

The Company has only one reportable segment viz Trailers in terms of Accounting Standard 17 as Segment Reporting. The company mainly operate in domestic market and hence there is no reportable secondary segment.

15. Previous years figures are regrouped whereever necessary to maek it comparable with that of current year.

As per Report of even date, attached
For G. N. JOSHI ASSOCIATES
Chartered Accountants
G. N. JOSHI
(PROPRIETOR)
Membership No. 2373
Firm Registration No. 104371W
Mumbai, 30/04/2010

For and on behalf of the Board of Directors
Opendra K. Kaul, Director
Ajay M. Ponkshe, Director
K. C. Girotra, Director

CASH FLOW STATEMENT (Amount in Rupees)

		for the year ended			
	INCOME	**31/03/2010**		**31/03/2009**	
A	Net Profit Before Tax		35,915,979.01		(33,693,970.78)
	Adjustments for :				
	Depreciation	5,090,070.92		4,226,984.13	
	(Profit)/Loss on Sales of Assets	–		–	
	(Profit)/Loss on Sales of Investments	–		–	
	Provision/write back for Dminution in investments	–		–	
	Interest Income	–		(239,865.00)	
	Interest Charged to Profit and Loss Account	15,441,857.94		16,378,505.47	
	Provision for Leave Encashment	737,060.00		55,909.00	
	Provision for Gratuity	–		38,461.00	
	Miscellaneors Expenditure Amortized	345,058.00		346,058.00	
	Income Tax Paid	5,906,468.00	27,522,514.86	7,643,733.00	28,448,785.60
	Opening Profit before Working Capital Changes		**63,438,493.87**		**(5,245,185.18)**
	Adjustment for :				
	(Increase)/Decrease in A/R	24,721,538.12		19,720,848.69	
	(Increase)/Decrease in Other Current Assets	(8,626,942.96)		(34,187,264.64)	
	(Increase)/Decrease in Deposit	773,900.00		(6,053,380.00)	
	(Increase)/Decrease in Inventory	(60,360,958.36)		(117,917,534.07)	
	Increase/(Decrease) in A/P	2,866,708.38		121,587,532.51	
	Increase/(Decrease) in A/P Provision & Others	(9,987,361.00)		1,844,863.46	
			(50,613,115.83)		15,004,904.05
	Net Cash from Operating Activities		**12,825,378.04**		**(20,250,089.23)**
B	**Extra Ordinary Item**				
	Provision no longer Required	–	–	–	–
C	**Cash Flow from Investing Activities**				
	Purchase of Fixed Assets	(6,560,425.39)		(108,841,318.42)	
	Share issue Expenses	–		(1,130,000.00)	
	Purchase of Investments	–		–	
	Increase in Share capital	–		80,000,000.00	
	Application Money Received	45,016,000.00		–	
	Interest Received	–		239,865.00	
	Divident Received	–		–	
	Net Cash from Investing Activities		**38,455,574.61**		**(29,731,453.42)**
D	**Cash Flow from Financing Activities**				
	Proceeds from Short Term Loans	–		229,387,680.00	
	Repayments of Short Term Loans	(45,025,439.80)		(152,500,000.00)	
	Repayments of Bank overdraft	–		–	
	Repayments of TIL Loan	(30,508,000.00)		–	
	Term Loan from Tata Capital Ltd.	30,000,000.00		–	
	Interest Paid	(15,441,857.94)		(16,378,505.47)	
	Net Cash from Financing Activities		**(60,975,297.74)**		**60,509,174.53**
	Net Increase in Cash and Cash Equivalents (A+B+C+D)		(9,694,345.09)		10,527,631.88
	Cash and Cash Equivalents as on 1st April		11,273,840.88		746,209.00
	Cash and Cash Equivalents as on 31st March	**1,579,495.79**	**1,579,495.79**	**11,273,840.88**	**11,273,840.88**

As per Report of even date, attached
For G. N. JOSHI ASSOCIATES
Chartered Accountants
G. N. JOSHI
(PROPRIETOR)
Membership No. 2373
Firm Registration No. 104371W
Mumbai, 30/04/2010

For and on behalf of the Board of Directors
Opendra K. Kaul, Director
Ajay M. Ponkshe, Director
K. C. Girotra, Director

Dutch Lanka Trailers LLC

AUDITORS' REPORT

We have audited the accompanying balance sheet of M/S Dutch Lanka Trailers LLC as at 31st March' 2010 and the related statements of earnings, cash flows and changes in equity for the year then ended. These financial statements were prepared by the company's management. Our responsibility is to express an opinion on these financial statements based on our audit and the information that we have obtained and we considered necessary for the purpose of our examination.

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

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of **M/S Dutch Lanka Trailers LLC** as at 31st Match' 2010 and of the results of its operations, cash flow and changes in equity for the year then ended in conformity with International Accounting Standards.

Dar Al Thiqha Audit Bureau

BALANCE SHEET AS AT 31ST MARCH, 2010

(All amounts are expressed in Rials Omani)

ASSETS	Notes	31.03.10	31.03.09
Non-Current Assets			
Fixed assets	3	20142	29680
Total Non-Cutrent Assets		**20142**	**29680**
Current Assets			
Inventories	4	141010	133878
Accounts receivable	5	29040	104464
Due from related parties	6	120828	119361
Advances, deposits and pre-payments		5037	1599
Cash in hand and at banks	7	30354	16202
Total Current Assets		**326269**	**375504**
Total Assets		**346411**	**405184**
EQUITY AND LIABILITIES			
Capital & Reserves			
Members' capital	8	150000	150000
Legal reserve	9	3570	3570
Retained earnings		26233	32134
Total Equity		**179803**	**185704**
Non-Current Liabilities			
HP instalments falling due after one year - net	10	3243	7235
Provision for end of service benefits		1817	1190
Total Non-Cuttent Liabilities		**5060**	**8425**
Current Liabilities			
HP instalments due within one year- net	11	4823	3920
Accounts payable	12	7673	7889
Advances received	13	4000	4000
Due to related parties	14	137613	178626
Accrued expenses & provisions	15	4759	3057
Due to bank	16	2680	–
Post dated cheques payable		–	13563
Total Current Liabilities		**161548**	**211055**
Total Equity and Liabilities		**346411**	**405184**

The accompanying notes form an integral part of this financial statement

Director Director

STATEMENT OF EARNINGS FOR THE YEAR ENDED 31ST MARCH, 2010

(All amounts are expressed in Rials Omani)

	Notes	31.03.10	31.03.09
Revenue	17	**176359**	**338015**
Less : Cost of revenue	18	(147683)	(273490)
Gross earnings		**28676**	**64525**
Add: Other income	19	-	709
Lees: Loss on deletion of fixed assets		(271)	-
Less: General and administrative expenses	20	(30341)	(16494)
Less: Selling and distribution expenses	21	(2204)	(532)
Less: Finance cost	22	(1761)	(1001)
Net earnings/(loss) before taxation		**(5901)**	**47207**
Less: Income tax expenses	23	–	(778)
Net earnings/(loss) for the year		**(5901)**	**46429**
Add: Retained earnings/(loss) - beginning of the year		**32134**	(10725)
Retained earnings before legal reserve		**26233**	35704
Less: Legal reserve-10%		–	(3570)
Retained earnings – end of the year		**26233**	**32134**

Director Director

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010

(All amounts are expressed in Rials Omani)

Operating activities	31.03.10	31.03.09
Net earnings/ (loss) for the year	(5901)	46429
Adjustments:		
Depreciation	13896	10571
Changes in operating assets and liabilities:		
(Increase)/ decrease in inventories	(7132)	(133227)
(Increase)/ decrease in accounts receivable	75424	(92896)
(Increase)/ decrease in advances, deposits and pre-payments	(3438)	102
Increase /(decrease) in accounts payable and PDC payable	(13779)	17045
Increase /(decrease) in advances received	–	4000
Increase /(decrease) in accrued expenses and provisions	2329	3447
Net cash provided by /(used in) operating activities	**61399**	**(144529)**
Investing activities		
Fixed assets acquired during the year	(4629)	(23703)
Fixed assets disposed during the year - net	271	4729
Net cash provided by/ (used in) investing activities	**(4358)**	**(18974)**
Financing activities		
Increase /(decrease) in due to bank	2680	–
Movements in related parties' accounts	(42480)	160511
Increase /(decrease) in HP instalments	(3089)	11155
Net cash provided by /(used in) financing activities	**(42889)**	**171666**
Net cash inflow / (out flow)	14152	8163
Cash and cash equivalents at the beginning of the year	16202	8039
Cash and cash equivalents at the end of the year	**30354**	**16202**

Director Director

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2010

(All amounts are expressed in Rials Omani)

	Share Capital	Legal Reserve	Retained Earnings / (Loss)	Total
1st of April 2008	150000	–	(10725)	139275
Net earnings for the Year	–	–	46429	46429
Transfer to Legal Reserve	–	3570	(3570)	–
31st March 2009	**150000**	**3570**	**32134**	**185704**
1st of April 2009	150000	3570	32134	185704
Net earnings for the Year	–	–	(5901)	(5901)
31st March 2010	**150000**	**3570**	**26233**	**179803**

Director Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010

(All amounts are expressed in Rials Omani)

1. **Corporate information:**

   a) **Legal status**

   Dutch Lanka Trailers LLC (Commercial Registration No. 1036351) is a limited liability company registered (subject to foreign investment rules) in Salalah on 26th January 2008 under the commercial business laws of the Sultanate of Oman.

   b) **Business activities**

   Presently the entity is mainly engaged in Assembling and sales of trailers, fabrication and refurbishment works, repairs and maintenance of trailers and port equipments, skilled man power supply etc.

   c) **Registered address**

   The company's registered address is at PO Box No. 75, Salalah, Postal Code 215, Sultanate of Oman.

   d) **Number of employees**

   The number of employees at the end of the period was 15.

2. **Summary of significant accounting policies:**

   A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows.

   a) **Accounting convention**

   The financial statements are prepared under the historical cost convention.

   b) **Inventories**

   Inventories are stated at the lower of cost and net realizable value. Cost comprise purchase cost and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

   c) **Fixed assets and depreciation**

   Fixed assets are initially recorded at cost and subsequently carried at cost less accumulated depreciation and any identified impairment loss.

   The cost of the fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Dutch Lanka Trailers LLC

Depreciation is charged so as to write off the cost of depreciable assets other than capital work in progress over their estimated service lives, The straight line method of depreciation is applied at the following annual rate:

Plant and machineries	33.33%
Tools	33.33%
Electronic & electrical equipments	33.33%
Motor vehicles	33.33%
Furniture & fittings	33.33%
Office equipments	15%
Other assets	33.33%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

d) Staff terminal benefits

End of service benefits for Omani employees arc contributed in accordance with the terms of the Social Securities Law of 1991, promulgated by Royal Decree 72/91, as amended.

Provision for end of service benefiis for non-Omani employees has been made in accordance with the terms of the Labour Law of the Sultanate of Oman and the policy of the company and is based on current remuneration and cumulative years of service at the balance sheet date.

e) Taxation

Income Tax is calculated as per the fiscal regulations of the Sultanate of Oman. Current tax is the expected tax payable on the taxable income for the year, using the tax rates ruling at the balance sheet date.

Deferred Tax is calculated using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

f) Foreign currencies

Transactions denominated in foreign currencies are translated to Omani Rials at the rates prevailing on the date of the transactions. Assets and liabilities in foreign currencies are translated to Omani Rials at year end rates. Resultant realized and unrealized gains or losses are included in the statement of earnings.

g) Revenue and expenses

Revenue and expenses are accounted on accrual basis.

03. Fixed Assets

	Vehicles	Furniture & Fittings	Office Equipments	Plant, Machineries and Other Equipments	Tools	Other Assets	Total
Cost / Valuation :							
As at 1st April 2009	16,401	6,949	771	10,501	4,473	855	39,950
Additions	2,200	120	628	973	708	–	4,629
Deletion	–	–	–	(375)	–	–	(375)
As at 31st March 2010	**18,601**	**7,069**	**1,399**	**11,099**	**5,181**	**855**	**44,204**
Depreciation :							
As at 1st April 2009	2,650	2,448	85	3,403	1,389	295	10,270
Charge for the Year	5,772	2,326	157	3,710	1,646	285	13,896
Deletion	–	–	–	(104)	–	–	(104)
As at 31st March 2010	**8,422**	**4,774**	**242**	**7,009**	**3,035**	**580**	**24,062**
Net Book Value :							
As at 1st April 2009	13,751	4,501	686	7,098	3,084	560	29,680
As at 31st March 2010	**10,179**	**2,295**	**1,157**	**4,090**	**2,146**	**275**	**20,142**

04. Inventories

	31/03/10	31/03/09
Finished Goods	126,867	114,526
Raw Materials	14,143	19,352
	141,010	**133,878**

05. Accounts Receivable

This Represents trade and contract debtors as at 31st March, 2010

06. Due From Related Parties

	31/03/10	31/03/09
Dutch Lanka Trailer Manufacturers Ltd. (Trade Dr.) - Sri Lanka	9,289	7,822
Dutch Lanka Trailer Manufacturers Ltd (Short Term Loan) - Sri Lanka	78,089	78,089
Mr. Omar Mohamed Ali Ba Awain (Short Term Loan)	33,450	33,450
	120,828	**119,361**

07. Cash in hand & at Bank

	31/03/10	31/03/09
Cash in hand	253	564
Fixed Deposit / Oman Arab Bank	30,000	-
Oman Arab Bank - Salalah	-	5,417
Bank Muscat - MBD South	101	10,221
	30,354	**16,202**

08. Partners' Capital Account

This represents the registered capital of the Company.

	31/03/10	31/03/09
Dutch Lanka Trailer Manufacturers Co. Ltd. - Sri Lanka - 70%	105,000	105,000
Mr. Omar Mohamed Ali Ba Awain - 30%	45,000	45,000
Total - 100%	**150,000**	**150,000**

09. Legal reserve

In accordance with Article 106 of Commercial Companies Law of 1974, 10% of net profit for the year will be transferred to a non- distributable legal reserve. That transfer will be made until that amount of legal reserve is equal to one -third of the amount of company's paid up capital.

10. HP instalments falling due after one year

	31/03/10	31/03/09
Liability (Inclusive of Interest)	3,625	8,245
Less : Interest	(382)	(1,010)
	3,243	**7,235**

11. HP instalments falling due within one year

	31/03/10	31/03/09
Liability (Inclusive of Interest)	5,481	5,196
Less : Interest	(658)	(1,276)
	4,823	**3,920**

12. Accounts Payable

This represents trade and contract creditors as at 31 March, 2010

13. Advance received

This represents advance received from customers.

14. Due To Related Parties

	31/03/10	31/03/09
Dutch Lanka Trailer Manufacturers Ltd. (Trade Cr.) - Sri Lanka	133,606	174,599
Dutch Lanka Engineering Pvt Ltd. - Sri Lanka	2,752	2,752
Omar Mohamed Ali Ba Awain Trading Est. (Trade Cr.)	1,255	1,275
	137,613	**178,626**

15. Accrued Expenses and Provisions

	31/03/10	31/03/09
Communication Expenses	332	253
Social Insurance	-	93
Rent	2,600	1,300
Leave Salary Payable	457	-
Others	433	469
Water & Electricity	937	164
Income Tax	-	778
	4,759	**3,057**

16. Due to Bank

	31/03/10	31/03/09
Oman Arab Bank - Salalah	2,680	-

17. Revenue

	31/03/10	31/03/09
Trailer repairs, Painting and Others	176,359	177,025
Trailer Sales	-	160,990
	176,359	**338,015**

Dutch Lanka Trailers LLC

18. Cost of Revenue	31/03/10	31/03/09
Purchases	58,603	318,407
Employees' welfare and allowances	12,679	8,890
Depreciation	13,441	10,239
Factory electrical expenses	–	2,968
Other factory overheads	6,781	5,682
Repair and maintenance	1,442	1,495
Transport and hiring expenses	1,507	4,915
Vehicle running expenses	2,743	1,636
Yard rent	15,600	10,600
Salary and related expenses	40,382	35,259
Customs and clearance	820	6,215
Electricity expenses	817	411
Opening inventory	133,878	651
Closing inventory	(141,010)	(133,878)
	147,683	**273,490**

19. Other Income & (Losses)	31/03/10	31/03/09
Profit on Disposal of Fixed Assets	–	709
	–	**709**

20. General & Administrative Expenses	31/03/10	31/03/09
Staff Cost	11,493	7,136
Communication expenses	2,780	2,249
Legal and professional fees	1,200	700
Depreciation	455	332
Registration and licence rees	1,066	299
Staff welfare expenses	75	88
Travelling, conveyance and hotel charges	6,232	3,218
Demurrages	2,540	–
Donation	50	–
Visa, immigration & resident card expenses	2,811	1,212
Miscellaneous expenses	1,356	894
Printing & wtationary	283	366
	30,341	**16,494**

21. Selling & Distribution Expenses	31/03/10	31/03/09
Entertainment expenses	24	–
Avertisement	–	262
Exhibition participation fees	2,060	–
Sales commission	120	270
	2,204	**532**

22. Finance Costs	31/03/10	31/03/09
Bank charges	431	213
Interest on hire purchase	1,330	788
	1,761	**1,001**

23. Income Tax Expenses	31/03/10	31/03/09
Net earning / (loss) before taxation	(5,901)	47,207
Retained loss at the beginning of the year	–	(10,725)
Taxable income / (loss) before exemption	(5,901)	36,482
Add: inadmissible expenses	50	
Less : statutory exemption	–	(30,000)
Net taxable income/ (loss)	(5,851)	6,482
Provision for income tax @ 12%	–	778

24. Significant related party transactions

The establishment entered into transactions with related party in the normal course of business on terms, which the party consider corresponded to terms of normal arms length transaction with third parties.

The nature of significant related party transaction and the amount involved are as follows :

	31/03/10	31/03/09
Sales	11,078	7,897
Purchase	11,640	226,743
Expenses and other services	4,410	75

NOTES

TRF LIMITED

A TATA Enterprise

Registered Office : 11, Station Road, Burma Mines, 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 FORTYSEVENTH ANNUAL GENERAL MEETING of the Company in the Auditorium of SNTI, 'N' Road, Bistupur, Jamshedpur - 831 001 at 12:00 noon on Friday, July 23, 2010.

....

Full name of the Member Signature

(in block letters)

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

* Applicable for members holding shares in electronic form.

....

Full name of Proxy Signature

(in block letters)

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, Burma Mines, 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 FORTYSEVENTH ANNUAL GENERAL MEETING of the Company, to be held on Friday, July 23, 2010 and at any adjournment thereof.

Signed this .... day of .... 2010.

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

* Applicable for members holding shares in electronic form.

Signature ______ Affix Revenue Stamp ______

No. of Shares held ....

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

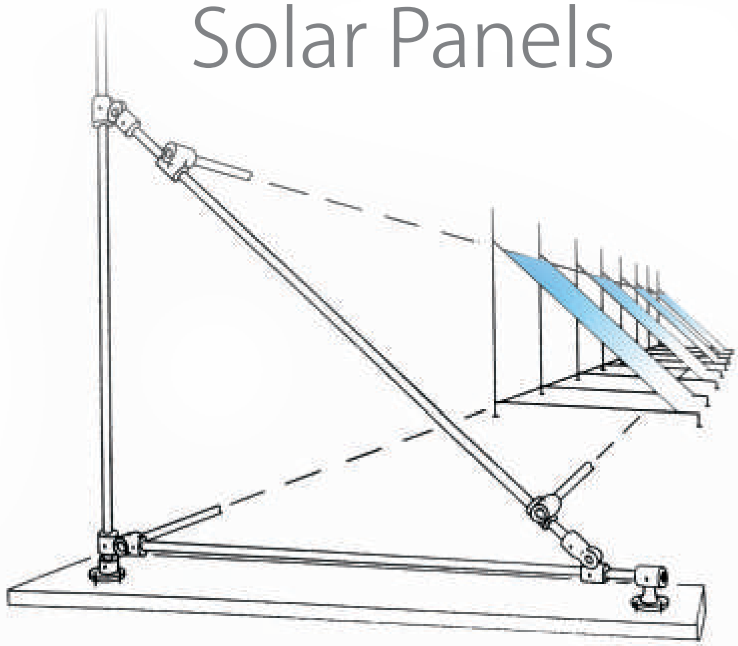
@ Strike out whichever is not desired.

NOTES :(i) The proxy must be returned so as to reach the Registered Office of the Company at 11, Station Road, Burma Mines, 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.

Greener Tomorrow

Solar Panels



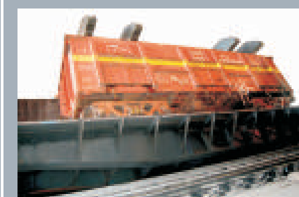
Rain Water Harvesting

The collection and storage of rain water for later productive use is defined as rain water harvesting. It is simply collecting, storing and purifying the naturally soft and pure rainfall that falls upon your roof.

TRF Limited

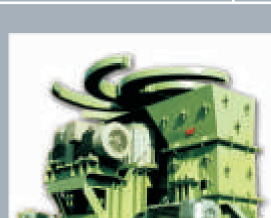
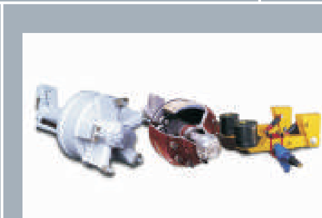
A TATA Enterprise











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