

# DARING. DOING.

Tantia Constructions Limited | Annual report 2011-12



## Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

## Content

1 Corporate Information 4 Corporate Identity 6 2011-12 Highlights 8 Chairman's Message 14 Pillars of Strength  
15 Management Discussion and Analysis Report 20 Business Segment Review 22 Managing Risks  
24 Corporate Social Responsibility 26 Report of the Board of Directors 31 Corporate Governance Report  
49 Financial Section

# CORPORATE INFORMATION

## Board of Directors

Sri Ishwari Prasad Tantia, *Chairman & Managing Director*

Sri Banwari Lal Ajitsaria, *Director (Business Development)*

Sri Rahul Tantia, *Director (Operations)*

Sri Murare Lal Agarwala, *Director (Projects)*

Sri Uday Sankar Roy, *Independent Director*

Sri Mahabir Prasad Agrawall, *Independent Director*

Sri Uma Shankar Agarwal, *Independent Director*

Sri Himangsu Sekhar Sinha, *Independent Director*

Sri Parimal Kumar Chattaraj, *Independent Director*

Sri Shaleen Khemani, *Independent Director*

## Company Secretary

Md. Jamshed Alam

## Advocates

S.K.Baid & Co.

8, Old Post Office Street, 2nd Floor,

Kolkata 700001

## Principal Bankers

State Bank of India

Allahabad Bank

Andhra Bank

Axis Bank Ltd

IDBI Bank Ltd

Oriental Bank of Commerce

Standard Chartered Bank

Punjab National Bank

## Statutory Auditors

Konar Mustaphi & Associates

Chartered Accountants

FRN-314125E

P-113, CIT Road, Kolkata-700014

## Internal Auditors

L.B & Jha & Co

Ghosh & Associates

ARSK & Associates

S Guha & Associates

Guha and Matilal

## Register and Share Transfer Agent (RTA)

Maheshwari Datamatics Private Limited

6, Mangoe Lane, 2nd Floor, Kolkata-700001

Tel No: +91 33 22435029/5809, 2248-2248

Fax: +91 33 2248 4787

E-mail: mdpl@cal.vsnl.net.in

## Registered Office

25-27, Netaji Subhas Road, Kolkata-700001

Tel: +91 33 2230 1896/7300/6284

Fax: +91 33 2230 7403

E-mail: cs@tantiagropup.com

## Corporate Office

DD-30, Sector-1, Salt Lake City

Kolkata-700064

Tel: +91 33 4019 0000

Fax: +91 33 4019 0001

# Daring. Doing.





This is not just a sequence of reality and response. This is our operating philosophy.

These are but three of a number of manifestations of our DNA that played out in 2011-12.

- ▶ Where others gave up on challenging projects, Tantia Constructions stepped in and turned them around.
- ▶ The construction industry froze strategic initiatives, awaiting better days. Tantia Constructions widened its geographic footprint.
- ▶ Most construction companies reported a decline in operating margins. Tantia Constructions reported a growth in operating margin to 16%.

**Identified. Contracted. Executed.**

A conventional response for most construction companies.

**Specialised. Expanded. Diversified.**

A consistent response at Tantia Constructions.

**Timely. Dependable. Peace of mind.**

The kind of recall that Tantia Constructions generates.

The result is that Tantia Constructions has emerged as one of India's fastest-growing infrastructure companies with an average growth of 22% in revenues over the five years leading to 2011-12.



*Udhampur Tunnel*

## Vision

• To become India's leading Construction Company by consistently delivering projects within budgets and time-lines and thus playing a key role in nation building.

## Mission

- To excel in the core infrastructure segments of railways, roads, urban development, power transmission, marine, aviation infrastructure, industrial fabrication and engineering
- To rise above competition
- Expand to a ₹10 billion revenue company.
- Contribute 0.25% of our profit towards vocational and construction training to the unskilled and the unemployed
- To achieve long-term goodwill through:
  - Enhancing shareholder value
  - Satisfying our customers
  - Exhibiting enthusiasm without ego
  - Training colleagues and co-workers

- Maintaining clear communication with vendors and sub-contractors

## Legacy

- Incorporated in 1964 by the Late Shri G.P. Tantia to strengthen India's railway infrastructure
- Possesses a rich terrain of experience for nearly five decades across various sectors, reflected in a robust order book of ₹3,210 Cr. as on 31 March 2012.
- Reputation for timely delivery of challenging projects across diverse infrastructural spaces

## Presence

- Headquartered in Kolkata, West Bengal, with regional offices in New Delhi, Guwahati and Aizawl
- 82 ongoing projects across 11 Indian states

## Listing

- Listed on the Bombay Stock Exchange with a market capitalisation of ₹70 Cr. as on 31 March 2012

- Uninterrupted dividend-paying track record for the past 13 years
- Proposed a dividend of ₹1.50 per share for 2011-12

## Joint venture partners

- Continental Construction Infrastructure Limited
- Jiangsu Provincial Transportation Engineering Group Co. Ltd
- Road Builder Sdn Bhd. Malaysia
- Energy Development Company Limited
- Gondwana Engineers Private Limited
- Singla Engineers & Contractors Pvt. Ltd
- Enviro Pure Aqua Systems Pvt. Ltd
- Orient Trading & Builders Pvt. Ltd, Bangladesh
- CEMCON Engineering Co Pvt. Ltd
- PREMCO Rail Engineers Limited
- Tundi Construction Pvt. Ltd
- Yadav Stone Crushing Company Ltd
- Indian Venture Buildcon Pvt. Ltd



Dum Dum Site



# 2011-12 HIGHLIGHTS

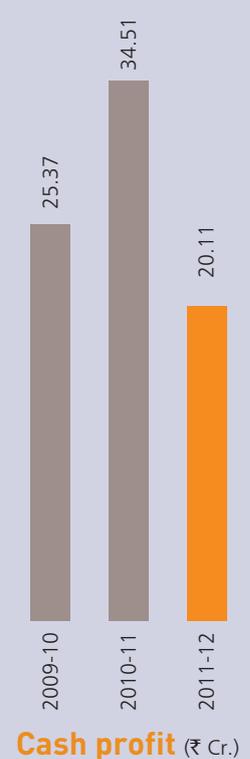
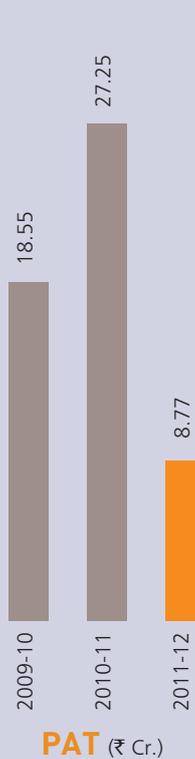
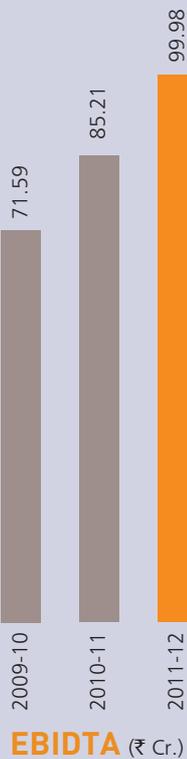
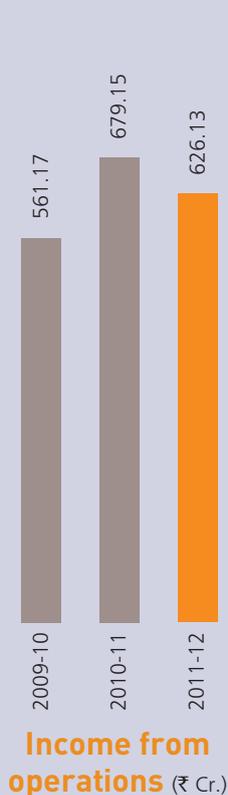
## Operational

- Awarded 14 contracts
- Commissioned the ready mix concrete (RMC) plant at Guwahati
- Successfully supplied over 80% of the ordered wagons to Braithwaite & Co. Ltd.
- Entered into seven joint venture partnerships

## Financial

- Revenues grew at an average rate of 22% over the last five years.

- Net profit grew at an average rate of 3% over the last five years.
- Order book grew at an average rate of 22% over the last five years.
- Gross block grew at an average rate of 25% over the last five years
- EBIDTA grew at an average rate of 28% over the last five years.



### Projects (completed)

- In 2011-12, we completed the construction of a sewerage and drainage for Borough-I including House Connection at Kashipur, West Bengal (Contract size ₹59 Cr.)

### Projects (nearing completion)

- Erection and commissioning of ground water-based piped W/s scheme in the arsenic-affected areas of Murshidabad and other affected areas of North 24 Parganas worth around ₹150 Cr.
- Design, erection, commissioning, operation and maintenance of 14

MLD Sewage Treatment Plant on turnkey basis at Action Area II B in New Town, Kolkata, worth around ₹14 Cr.

- Construction of road under bridge at Railway Crossing No. 7 between Shalimar Bagh and Azadpur Fruit Mandi in Delhi worth around ₹53 Cr.
- Fabrication and assembly of 337 BCNAHSMI type wagon worth ₹59 Cr. of which we had supplied 294 wagons by March 2012.
- Construction of sewerage and drainage including house connection at Topsia and Garden Reach areas of Kolkata worth around ₹214 Cr.

- Compaction in railway embankment, approach road, back filling of platform wall and other miscellaneous works from Haripal Station to Tarakeshwar Station worth around ₹19.50 Cr.
- Construction of ramp of Beck Bagan Crossing at A.J.C Bose Road worth around ₹28 Cr.
- Construction of the Foundation and substructure of the second bridge across the river Gandak, construction of major approach bridges worth around ₹65 Cr.
- Development of State Highways in Bihar to the tune of 253 kms worth around ₹291 Cr.





## CHAIRMAN'S MESSAGE

“ Tantia Constructions has been in the construction space for the past 47 years. The Company is expected to enhance exposure in the area of public-private partnership projects as well as a larger proportion of assignments from international projects. ”

## Dear Shareholders,

The financial year 2011-12 was a challenging one for the Indian economy in general with GDP growth declining to a nine-year low of 6.5% and GDP growth in the last quarter of the financial year declining to the lowest in 29 quarters.

The year was a challenging one for the construction industry in particular, which was required to absorb higher interest rates, inflation, slower order book accretion, lengthier land acquisition schedules and slower receivables.

The result was a decline in turnover and margins for most construction companies in the country. However, I am happy to state that your Company improved its operating margins from 12.69% in 2010-11 to 15.73% in 2011-12. This transpired on account of operational and technical efficiency.

The Company's prospects appear bright for a number of reasons.

**One**, the government continues to invest in infrastructure especially in Eastern India where Tantia Constructions enjoys a visible presence, respect and experience.

**Two**, the prospects of interest rate cuts by the Reserve Bank of India bodes well for the sector and Company.

**Three**, there is a belief that the worst is over for the Indian economy and that it will soon start to recover by virtue of policy reforms and investments.

Tantia Constructions has been in the construction space for the past 45 years. The Company is expected to enhance exposure in the area of public-private partnership projects as well as a larger proportion of assignments from international projects.

The Company is attractively placed in this regard; it possesses a deep technical grounding, strong execution capabilities and higher specialisation leading to lower competition, lower projects risks and stronger returns.

The result has been an accretion of the some of the most demanding and remunerative assignments. The Company is engaged in the fabrication and erection of the longest and

heaviest railway steel bridge in India; building tunnels in rugged terrains where normal tunneling methodology has challenged the country's largest infrastructure contractors; executing toll-based BOT road projects.

At Tantia Constructions, we possess a multi-vertical competence that puts us in an advantageous position in relation to others in the industry. In a dynamic industry space which keeps evolving in line with emerging economic realities, a larger number of companies are targeting fewer projects resulting in price-based competition. In this environment, specialisation pays.

During 2011-12, the RMC division of the Company contributed attractively to the topline; RMC turnover grew 78% from ₹28 Crs. in 2010-11 to ₹49.85 Crs. in 2011-12. Your Company is engaged in setting up RMC plant in Bhubaneswar, representing adequate integration to feed our infrastructure projects.

The Company is also engaged in exploring other opportunities. Recently the Company successfully completed the installation of a 14 MLD Sewage Treatment Plant in Rajarhat, which is part of the contract for Design, Construction, Installation, Commissioning and operation and maintenance for a period of three years. This is a unique project and will open up several new avenues for the Company in the space of water treatment solutions.

I would like to thank our clients who continued to repose confidence in our ability, our banks who have continued to support us with timely funding, our shareholders who have stayed with us, as well as our business associates and employees who have persevered to grow the Company. It would not have been possible for your Company to come thus far without your timely and valuable contribution.

With regards,

**Mr. I.P Tantia**

*Chairman and Managing Director*

# DARING AND DOING IS ABOUT BEING ABLE TO TRANSFORM TECHNOLOGY INSIGHT INTO DEPENDABLE DELIVERY

At Tantia Constructions, we have progressively leveraged cutting-edge technology to embrace challenging projects and deliver to the complete satisfaction of our customers.



## Jubilee Bridge project

When we were engaged to construct a steel super-structure of a new rail bridge, Sampritee Bridge across the Hooghly to replace the existing 125-year-old Jubilee Bridge, the challenge lay in the technical structure. And yet, the Company is engaged in the successful delivery of three spans of continuous open web, bow string steel girder with a curved profile along with the top chord, using the concept of spherical bearings, one of its kind in India

## IRCON Ganga project

When we were engaged to assemble, erect and launch triangulated steel girders for a new rail-cum-road Double Decker bridge over the Ganga at Paheljaghat (Bihar), there was a practical challenge – the size and weight of the individual structures on the one hand and the vast girth of the river below. Tantia Constructions used the Cantilever Method to deliver and erect seven spans out of 18 spans in 2011-12, each triangular girder weighing more than 2,200 tons.



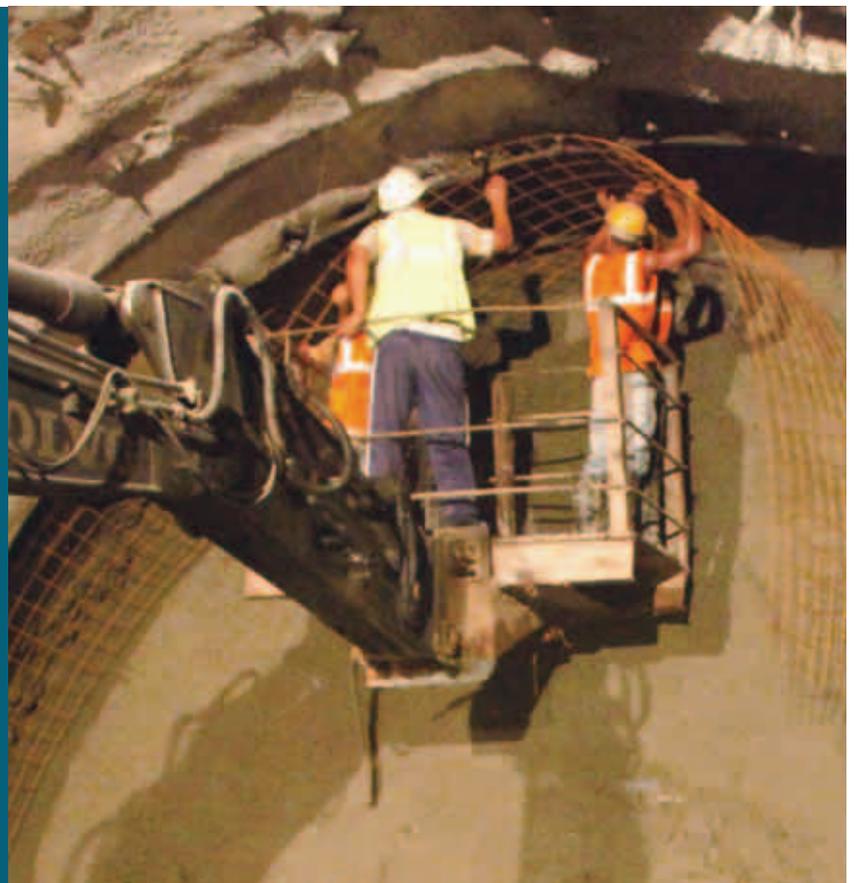


### **Rajarhat STP project**

When we were awarded the contract to design, construct, install, commission, operate and maintain for three years the Sewage and Water Treatment Plants and Water Distribution System at the Action area II B in New Town Kolkata, the project was special for a good reason: it was the first time that we had ventured into this challenging space. The Company responded with sensitivity: obtained possession certificates from departments, resolved disputes with local villagers, changed design as per requirements and engaged in trial runs to the pleasant surprise of the customer.

### **Udhampur project**

When we were awarded a contract to construct a 1.8 km tunnel connecting Udhampur and the Srinagar-Baramulla rail link, the challenge lay in managing the difficult terrain and tectonic movements. The Company responded through the pioneering introduction of New Austrian Tunneling Method (NATM) coupled with the use of modern equipment (Hydraulic Control Boomer and Concrete Spraying), raising hopes of timely and comprehensive delivery.



# DARING AND DOING IS ABOUT EMBRACING CHALLENGES AND PREVAILING

At Tantia Constructions, whenever a client comes with a project that has been classified as 'difficult', we stir into action mode.

The following projects showcase our temperament, approach and delivery.



## Raxaul Tollway project

We engaged in this BOT project comprising the upgradation of a section on NH 28A (0.6km to 62.064 km) under NHDP Phase III. Toll collection-based contracts are challenging; they warrant an insight into traffic flows. Tantia Constructions teamed with the best global agencies in traffic forecasting. Besides, the Company proceeded with construction without interrupting the traffic flow, resulting in short-term and long-term conveniences to road users and the community.

## Sanjauli (BOT) project

We are engaged to construct a multi-level parking cum commercial complex in Himachal Pradesh – severely affected by snowfall - we addressed the challenge head-on. We are required to construct a 400-car parking space across 160,000 sq.ft over nine floors. Tantia Constructions responded through technical solutions that comprised Soil Nailing, Rock Bolting and constructing on huge walls to protect from landslides and the severest snowfall in 45 years.



**Tantia Constructions dared. Tantia Constructions delivered.**

# DARING AND DOING IS ABOUT BEING ABLE TO INTEGRATE AND EXTEND OUR VALUE CHAIN

At Tantia Constructions, it would have been comfortable for us to remain a construction company outsourcing building material from various vendors and aggregating this into a complete delivered solutions.

## 78%

growth in RMC sales in 2011-12  
as compared to 2010-11

At Tantia Constructions, we have always resisted the usual. Which explains why after years of being a pure construction organisation, the Company extended to the manufacture of ready-mix concrete through units at Narayanpur and Taratala (Kolkata). Starting our operations in 2009, Tantia Constructions Limited's RMC division is now one of the largest in Kolkata.

Within just four years, Tantia RMC has established a reputation for delivering cost-effective and innovative building

solutions to meet a variety of requirements. Besides, the Company has widened its RMC locations proximate to emerging urban clusters concurrent to maintaining state-of-art research and development and quality controls infrastructure.

Tantia Constructions is taking this initiative ahead. The Company has commissioned its next RMC plant in Guwahati and setting up another RMC unit in Bhubaneswar while spreading its footprint across the country.



# PILLARS OF STRENGTH

## Experience

The Company enjoys a near five-decade experience in nation building

## Presence

The Company's footprint extends across India and South Asia (through a presence in Bangladesh, Bhutan and Nepal)

## Certifications

The Company renewed ISO 9001:2008 management certificate received from Det Norske Veritas, The Netherlands for executing engineering and infrastructural projects (including civil, structural, electrical and mechanical jobs). The Company renewed the Certificate TUV Nord Management System as per DIN EN ISO 9001:2008 awarded to our RMC units at Narayanpur and Taratolla, in Kolkata

## Quality

The Company delivers projects in line with international quality standards, derived from process discipline, leading to quality consistency

## Comprehensive

The Company provides holistic solutions starting from concept to execution, leading to timely project delivery

## Asset base

The Company invested significantly in the ownership of critical state-of-the-art construction equipment, reducing its dependence on rental agencies, saving costs and accelerating project turnaround

## Clientele

The Company possesses a prominent and repeat clientele comprising the Indian Railways, National Highway Authority of India, NEEPCO, NTPC, NHPC, NBCC and BHEL, state PSUs and departments, city development PSUs like the Kolkata Municipal Corporation, Kolkata Metropolitan Development Authority and Airports Authority of India, among others

## Technology

The Company incorporated intelligent soil reengineering and modification methods through the deployment of geo-synthetics.

## Team

The Company possesses strong intellectual capital comprising qualified engineers and a skilled workforce

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## Indian Economy

Though India's economic growth declined to 6.5% in 2011-12, the lowest in nine years, the Country continued to remain one of the fastest growing economies of the world. The fiscal deficit is likely to come down to 5.76%, below the 5.9% of GDP budgeted by the Government. According to Planning Commission estimates, India is expected to grow from 8.1% in the current Five Year Plan to 9-9.5% across the Twelfth Five Year Plan (source: *Hindustan Times*).

## Infrastructure Sector

The infrastructure sector accounts for 26.7% of India's industrial output. During 2011-12, the cumulative growth rate of the core industries – crude oil, petroleum refinery products, coal, electricity, cement, steel, fertilisers and natural gas - was 4.4%. According to the data released by the Union Ministry of Commerce and Industry, the index of core industries, having a combined weight of 37.90% in the Index of Industrial Production (IIP), stood at 142.3 in April 2012. Inadequate investment in infrastructure was recognised in the Eleventh Five Year Plan (2007-2012) as a major growth constraint. In the

Twelfth Five Year Plan (2012-17), the Planning Commission projected that investment in infrastructure will almost double to US\$1,025 billion. It is expected that around 50% of this will originate from the private sector whose investment was 36% in the Eleventh Five Year Plan.

## Highlights of Union Budget, 2012-13

- Launch of the first Infrastructure Debt Fund with an initial size of ₹80 billion in March 2012
- Permission to financial institutions to raise about ₹60,000 Cr. (US\$12 billion) from Tax-Free Bonds and envisaging a greater Private Participation.
- Viability Gap Funding under the scheme 'Support to PPP in Infrastructure' extended to more sectors
- Proposed enhancement of allocation under the Rural Infrastructure Development Fund to ₹200 billion with ₹50 billion to develop warehouse facilities
- IIFCL instituted a structure for credit enhancement and take-out finance to ease the credit access to Infrastructure Projects.

## SECTORAL OPPORTUNITIES

### ROADS AND HIGHWAYS

#### Overview

India has the world's second-largest road system with 4.3 million km of roads of which National Highway Authority of India's (NHAI) share is 71,722 km. About 65% of freight and 85% of passenger traffic is carried by roads. India has less than 4 km of roads per 1,000 people, including all its paved and unpaved roads. Although the National Highway Authority of India (NHAI) constitutes only about 1.7% of the road network, they carry 40% of the total road traffic across the length and breadth of the Country.

The secondary road transportation system comprises of State Highways (SHs) and Major District Roads (MDRs) of 154,000 km and around 300,000 km respectively. It carries about 40% of

the total road traffic. State roads carry heavy-to-medium traffic. Rural roads accounted for around 34% of the Country's total road network.

According to Twelfth Five Year Plan, the total targeted NH network of about 85,000 km is estimated to be reasonable to develop the regions not connected by NHs.

#### Key policy enablers

100% FDI is permitted under the Automatic Route in all road development projects including support services to land transport like operating highway bridges, toll roads, and vehicular tunnels, services incidental to land transport like cargo handling, construction and maintenance of roads and bridges. Full income tax exemption is given for a period of 10 years

including highway widening projects. A concession period has been allowed up to 30 years. A Model Concession Agreement is to be formulated. IIFCL will provide viability gap funding up to 40% of the project cost (entire amount to be made available during construction phase).

### Highlights of Union Budget, 2012-13

- ₹253.6 billion was allocated to the Road Transport and Highways Ministry .
- ECB allowed for capital expenditure on the maintenance and operations of toll systems for roads and highways, if they are part of the original project
- NHAI to raise ₹100 billion in 2012-13 through tax-free bonds
- Increase of 20% in support for rural roads to ₹240 billion under Pradhan Mantri Gram Sadak Yojna for 2012-13.
- Full exemption from import duty on specified equipment imported road construction by contractors of Ministry of Road

Transport and Highways, NHAI and State Governments is being extended to contracts awarded by metropolitan development authorities. Tunnel boring machines and parts of their assembly are covered by this exemption. These are allowed to be imported duty-free and without end-use condition.

- India's construction sector is expected to grow at about 35% between 2008-09 and 2012-13.
- The private sector is expected to contribute 44% of the total projected spend of US\$ 100 billion on roads and highways over the Twelfth Five Year Plan period.

### Outlook

As per the Infrastructure Development target set for FY 2012-13, the total Road length to be awarded in FY 2012-13 will be 9,500 km, an increase of 18.7% over the previous year while investments will rise by 73.6%. Some 4360 km of roads will be awarded for maintenance under the OMT (Operate, Maintain, Transfer) system for the first time.

## RAILWAYS

### Overview

With a total route network of about 64,000 km spread across 7,083 stations and operating around 19,000 trains daily, the Indian Railways is the world's third-largest rail network and the second-largest under a single management. The country's railways carried 969.78 MT of revenue-earning freight traffic during 2011-12.

### Government initiatives

- The Government increased the scope of PPP beyond providing maintenance and other such supporting roles.
- Some 31 projects, covering a length of more than 5,000 km in 10 states, is being executed with contribution from State Governments. The government is providing new lines and increasing the rolling stock to build up capacity.
- Private operators are allowed to run special freight trains
- The Government is investing in building rail infrastructure in the country. RailTel has created 37,000 route km long optic fibre cable (OFC)-based communication infrastructure to improve Indian Railway's communication and safety systems
- A special task force is to be set up to clear investment proposals within 100 days.

### Highlights of Union Budget, 2012-13

The FY 2012-13 Union Budget has set a target of adding 725 km of new railway lines, 700 km of double lines, 800 km of gauge conversion lines and 1,100 km of electrification and the proposed investment for achieving the target stands at ₹68.72 billion, ₹33.93 billion, ₹19.50 billion and ₹8.28 billion, respectively. There has been highest ever plan outlay of ₹601 billion. IRFC Ltd. has been permitted to mobilise ₹100 billion in 2012-13 through Tax-Free bonds.

### Outlook

An outlay of ₹7,350 billion was proposed by the Ministry of Railways for the Twelfth Five Year Plan (2012-17) towards modernisation. The major objectives of this Plan comprise safety, modernisation and capacity augmentation. Investment in modernisation is estimated at ₹14,000 billion as per the Vision 2020 document. The Indian Railways has targeted a freight market share of 50% by 2030 from 30% in 2010. In addition, Ministry of Railways proposes to develop 50 world-class stations in the PPP mode to improve and enhance railway infrastructure. With increasing participation expected from private players – domestic and foreign – freight traffic is expected to grow rapidly over the medium to longterm.

### Requirement of rolling stock during the Twelfth Five Year Plan

Rolling Stock	2012-13	2013-14	2014-15	2015-16	2016-17
Coaches	4,000	4,200	5,000	5,200	5,600
Diesel locomotives	325	327	448	450	450
Electric locomotives	350	351	404	455	450
Wagons	18,659	22,197	22,020	21,043	21,740

(Source: Working Group Report for Twelfth Five Year Plan, Railway Sector)

## URBAN INFRASTRUCTURE

### Overview

Urban areas contribute around 63% to India's GDP, expected to rise to 75% by 2030-31. About 31% (377 million) of India's population is estimated to be living in urban areas; this proportion is likely to rise to 49% (600 million) by 2031. Enhancing urban area productivity is central to the Ministry of Urban Development's policy as cities are being recognised as engines of economic and social development – about 70% of net new employment will be generated in cities.

### Budget 2012-13

The Central Plan allocation to the Ministry of Urban Development stood at ₹95.45 billion.

### Outlook

The estimates for urban infrastructure in the core eight services

of water supply, sewerage, solid waste management, storm water drains, urban roads, urban transport, street lighting and traffic support infrastructure amount to 31 lakh Cr. over a 20-year period, according to the Report of the Sub-committee on Financing Urban Infrastructure in the Twelfth Five Year Plan, Ministry of Urban Development.

The expert committee estimated capacity building costs of 1 lakh Cr., renewal and redevelopment costs of 4.1 lakh Cr., and other sector expenditure of 3.1 lakh Cr. over the 20-year period. The total expenditure on urban infrastructure is thus estimated to be 39.2 lakh Cr. over 20 years.

In addition to investment projections on urban infrastructure, the committee estimated 19.9 lakh Cr. towards operation and maintenance over the 20 year period, of which 18.1 lakh Cr. is across eight core sectors.

### Projected capital expenditure during Twelfth Five Year Plan (₹Cr.)

Sector(s)	2012-13	2013-14	2014-15	2015-16	2016-17	Twelfth Five Year Plan Total
Water supply	5,241	5,881	6,593	7,390	8,285	33,390
Sewerage	3,931	4,411	4,945	5,543	6,213	25,042
Solid waste	806	905	1,014	1,137	1,275	5,137
Urban roads	28,120	31,554	35,372	39,652	44,450	179,149
Mass transit	7,307	8,200	9,192	10,304	11,551	46,553
Traffic management systems	1,613	1,810	2,029	2,274	2,549	10,274
Storm water drains	3,124	3,506	3,930	4,406	4,939	19,905
Street lighting	302	339	380	426	478	1,926
Other sectors	8,159	10,737	13,928	17,788	22,439	73,050
<b>Total</b>	<b>58,604</b>	<b>67,342</b>	<b>77,383</b>	<b>88,920</b>	<b>102,178</b>	<b>394,428</b>

(Source: Ministry of Urban Development)

## AVIATION

### Overview

India is the world's ninth-largest aviation market. Presently, India has 136 airports, of which 128 are owned by Airports Authority of India (AAI). These comprise 14 international airports, 81 domestic airports, 8 custom airports, 25 civil enclaves and eight others. The number of scheduled passenger airline operators is 15 and the number of aircraft in their fleet is more than 400. International flights rose to 706 flights per week. About 69 foreign airlines from 49 countries are flying into India due to enhanced international connectivity.

About ₹1,350 billion of investment is needed for airport development over the next 15 years to match India's economic

growth. The PPP route in airport modernisation has fetched good results. Apart from the airport modernisation at the metros, 16 greenfield airports have been approved, of which 12 are currently being developed. AAI is upgrading and modernising 35 non-metro airports in addition to the work already in progress in Chennai and Kolkata airports.

### Highlights of Union Budget, 2012-13

- Proposal to allow foreign airlines to put in upto 49% FDI in air transport undertakings under active consideration of the government
- To help the civil aviation sector with duty concessions

- Allocated ₹7,293 Cr. to the aviation sector in 2012-13 (₹54,743 for the Twelfth Five Year Plan).

### Key policy enablers

- **FDI** - 100% FDI for existing airports is also possible with an approval from Foreign Investment Promotion Board (FIPB) beyond 74%. 100% FDI under automatic route for greenfield projects permitted.
- **SEZ** - Indian airports emulating special economic zone (SEZ) aerotropolis model to enhance revenues; focus on revenues from retail, advertising, vehicle parking, among others.
- **Exemptions** - Full exemption from income tax for airport projects for a period of 10 years

### Outlook

The Ministry of Civil Aviation released the Vision 2020 document, which is an assessment of the overall outlook of the aviation sector by 2020. It highlights that the aviation sector has a growth potential to absorb upto US\$ 120 billion of investment. Indian aviation is expected to become the third largest aviation market in the world over the next decade.

As per the infrastructure development target set for FY 2012-13, three Greenfield projects will be awarded in FY 2012-13 and these will be at Navi Mumbai, Goa and Kannur. Work on the Itanagar airport be commenced by AAI and the total investment on AAI projects will be ₹2100 Cr. New international airports will be declared in a few locations out of Lucknow, Varanasi, Coimbatore, Trichy and Gaya.

### Opportunities and threats

India's infrastructure deficiency and rising infrastructure requirements portends rapid growth over the next decade for the Indian construction Industry. While real estate development and industrial capital expenditure are also drivers for the construction industry. Infrastructure will be the key demand driver over the years to come.

During the presence of over 48 years, the Company has executed projects all across the country and the client list of the Company includes reputed organisations in public and private sectors.

As a result of being present in several verticals, the Company is not over-dependent on any particular sector or geography - the result of the persistent efforts of the management. The judicious mix of the various construction segments/verticals enables the Company to protect its margins in unfavourable conditions and

improve the same in favourable conditions.

The opening of vast opportunities in infrastructure construction has also thrown up several challenges and threats, namely:

- Stagnant and low construction margins.
- Shortage of skilled manpower.
- Low entry barriers.
- Longer working capital cycle.
- Rising input costs for cement, steel and other construction materials

### Quality Control

The Company maintains a quality control system, which is based on the result of the experience of its founders and the priorities placed by the management evolved to meet day-to-day needs as well as, size and operational necessities. The Company is one of the first Indian companies to be accredited ISO 9001:2000 from DNV, the Netherlands in 2001 which was further upgraded as ISO 9001:2008 in the year 2010. The Company renewed the Certificate TUV Nord Management System as per DIN EN ISO 9001:2008 awarded to our RMC units at Narayanpur and Taratala, in Kolkata

### Risks and Concerns

In the normal course of business, the Company is exposed to certain financial risks, principally foreign exchange risk, interest rate risk, liquidity risk and credit risk, risks associated with the economy, regulations, competition, among others. These risks are managed through risk management policies that are designed to minimise the potential adverse effects of these risks on financial performance of the Company.

The risk management framework of the Company ensures, among others, compliance with the requirements of Clause 49 of the Listing Agreement. The framework establishes risk management across all service areas and functions of the Company, and has in place, the procedures to inform the Board Members about the risk assessment and minimisation process. These processes are periodically reviewed to ensure that the management of the Company's control risks are run through a defined framework

### Income Accounting Method

Tantia Constructions Limited prepares its financial statements on accrual basis in compliance with the requirements of the Companies Act, 1956, the Listing Agreement with Stock Exchange(s) and Generally Accepted Accounting Principles as

applicable in India (India GAAP). The Company's business operations fall under the purview of Civil Construction. Wherever the treatment of accounts requires interpretation, the Company has preferred to be cautious and conservative.

### Internal Control Systems and Their Adequacy

Tantia Constructions Limited maintains a strong system of internal control to safeguard the Company's assets against loss from unauthorised use and ensures proper authorisation of financial transactions. The Audit Committee reviews the internal control systems on a regular basis.

The management of the Company duly considers and takes appropriate action on the recommendations made by the Internal Auditors, Statutory Auditors and Independent Audit Committee of the Board of Directors.

### Financial Performance

The performance of the Company in the previous financial year was more satisfying when viewed in the light of the challenging business environment of the construction industry. A comparative study of the financial performance of the Company as compared to the previous year is given hereunder:

#### Turnover and Work-in Progress

The turnover of the current year 2011-12 is ₹62,613 lakhs as compared with the previous year's ₹67,915 lakhs. The increase/decrease in the work-in-progress has increased from ₹1,444 lakhs to ₹4,187 lakhs during the same period compared to previous year. The consolidated turnover of the current year 2011-12 is ₹59,088 lakhs as compared to the previous year's ₹67,915 lakhs. The consolidated increase /decrease in work in progress increased from ₹1,444 lakhs to ₹4,202 lakhs during the same period compared to previous year.

#### Reserve and Surplus

The balance of reserve and surplus increased from ₹13,901 lakhs as on March 31, 2011 to ₹15,108 lakhs as on March 31, 2012. The consolidated balance of reserve and surplus increased from ₹13,859 lakhs as on March 31, 2011 to ₹14,643 lakhs as on March 31, 2012.

#### Margins

The Company's operating margin increased from ₹8,520 lakhs in the previous year to ₹9,998 lakhs as on March 31, 2012. The Company's consolidated operating margin increased from ₹8,520 lakhs in the previous year to ₹9,664 lac as on March 31, 2012.

### Interest and Financial Charges

The Company's interest and financial expenses increased from ₹4,453 lakhs as on March 31, 2011 to ₹7,246 lakhs as on March 31, 2012. The Company's consolidated interest and financial expenses increased from ₹4,453 lakhs as on March 31, 2011 to ₹7,272 lakhs as on March 31, 2012.

### Gross Block and Net Block

The company's gross block of assets increased from ₹13,486 lakhs as on March 31, 2011 to ₹16,752 lakhs as on March 31, 2012. Whereas the net block of assets increased from ₹9,381 lakhs as on March 31, 2011 to ₹11,653 lakhs as on March 31, 2012. The company's consolidated gross block of assets increased from ₹13,486 lakhs as on March 31, 2011 to ₹16,754 lakhs as on March 31, 2012. Whereas the consolidated net block of assets increased from ₹9,381 lakhs as on March 31, 2011 to ₹11,655 lakhs as on March 31, 2012.

### Debtors

As a business policy, the Company executes infrastructure assignments mainly commissioned by government bodies. The Company's sundry debtors (exceeding six months) decreased from ₹4,211 lakhs as on March 31, 2011 to 2,761 lakhs as on March 31, 2012. Adequate steps have been taken to recover the same. The consolidated debtors decreased from ₹19,327 lakhs as on March 31, 2011 to ₹16,064 lakhs as on March 31, 2012.

### Inventories

The Company's inventories increased from ₹19,543 lakhs as on March 31, 2011 to ₹24,876 lakhs as on March 31, 2012. The Company's consolidated inventories increased from ₹19,543 lakhs as on March 31, 2011 to ₹24,926 lakhs as on March 31, 2012.

### Human Capital

Our Employees are the biggest and most valuable assets. We have staff strength of about 600 personnel which comprises professionals from diverse backgrounds like engineering, finance, taxation, management, business, supervisors, operators and sub-staff, skilled and semi-skilled workers.

### Cautionary Statement

Certain statements provided above describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of the applicable laws and regulations. Actual results could differ from those expressed or implied.

# BUSINESS SEGMENT REVIEW



## 1. Transport infrastructure

New projects	Value of new projects bagged	Revenue	Proportion of the Company's revenues	Order book
8	₹ 255.89 Cr.	₹ 337.64 Cr.	54%	₹ 2123.95 Cr.
2011-12	2011-12	2011-12	2011-12	As on 31 March 2012

### Highlights, 2011-12

- Awarded the rehabilitation and resurfacing assignment for a road project in Mizoram worth ₹14.18 Cr.
- Awarded a road remodeling project worth ₹69.85 Cr. in Delhi
- Received work order to construct a bridge in Bangladesh worth ₹89 Cr.
- Received work order for the construction of two high-level bridges worth ₹98.70 Cr. in Punjab
- Constructed 250 km of roads in Bihar
- Fabricated about 3000 MT of steel for the upcoming Jubilee Bridge.
- At our Dum Dum site we completed more than 600 Piles & casting of 165 No PSC I Girders.

### Portfolio

Roads, bridges, flyovers, tunnels and railways

### Strategy

- Focus on building value and goodwill by undertaking challenging projects
- Optimise resource utilisation
- Explore strategic opportunities
- Extensively bid for new projects

### Strengths

**Sound track record:** The division leveraged its experience leading to high repeat business

**Timely completion:** It consistently delivered in terms of deadlines and extended schedules

**Asset base:** It possesses a large asset base comprising world-class equipment

**Order book:** It possessed a healthy order book growing at an average rate of 10% y-o-y

## 2. Urban development

New projects	Value of new projects bagged	Revenue	Proportion of the Company's revenues	Order book
5	₹ 117.16 Cr.	₹ 203.12 Cr.	32%	₹ 938.46 Cr.
2011-12	2011-12	2011-12	2011-12	As on 31 March 2012

### Highlights, 2011-12

- At our Beckbagan site we completed 99 piles as well as the fabrication and erection of 1400 MT of Steel.
- Completed pipe laying across 21 km at Kashipur, Kolkata.

### Portfolio

Soil re-engineering, mechanised earthwork, hauling for large-scale land development, sewerage treatment and arsenic removal and allied works of roads and pipelines

### Strategy

- Provide integrated solutions for large projects
- Enhance technology, optimise labour costs and quicken project delivery

- Adopt a comprehensive approach to project appraisal based on maintaining specific IRRs

### Strengths

**Liquidity:** The division is well-funded in terms of financing

**Engineering skills:** The division aggressively supplemented its employee strength by recruiting a large number of engineers

**Quality:** Various quality checks were carried across raw material resources and other key components

**Wide portfolio:** The division expanded its area of work to minimise dependence on a single revenue source

## 3. Steel and concrete products

New projects	Value of new projects bagged	Revenue	Proportion of the Company's revenues	Order book
1	₹ 15.74 Cr.	₹ 84.59 Cr.	12%	₹ 147.48 Cr.
2011-12	2011-12	2011-12	2011-12	As on 31 March 2012

### Highlights, 2011-12

- We have successfully delivered 294 BCNAHSMI type wagons
- We have achieved a turnover of ₹49 Cr. in our RMC division

### Portfolio

- Steel fabrication** – On-site and off-site fabrication, built-up girders, columns, trusses, structural-form work and support systems
- Wagon fabrication** – Engaged in contract wagon fabrication (open and covered and steel and stainless steel)
- By increasing the Ready Mix Concrete (RMC) production,

Tantia Constructions is able to address in-house project needs faster

### Strategy

- Possesses an integrated presence in the creation of roads, bridges, flyovers and tunnels

### Strengths

**Challenging projects:** The division demonstrated robust capability to construct bulky girders from considerable heights above road and water surfaces

**Quality:** Its product mix comprises high-end stainless steel wagons with higher longevity

# MANAGING RISKS

At Tantia Constructions, risk management is the process of identifying, assessing and evaluating risks and taking proactive measures to translate these into profit through business knowledge and a forward-looking approach.

## Industry Risk

A downturn in the economic environment could impact infrastructure creation

### Risk mitigation

- During the Twelfth Five Year Plan, infrastructure allocation has been pegged at ₹1 trillion, half of which is expected from the private sector
- With a view to mobilise resources, India's first infrastructure debt fund, with an initial size of ₹8,000 Cr., was launched in 2011-12

- An over 14% increase in the budgetary allocation to the Ministry of Road Transport and Highway is expected to catalyse the growth of the transportation and logistics sectors
- A 27% increase in the budgetary allocation for rural drinking water and sanitation and a 20% increase in the Pradhan Mantri Gram Sadak Yojana is expected to improve rural infrastructure and connectivity

## Competition Risk

Increasing competitive pressures might impact project inflow

### Risk mitigation

- The Company diversified its business portfolio across sectors like roads and highways 21%, railways 33%, marine 1%, power 1%, urban infrastructure 33% and steel and concrete products 11% to counter slowdown in one or few sectors

- The Company integrated vertically, forming alliances with construction companies possessing specific competencies, enabling it to undertake challenging and margins-accretive projects
- Its strong network criterion, requisite experience and acknowledged reputation helps address pre-qualification

## Raw material Risk

Non-availability of the right quality and quantity of raw material inputs may impact timely project completion

### Risk mitigation

- With an experience of nearly five decades, the Company is able to accurately forecast material needs and requirements
- Key raw materials (steel and cement) are procured from leading manufacturers, eliminating

intermediaries and thereby saving costs

- A major portion of the Company's contracts have in-built escalation clauses, which protect against sudden input cost spikes
- The captive steel fabrication unit helps control quality, cost and delivery schedules

<p><b>Equipment Risk</b></p> <p>Inability to mobilise equipment at the right time could affect project schedule and profitability</p>	<p><b>Risk mitigation</b></p> <ul style="list-style-type: none"> <li>The Company owns a large equipment bank comprising excavators, crushers, pavers, tippers, automatic batching plants, tower cranes, excavators and concrete pumps</li> </ul>	<ul style="list-style-type: none"> <li>It possesses strong project documentation and equipment mapping covering operations, maintenance schedules, cross-site logistical management and equipment upgradation</li> </ul>
<p><b>Intellectual capital</b></p> <p>Attrition might erode intellectual capital</p>	<p><b>Risk mitigation</b></p> <ul style="list-style-type: none"> <li>The Company accelerated the recruitment of regional professionals, leading to a better understanding of local terrains and regulations</li> <li>It strengthened delegation and grew leaders at every organisational level</li> </ul>	<ul style="list-style-type: none"> <li>It reinforced training (both functional and attitudinal)</li> <li>As a result, attrition declined to 4% in 2011-12 as compared with the industry benchmark of 7%</li> </ul>
<p><b>Safety and health Risk</b></p> <p>Improper on-site practices might endanger worker well-being and project progress</p>	<p><b>Risk mitigation</b></p> <ul style="list-style-type: none"> <li>The Company's disaster management framework incorporates prevention measures and implementation of best practices during different construction phases coupled with prudent crisis management</li> </ul>	<ul style="list-style-type: none"> <li>Its on-site members are mandated to wear protection equipment while working under the supervision of a dedicated safety team</li> </ul>
<p><b>Quality Risk</b></p> <p>Reduction in quality standards could invite adverse publicity and client attrition</p>	<p><b>Risk mitigation</b></p> <ul style="list-style-type: none"> <li>The Company procures raw material from reputed brands (SAIL, TISCO and UltraTech among others) only and all incoming material is supplemented by extensive laboratory checks; besides, a captive steel fabrication unit helps to enhance quality control</li> </ul>	<ul style="list-style-type: none"> <li>Work-in-progress checks are carried out across intermediary products (for instance, concrete)</li> <li>Finished quality checks establish structural strength and regular maintenance activities enhance reinforcement</li> </ul>

# CORPORATE SOCIAL RESPONSIBILITY

## Overview

Tantia Constructions demonstrated its commitment to inclusive growth through the following initiatives:

- Vocational training to B.Tech students of Camelia Engineering College
- The Company sponsored a work-shop on Self Management of Excessive Tension (SMET) in association with Swami Vivekananda Yogo Anusandhan Samsthana
- The Company undertook the cleaning of Santragachi Jheel and Bikramgarh Jheel in Kolkata, reflecting our commitment towards a cleaner environment
- The Company has sponsored through its subsidiary company, Tantia Sanjauliparkings Pvt. Ltd. "Chief Patrons Cup" at Naldehra Golf Course at Sanjauli, Simla.

**Swami Vivekananda Yogo Anusandhan Samsthana**  
Established in the U.S.A. in 1963, Registered under Section 13 of the U.S.A. Act 1954, 1714 South Mountain, Georgetown D.C., Washington D.C., 20854-1714  
 40 - 40th Street, New York, N.Y. 10018

Presents a workshop on  
**SMET**  
SELF MANAGEMENT OF EXCESSIVE TENSION

**A STRESS REDUCTION PROGRAMME FOR TOTAL HEALTH**  
 Man's quest for knowledge and freedom since time immemorial has led him to become an intellectual giant but also added dimensions of stress and hypersensitivity resulting in deterioration of the quality of life with many social and health hazards.

"SMET" - THE NEED OF THE HOUR!

**WHAT IS "SMET"?**

- Easy postures with slow rhythmic breathing.
- Releases deep seated stresses by stepwise journey into oneself.
- 35 minutes session of very deep relaxation and rest.

**SMET BENEFITS-**

- Improves intrinsic quality of life
- Induces thought clarity that helps better decision making
- Enhances interpersonal relationship
- Better leadership attributes
- Aids performance at home and work
- Enriches physical, mental, intellectual, emotional, social and spiritual well being
- Prevention and self management of Stress ailments like Hypertension, Diabetes, Angina and Insomnia etc.
- Happy Homes and neighbourhoods with peaceful living

**Date :**  
 Sat 18th Feb 2012, 8.30 AM to 5 PM  
**Venue :**  
 Aayojan Banquet Hall  
 DD-30 Salt Lake City, Sector 1  
 near City Centre  
 Kolkata 64

**All are Welcome. No fees.**  
 For details contact:  
**Vivekananda Yogo Anusandhan Samsthan Haldar**  
 VYASA Salt Lake : 32841913, 23373791 , 9836693151  
 VYASA, Jodhpur : 2424 6487, 2424 1340, 9339614168  
 Email : vyasa@vya.com, smet@vya.com, smet@vya.com

Workshop sponsored by:  
 Tantia Constructions Ltd



Santragachi Jheel in Kolkata,

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# STATUTORY SECTION

# REPORT OF THE BOARD OF DIRECTORS

for the year ended March 31, 2012



*Dear Shareholders,*

Your Directors have pleasure in presenting their report as a part of 47th Annual Report, along with the Audited Accounts of the Company for the year ended March 31, 2012.

## Financial Results

The salient features of the Company's financial results for the year ended on March 31, 2012 on standalone and consolidated basis have been as follows:

(₹ in Lakhs)

Performance for the year ended March 31, 2012	Standalone		Consolidated	
	2012	2011	2012	2011
Revenue from Operations	62,613	67,915	59,088	67,915
<b>Operating Profit (Before Interest, Depreciation and Taxation)</b>	<b>9,998</b>	<b>8,520</b>	<b>9,664</b>	<b>8,520</b>
Less: Financial Cost	7,246	4,453	7,272	4,453
<b>Profit Before Depreciation and Taxation</b>	<b>2,752</b>	<b>4,067</b>	<b>2,392</b>	<b>4,067</b>
Less: Depreciation	1,134	726	1,134	726
Less: Diminution in value of investment	–	–	7	42
<b>Profit Before Taxation (PBT)</b>	<b>1,618</b>	<b>3,341</b>	<b>1,251</b>	<b>3,299</b>
Add: Profit from Joint Venture	(151)	99	(202)	99
Less: Provision for Taxation	590	715	596	715
Add: Pre-acquisition profit / loss	–	–	–	1
<b>Profit After Taxation(PAT)</b>	<b>877</b>	<b>2,725</b>	<b>453</b>	<b>2,684</b>
Profit Brought Forward	7,539	5,591	7,497	5,590
<b>Profit Available for Appropriation</b>				
<b>Appropriation</b>				
Transfer to General Reserve	100	300	100	300
Dividend on Cumulative Preference Shares	1	1	1	1
Proposed Dividend on Equity Shares	258	409	258	409
Dividend Tax on Proposed Dividend	43	67	42	67
<b>Balance Carried Forward</b>	<b>8,014</b>	<b>7,539</b>	<b>7,549</b>	<b>7,497</b>

## Operational Performance

Detailed discussion in relation to the Company's Operations is given in the Management Discussion and Analysis Report under the heading Financial Performance, is enclosed with the Directors' Report.

## Order Book position as on March 31, 2012

The total order book position as on 31st March, 2012 was ₹ 3,21,000 Lakh.

## Dividend

The Board of Directors at the Meeting held on May 29, 2012 recommended payment of Dividend of ₹ 1.05 (i.e.10.50%) on the Cumulative Redeemable Preference Shares of ₹ 10/- each, and a Dividend of ₹ 1.50 per Equity Share on Equity Shares of ₹10/- each (i.e. 15% of paid-up Equity Share Capital), subject to approval of the Members at the forthcoming Annual General Meeting. The distribution tax on both the Equity Dividend and Preference Dividend is to be borne by the Company and appropriated accordingly.

## Subsidiary Companies

During the year under review, your Company is having three Subsidiary Companies namely- *Tantia Sanjauliparkings Private Limited*, *Tantia Infrastructure Private Limited* and *Tantia Raxaultollway Private Limited*, out of which first two are Wholly-Owned Subsidiary(ies).

In Compliance with General Circular No. 2/2011 dated February 8, 2011, issued by the Ministry of Corporate Affairs, Government of India, granted general exemption to Companies from complying with the provisions of Section 212 of the Companies Act, 1956 from attaching a copy each of the Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report etc. of the Subsidiary Company(ies). As required, the important information of the annual accounts of the Subsidiary Company (ies) is disclosed in later part of this Annual Report. However, Annual Accounts of the Company's Subsidiary Company (ies) will be available for inspection by Member/Investor at the Registered Office of the Company at 25-27, Netaji Subhas Road, Kolkata- 700001 and that of concerned Subsidiary (ies) and the hard copy of same would be provided to any Member on demand.

In Compliance with General Circular No. 2/2011 dated February 8, 2011, a detailed statement related to Subsidiary Company(ies) is annexed herewith in the later part of this Annual Report.

## Consolidated Financial Statements

In compliance with the Accounting Standards 21 and 23 of the Companies (Accounting Standards) Rules, 2006 read with General Circular No. 2/2011 dated February 8, 2011 of the Ministry of Corporate Affairs (MCA), Government of India and Clause 32 of the Listing Agreement with Stock Exchange(s), the Company has prepared its Consolidated Financial Statements and the same has been duly audited by the Statutory Auditors of the Company M/s. Konar Mustaphi & Associates, Chartered Accountants. The Consolidated Financial Statements and Auditors' Reports on the same are enclosed with the accounts and forms part of this Annual Report.

## Preferential Allotment of Convertible Warrant(s)

As per Section 81(1A) of the Companies Act, 1956 read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 including amendments thereto from time to time and other applicable Rules and Regulations, the Committee of Directors of the Company, during the year under review has allotted 24,50,000 Convertible Warrant(s) to the Promoters/Promoter Group Companies on Private Placement/Preferential Basis which was duly approved by the shareholders' through Postal Ballot, the results of which were declared on March 9, 2011.

## Conversion of Warrant(s)

Out of total allotted 24,50,000 Convertible warrant(s), the Board of Directors of the Company at their Meeting held on February 13, 2012 allotted 8,50,000 Equity Shares to the Promoters/ Promoter Group Companies pursuant to conversion of equivalent number of Warrant(s).

The Company has made applications for listing of aforesaid Equity Shares at the Stock Exchange(s), where the Equity Shares of the Company are listed, which is awaited.

## Fixed Deposit

The Company did not accept any Fixed Deposit under Section 58A of the Companies Act, 1956 from the public during the Financial Year ended on March 31, 2012.

## Client Relationship

The Company enjoys excellent business relationship with existing and new clients which is resulting in repetition of orders, extension of projects of a higher value on a regular basis and is preferred above other market players. The Company is making its presence felt in the different parts of the Country through different infrastructural and development work. The Company's customer base has spread across the country and includes reputed domestic Corporates as well.

## Future Outlook

The development of world-class infrastructure remains the key focal area of the Government. As a result, the infrastructure sector including the Metro Network and Highways projects has got a major boost in the Union Budget 2012-13. The Union Budget 2012-13 proposes an increase of allocation of the Road Transport and Highways Ministry by 14% to ₹ 25,360 crores. The Ministry got a substantial increase of ₹ 874 crores for construction and extension of the Metro Network in Delhi, Bangalore, Kolkata, Chennai, Mumbai, Jaipur and Kochi.

As per the Infrastructure Development target set for FY 2012-13, the total Road length to be awarded in FY 2012-13 will be 9,500 km, an increase of 18.7% over the previous year while investments will rise by 73.6%. About 4360 km of Roads will be awarded for maintenance under the OMT (Operate, Maintain, Transfer) System for the first time.

In order to boost this Sector, the Government has given another mode of financing the BOT Projects by way of allowing ECB for Capital Expenditure on the maintenance and Operations of Toll Systems for Roads and Highways, if they are part of original project.

## Disclosures

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is appended as Annexure A and forms part of this Report.

## Directors

Currently the Company is having ten Directors, out of them four are Executive Directors and remaining six are Independent Directors. The Composition of the Board is in compliance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s).

During the year under review, Sri Sarit Kumar Bose, Independent Director of the Company left for his heavenly abode at the age of 76 years.

Sri Mahabir Prasad Agrawall and Sri Himangsu Sekhar Sinha, the Independent Directors of the Company retires by rotation and being eligible, offer themselves for reappointment.

As required under Clause 49 of the Listing Agreement with the Stock Exchange(s), the particulars of Director seeking appointment/reappointment at the ensuing Annual General Meeting is annexed to and forms part of Notice calling the 47th Annual General Meeting.

## Employee Relation

During the year under review, a cordial relation was maintained with the employees. The Directors wish to place on record their sincere appreciation in respect of the services rendered by all the employees of the Company.

## Particulars of Employees

The information as required in accordance with Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set-out in the Directors' Report. Having regard to the provisions of Section 219(1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company at 25-27, Netaji Subhas Road, Kolkata – 700 001.

## Auditors

The Board, on recommendation of the Audit Committee, has proposed that M/s. Konar Mustaphi & Associates, Chartered Accountants, Kolkata, who retires at the conclusion of the forthcoming Annual General Meeting, be re-appointed as Statutory Auditors of the Company, to hold office until conclusion of next Annual General Meeting of the Company. M/s. Konar Mustaphi & Associates, Chartered Accountants,

Kolkata have signified their willingness in writing and further informed that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

### **Auditors' Observation**

The Reports of the Auditor including references made therein to the Notes forming part of the Statement of Accounts are self explanatory and do not call for any further explanation.

### **Directors' Responsibility Statement**

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

- a) in the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently except to the extent as stated in the account and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012, and of the profit or loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities; and
- d) the Directors have prepared the accounts for the year ended March 31, 2012 on a going concern basis.

### **Corporate Governance**

Your Company reaffirms its commitment to Corporate Governance and it adheres with the provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange(s). A separate section on Corporate Governance practices, Management Discussion and Analysis Report and General Shareholder Information are given as annexure to this report.

The Auditors' Certificate confirming compliance with the provisions of Corporate Governance as stipulated under the Clause 49 of the Listing Agreement is annexed to this Annual Report.

### **Code of Conduct**

The Code of Conduct for the Directors and Senior Management Executives has been made applicable to all the Directors whether Executive(s) or Non-Executive including all Senior Management Executive(s) of the Company. The Board Members and Senior Management Executives of the Company have affirmed compliance with the Code of Conduct during the year and no violation of the same was reported. The Code of Conduct is also posted on the Company's web-site [www.tantiagroup.com](http://www.tantiagroup.com).

### **Corporate Social Responsibility (CSR)**

Tantia Constructions Limited is committed to carrying out its business responsibility and is developing strong and sustainable local communities. The focus area of Company's CSR initiatives includes education, environment and community development. The Company understands the surrounding environment wherever it executes its infrastructural development work.

### **Appreciation**

Your Board of Directors wish to place on record their sincere appreciation for the valuable and continued support received from the shareholders, Company's Bankers, Central and State Government Authorities, Clients, Consultants, Suppliers, Stock Exchange(s) and all other Business Associates for the growth of the organisation.

The Board of Directors also wish to place on record its deep appreciation for the services of the devoted executives, staff Members and workers whose hard work, solidarity, cooperation and support contributed to its efficient and successful management and in arriving at this years' financial results.

For and on behalf of the Board

Dated: May 29, 2012

Registered Office:

25-27, Netaji Subhas Road,  
Kolkata – 700 001

Ishwari Prasad Tantia

*Chairman and Managing Director*

## ANNEXURE- A

DISCLOSURE OF THE PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

### A) Conservation of Energy:

Form 'A' appended to the Companies (Disclosure of Particulars with Report of Board of Directors) Rules, 1988 is not applicable to the Company as the industry to which your Company belongs to does not fall thereunder. The Company's core activity being in the area of Civil Construction and not a power-intensive industry. However, the Company is making every possible effort to conserve the use of power. Scarce natural resources like diesel, petrol are consumed efficiently to ensure proper energy utilization and conservation. The impact if any, of such measures are not identifiable.

### B) Technology Absorption:

Form B: Disclosure of particulars with respect to absorption

Research & Development (R & D)-			
Specific areas in which R & D carried out by the Company		The Company has not undertaken any activity relating to research and development during the year under review.	
Benefits derived as a result of the above R&D			
Future plan of action			
Sl. No.	Expenditure on R & D	2011-12 (₹)	2010-11 (₹)
1	Capital Expenditure	NIL	NIL
2.	Recurring Expenditure	NIL	NIL
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>
	Total R & D expenditure as a percentage of total turnover	N.A.	N.A.

Technology absorption, adaptation and innovation

Efforts, in brief, made towards technology absorption, adaptation and innovation	There is no change in technology used by the Company.
Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc	
In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: (a) Technology imported. (b) Year of import. (c) Has technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action	Not Applicable

### C) Foreign Exchange Earnings and Outgo:

(₹ in Lakhs)

	2011-12	2010-11
Foreign Exchange Earnings	NIL	0.00
Foreign Exchange Outgo	171.00	0.00

# CORPORATE GOVERNANCE REPORT



## 1. Company's Philosophy on Corporate Governance

In Tantia Constructions Limited, we believe that Corporate Governance is a set of systems, processes and principles which ensure that a Company is governed in the best interest of all the stakeholders. It is the system by which Companies are directed and controlled. It is about promoting corporate fairness, transparency and accountability. We believe that good Corporate Governance is a continuous exercise and it ensures:

- Adequate disclosures and effective decision making to achieve corporate objectives.
- Transparency in Business Transactions.
- Statutory and Legal Compliances.
- Protection of Shareholder's Interest.
- Commitment to values and Ethical Conduct of Business.

Our objective is to enhance shareholders' value and protect the interests of other stakeholders by improving the corporate performance and accountability. A good Corporate Governance supports in building a sustainable value in business and society, it is not just about protecting stakeholders' interests or a compliance exercise to satisfy regulators.

Your Board of Directors possesses skills and knowledge appropriate for the Company's business, sound financial knowledge to assess the financial direction of the Company, and an understanding of the risks in the business and the level of risk being taken by the Company.

**Compliance with the Listing Agreement with the Stock Exchange(s) related to Code on Corporate Governance:**

Your Board of Directors are pleased to inform you that your Company has duly complied with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s) for the year ended March 31, 2012. The necessary disclosures as required under Clause 49 of the Listing Agreement have been provided in other part of this Report.

## 2. Board of Directors

### Composition and Size:

In order to maintain the Independency of the Board, the Company has adopted the Policy to have appropriate mix of Executive and Independent Directors on the Board. As on March 31, 2012, the Board of Directors of Company comprised of ten Members, who belongs from different fields and having vast experience in Civil Engineering, Construction, Railways, Banking and Insurance, Finance and Accounts, Human Resource Management, Business Management and other related fields. As on March 31, 2012, the constitution of the Board was as follows:

- Two Promoter Director- Executive Directors
- Two Non-Promoter Director- Executive Directors
- Six Independent Director- Non-Executive Directors

The Composition of the Board and other provisions related to Board and Committee(s) are in Compliance with the Clause 49 of the Listing Agreement with the Stock Exchange(s). All the Independent Directors qualify the conditions for being Independent Director as prescribed under Clause 49 of the Listing Agreement with the Stock Exchange(s). Non-Executive Independent Directors do not have any material pecuniary relationship and/or transaction with your Company other than payment of sitting fees for attending meetings of Board/

Committee(s) of Directors which is well within the limit prescribed under the Act read with Articles of Association of the Company (the 'Articles').

Sri Rahul Tantia, Director (Operations) is the son and a relative within the meaning of the Act of Sri I. P. Tantia, the Chairman and Managing Director of the Company. No other director is related to any other director of the Company within the meaning of the Section 6 read with Schedule 1A of the Companies Act, 1956.

During the year ended March 31, 2012, the Directors of the Company met 5 (Five) times on May 20, 2011, July 22, 2011, November 11, 2011, December 11, 2011 and February 13, 2012. The composition of the Board of Directors as on March 31, 2012, attendance of each Directors at the Board Meetings and at the last Annual General Meeting, other Directorships and other Committee position held by them are given as follows:

Name of the Directors	Category of Directors	No. of Board Meeting(s) Attended	Attendance at the Last AGM held on September 16, 2011	No of Directorship (s) held outside*	Total No. of Committee Membership(s) held outside**	
					As Member	As Chairman
Sri Ishwari Prasad Tantia Chairman & Managing Director	Promoter, Executive Director	5	Yes	1	-	-
Sri Banwari Lal Ajitsaria Director (Business Development)	Executive Director	2	Yes	1	-	-
Sri Rahul Tantia Director (Operations)	Promoter, Executive Director	4	Yes	2	-	-
Sri Murare Lal Agarwala Director (Projects)	Executive Director	4	Yes	-	-	-
Sri H. S. Sinha	Independent, Non-Executive Director	3	No	3	1	1
Sri Uma Shankar Agarwal	Independent, Non-Executive Director	5	Yes	1	-	-
Sri Uday Sankar Roy	Independent, Non-Executive Director	4	Yes	4	1	-
Sri Sarit Kumar Bose***	Independent, Non-Executive Director	1	No	-	-	-
Sri Mahabir Prasad Agrawal	Independent, Non-Executive Director	0	No	21	-	-
Sri Parimal Kumar Chattaraj	Independent, Non-Executive Director	4	Yes	6	2	-
Sri Shaleen Khemani	Independent, Non-Executive Director	5	Yes	9	-	-

\* This includes directorship(s) held in Private Companies.

\*\* As per information received, none of the Directors of the Company's Board is Member of more than 10 Committees or Chairman of 5 Committee(s). Membership/Chairmanship in Committee(s) of Directors includes Audit Committee and Shareholders/Investor Grievance Committee of Directors only.

\*\*\* Sri Sarit Kumar Bose, Independent Director of the Company left for his heavenly abode. As a result, he ceased to be Director of the Company with effect from July 13, 2011.

**INFORMATION ON DIRECTOR(S) SEEKING RE-APPOINTMENT/  
APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL  
MEETING**

In compliance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s), the brief resume and other details relating to Director(s) seeking appointment/reappointment are given as a part of the Notice calling the 47th Annual General Meeting.

### **3. Board Meetings**

The Board Meetings of the Company are decided in advance and tentative dates of Board Meetings, in which quarterly/annual results are to be discussed, are given in the General Shareholder Information.

**Preparation of Agenda and Schedules of Board Meetings:**

The Board Members, in consultations with the Chairman may bring up any matter for consideration of the Board. The Chairman of the Board in consultation with the Company Secretary draws the agenda for each Meeting along with explanatory notes and all agenda items are duly backed by comprehensive background information to enable the Board to take informed decisions. The Board meets at least once after closure of each quarter to review the financial performance of the Company. Additional Board Meetings are held as and when considered necessary to dispatch the business of the Company.

**Information placed before the Board:**

Board Meetings of the Company are governed by the structured agenda and the Board has an unfettered and complete access to any and all information within the Company and to any of the employees of the Company. The Board Meetings welcome the presence of the Vice-Presidents, General Manager and Managers, who can provide additional information and insight into the items being discussed.

The required information as enumerated in Annexure IA to the Clause 49 of the Listing Agreement with the Stock Exchange(s) and the materials required to be placed before the Board as provided under the Act are made available to the Board Members for discussion, consideration and doing the needful at its Meetings.

Further, the Board periodically reviews compliance reports of all laws applicable to the Company and requisite steps are being taken to ensure the compliance in law and spirit.

## **4. Committees of the Board**

Currently, there are five Committees of the Board namely- Audit Committee, Share Transfer and Investor Grievances Committee, Remuneration Committee, Treasury Management Committee and Rights Issue Committee. The terms of reference of Committee(s) of the Board are determined by the Board from time to time.

In Compliance with Annexure IA to the Clause 49 of the Listing Agreement, the minutes of the Committee Meeting(s) are placed at subsequent meetings of the Board of Directors. Recommendations of the Committee(s), if any, are submitted to the Board for their approval.

The quorum for the Meeting of the Committees is either two Members or one-third of the Member(s) of the Committee, whichever is higher.

***The Company Secretary acts as a Secretary to all the Committees of the Board.***

### **A. Audit Committee**

**Terms of Reference:**

The Board of Directors of the Company has constituted the Audit Committee of Directors. The terms of reference of the Audit Committee includes the Power, Role, Review of information as stipulated in Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement with the Stock Exchange(s) and other relevant statutory/regulatory provisions, as applicable from time to time.

**Composition and Size:**

The Audit Committee of the Company comprises of four Directors- three of whom are Independent, Non-Executive and one is Promoter, Executive as on March 31, 2012. All of them are financially literate and having expertise in corporate finance, accounts, corporate laws and management. The Chairman of the Audit Committee is an Independent, Non-Executive Director. The Board has constituted the Audit Committee in compliance with all the applicable provisions of the Companies Act, 1956, Clause 49 of the Listing Agreement with the Stock Exchange(s) and other applicable laws in this respect.

The Vice President (Finance and Accounts) and GM (Accounts and Corporate) are regular invitees at the Audit Committee Meetings. Md. Jamshed Alam, the Company Secretary, is the Secretary to the Committee.

### Composition and Meeting(s) held during the year:

The Audit Committee met 4 (four) times during the year on May 20, 2011, July 22, 2011, November 11, 2011, and February 13, 2012. Details on the composition of the Committee and attendance of its Member(s) are given below:

Member (s)	Position	Meeting(s) attended
Sri Uma Shankar Agarwal	Chairman, Independent, Non-Executive Director	4
Sri Rahul Tantia	Member, Promoter, Executive Director	3
Sri H. S. Sinha	Member, Independent, Non-Executive Director	3
Sri Uday Sankar Roy *	Member, Independent, Non-Executive Director	1

\* Sri Uday Sankar Roy, Independent, Non-Executive Director of the Company was inducted as a Member of Audit Committee w.e.f. December 11, 2011.

The Chairman of the Audit Committee was present at the previous Annual General Meeting held on September 16, 2011.

## B. Remuneration Committee

### Composition and Size:

The Company has Remuneration Committee comprising of three Independent, Non-Executive Directors namely Sri P. K. Chattaraj, Sri U. S. Agarwal and Sri Shaleen Khemani as on March 31, 2012. Md. Jamshed Alam, the Company Secretary, is the Secretary to the Committee.

### Terms of Reference:

The Remuneration Committee recommends to the Board of Directors regarding the remuneration payable to Managing Director/ Whole-time Director(s)/Relative of Director(s) of the Company. The Committee has overall responsibility to evaluate, decide, consider and recommend the remuneration of Managing Director/ Whole-time Director(s) /Relative of Director(s) of the Company and other payments that are required to be paid by the Company to the aforesaid persons.

### Remuneration Policy:

The Non-Executive Directors are being remunerated by way of sitting fees for the Meeting of Board and/or its Committee attended by them from time to time. Whereas, the Managing/ Whole-time Directors of the Company are remunerated as per their terms of appointment/reappointment duly approved by the Shareholder's of the Company at the time of their appointment/reappointment, without any sitting fees for attending the Meeting of Board and/or its Committee.

### Meeting(s) held during the year:

The Remuneration Committee did not meet during the year ended March 31, 2012. Details on composition of the Committee and attendance of its Member(s) are given below:

Member (s)	Position	Meeting(s) attended
Sri Parimal Kumar Chattaraj	Chairman, Independent, Non-Executive Director	0
Sri Uma Shankar Agarwal	Member, Independent, Non-Executive Director	0
Sri Shaleen Khemani	Member, Independent, Non-Executive Director	0

Details of Remuneration paid to each of the Director(s) for the year ended March 31, 2012 is given in the table below: (₹ in Lakhs)

Name of the Director(s)	Salary and other benefits				Sitting Fees Board Meeting(s)/ Committee Meeting(s)	Stock Option, if any (No.)
	Salary (including House Rent Allowance)	Commission	Contribution to Provident Fund	Other Perquisites		
Sri I. P. Tantia	78	5.09	8.64	-	-	Nil
Sri B. L. Ajitsaria	42	-	0.09	-	-	Nil
Sri Rahul Tantia	42	-	-	-	-	Nil
Sri M. L. Agarwala	18	-	-	-	-	Nil
Sri H. S. Sinha	-	-	-	-	0.39	Nil
Sri U. S. Agarwal	-	-	-	-	1.42	Nil
Sri U. S. Roy	-	-	-	-	0.40	Nil
Sri P. K. Chattaraj	-	-	-	-	0.35	Nil
Sri S. K. Bose	-	-	-	-	0.05	Nil
Sri M. P. Agrawal	-	-	-	-	-	Nil
Sri S. Khemani	-	-	-	-	0.68	Nil

- i. **Service Contract:** The service contracts of Sri I. P. Tantia, Sri Rahul Tantia and Sri B. L. Ajitsaria, the Executive Directors of the Company are for three years (Effective from April 1, 2010 to March 31, 2013). Whereas, the service contracts of Sri Murare Lal Agarwala, the Executive Director of the Company is for 3 years (Effective from December 16, 2010 to December 15, 2013).
- ii. **Notice Period:** 6 months Notice by either party.
- iii. **Severance Fees:** No fees payable by either party.

## C. Share Transfer and Investor Grievances Committee

### Composition and Size:

A Share Transfer and Investor Grievances Committee was constituted to deal with various matters relating to shareholders. The Share Transfer and Investor Grievances Committee comprising of three Members, of which two are Independent, Non-Executive Directors namely Sri U. S. Agarwal and Sri Shaleen Khemani along with Sri Rahul Tantia, the Executive Director of the Company. Md. Jamshed Alam, Company Secretary, is the Secretary to the Committee.

### Terms of Reference:

In Compliance with the Clause 49 of the Listing Agreement with the Stock Exchange (s), the Committee under the Chairmanship of Sri U. S. Agarwal, Independent, Non-Executive Director of the Company is formed, to specially look into the redressal of shareholders and investors complaints relating to transfer/ transmission/consolidation/split of shares, non- receipt of Annual Report, non-receipt of declared Dividend Warrant(s) etc.

***In terms of Clause 47(a) of the Listing Agreement with the Stock Exchange(s), Md. Jamshed Alam, the Company Secretary is the Compliance Officer of the Company.***

### Meeting(s) held during the year:

The Share Transfer and Investor Grievances Committee met five times during the year on May 20, 2011, June 30, 2011, August 30, 2011, November 11, 2011 and February 13, 2012. Details on the composition of the Committee and attendance of its

Members are given below:

Member(s)	Position	Meeting(s) attended
Sri Uma Shankar Agarwal	Chairman ,Independent, Non-Executive Director	5
Sri Shaleen Khemani	Member, Independent, Non-Executive Director	5
Sri Rahul Tantia	Member, Promoter, Executive Director	5

The Company has a share department under the Company Secretary, who monitors the activities of Registrar and Share Transfer Agent and looks into the matters relating to the grievances of the Shareholders. Share transfer/ transmission are approved by the Share Transfer and Investor Grievances Committee at its Meeting(s). The Complaints received during the year were resolved within due time and no complaints remained pending for more than 30 days. Status of complaints of shareholders/investors is as under:

Number of Complaints pending on April 1, 2011	0
Number of Complaints received during the year	3
Number of Complaints redressed during the year	3
Number of Complaints pending on March 31, 2012	0

## D. Treasury Management Committee

### Composition and size:

The Company has Treasury Management Committee comprising of Two Directors namely, Sri Uma Shankar Agarwal, the Independent Non-Executive Director and Sri Rahul Tantia, the Promoter, Executive Director of the Company. Md. Jamshed Alam, the Company Secretary, is the Secretary to the Committee.

### Terms of Reference:

The purpose of the Treasury Management Committee of the Board of Directors, inter alia, is to discharge the responsibilities on behalf of the Board of Directors relating to:

- a. Exercise all powers to borrow funds for the Company's requirements (otherwise than by issue of debentures) and taking necessary actions connected therewith.
- b. Review entire Banking arrangements from time to time.

- c. Approve Opening/Modifications/Closure of Bank Accounts from time to time.
- d. Carry out any other function as may be delegated by the Board of Directors from time to time.
- e. Delegate authorities to the Executives and/or other Authorised Representatives to implement the decisions of the Committee from time to time.

#### Meeting(s) held during the year:

The Treasury Management Committee met eleven times during the year ended March 31, 2012. Details on the composition of the Committee and attendance are given below:

Member(s)	Position	Meeting(s) attended
Sri Uma Shankar Agarwal	Chairman ,Independent, Non-Executive Director	11
Sri Rahul Tantia	Member, Promoter, Executive Director	11

## E. Rights Issue Committee

#### Composition and Size:

The Company has constituted a Rights Issue Committee comprising of Three Directors namely, Sri U. S. Agarwal, Sri Shaleen Khemani, the Independent, Non-Executive Directors and Sri Murare Lal Agarwala, the Executive Director of the Company. Md. Jamshed Alam, the Company Secretary, is the Secretary to the Committee.

#### Terms of Reference:

The Rights Issue Committee was constituted by the Board of Directors at their Meeting held on February 13, 2012 for the purpose of forthcoming Rights Issue of Equity Shares on a Rights Basis to the existing shareholders of the Company and to do all such acts, matters, deeds and things as may be necessary for the purpose of the Rights Issue of the Company.

The Rights Issue Committee, inter alia, is to discharge the

responsibilities on behalf of the Board of Directors relating to:

- a. To fix record date(s), decide and determine the final size of the Rights Issue, the price per share.
- b. To decide the opening and closing dates for the Rights Issue and to extend, vary or alter the same.
- c. To finalise the draft Letter of Offer, Letter of Offer, Composite Application Form, Abridged Letter of Offer and other documents and to file the same with SEBI, Stock Exchange(s) and other concerned authorities and issue the same to the Equity Shareholders of the Company.
- d. To finalise the basis of allotment of Equity Shares.
- e. To open Bank Account(s) to receive applications along with application monies in respect of the issue of the shares and to make refunds.
- f. To sign and execute any other document(s), agreement(s), undertaking(s) in connection with the Rights Issue.
- g. To take all such action(s) and to give all such direction(s) as may be necessary or desirable and further to do all such acts, deeds, matters and things as may be necessary, desirable or expedient in connection with the Rights Offer/Issue/ Allotment.

#### Meeting(s) held during the year:

The Rights Issue Committee did not meet during the year ended March 31, 2012. Details on the composition of the Committee and attendance of its Member(s) are given below:

Member (s)	Position	Meeting(s) attended
Sri Uma Shankar Agarwal	Chairman, Independent, Non-Executive Director	0
Sri Murare Lal Agarwala	Member, Executive Director	0
Sri Shaleen Khemani	Member, Independent, Non-Executive Director	0

## 5. General Body Meeting(s)

i. Location and time of last 3 (three) Annual General Meeting(s) held are given below :

Financial Year	Venue	Day & Date	Time
2010-11	"Bharatiya Bhasha Parishad", 36A Shakespeare Sarani, Kolkata – 700 017	Friday 16.09.2011	3.00 P.M.
2009-10	"Bharatiya Bhasha Parishad", 36A Shakespeare Sarani, Kolkata – 700 017	Wednesday 15.09.2010	3.00 P.M.
2008-09	"Bharatiya Bhasha Parishad", 36A Shakespeare Sarani, Kolkata – 700 017	Wednesday 09.09.2009	3.00 P.M.

# No Extra-Ordinary General Meeting was held during the year 2011-12.

ii. Special Resolution(s) passed at last three Annual General Meeting(s):

The following Special Resolution(s) were passed by the Members during the last three Annual General Meeting(s):

Financial Year	Special Resolution(s)
2010-11	No Special Resolution was passed at the Annual General Meeting held on September 16, 2011.
2009-10	1. Approval for Re-appointment and Payment of remuneration to Sri I. P. Tantia, as Chairman & Managing Director for a period of three years w.e.f. April 1, 2010. 2. Approval for Re-appointment and Payment of remuneration to Sri Banwari Lal Ajitsaria, as Director (Business Development) for a period of three years w.e.f. April 1, 2010. 3. Approval for Re-appointment and Payment of remuneration to Sri Rahul Tantia, as Director (Operations) of the Company for a period of three years w.e.f. April 1, 2010.
2008-09	No Special Resolution was passed at the Annual General Meeting held on September 9, 2009.

iii. Postal Ballot:

During the previous Financial Year ended March 31, 2012, the Shareholders' of the Company has passed one Special Resolution under Section 81 of the Companies Act, 1956 for issue of Equity Shares to the existing shareholders of the Company on Rights Basis, through the Postal Ballot Results dated March 20, 2012. The results are based on the Report received from Sri Manoj Kumar Banthia of MKB & Associates, Practicing Company Secretaries, the Scrutinizer appointed under Section 192A of the Companies Act, 1956 read with Company (Passing of Resolution by Postal Ballot) Rules, 2011, who conducted the entire Postal Ballot Process. A detail of voting pattern is given hereunder:

Particulars	No. of Postal Ballot Forms	No. of Shares	Percentage w.r.t. paid-up Equity Capital (%)	% of votes w.r.t. total votes
Votes in favour of the Resolution No.1	151	9698689	56.31	99.95
Votes against the Resolution No. 1	13	4674	0.03	0.05

The Company had received 172 Postal Ballot Forms, out of which 7 forms were found to be invalid which constitutes 711 Equity Shares of the Company. The remaining 165 valid forms represents 97,03,388 Equity Shares in the Company. It is noteworthy that 1 (one) Shareholder holding 25 Equity Shares did not vote on the aforesaid Special Resolution.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

The Company has followed the procedure for Postal Ballot Process as prescribed in Section 192A of the Companies Act, 1956 and Company (Passing of Resolution by Postal Ballot) Rules, 2011 and other circular/notification/clarification issued by Ministry of Corporate Affairs from time to time.

## 6. Means of Communication(s)

i.	Quarterly Results	The quarterly results of the Company are being announced within 45 days of the completion of the quarter and audited annual results are announced within 60 days of the end of the last quarter and Stock Exchange(s) are immediately intimated accordingly.
ii.	Newspapers where normally results are published in	<b>English</b> Business Standard (All Editions) Financial Express (All Editions) Mint (All Editions) <b>Bengali</b> Arthik Lipi (Kolkata)
iii.	Name of Websites where results are displayed	www.tantiagroup.com www.nseindia.com www.bseindia.com www.corpfilings.co.in
iv.	Whether Website also displays official news releases, if any.	Yes
v.	Whether presentations made to the Institutional Investors or to the Analyst(s).	None

## 7. Disclosures

- a. A Statement in summary form of transactions with related party in the ordinary course of business is placed periodically before the Audit Committee. However, the particulars of transactions between the Company and the related parties as per Accounting Standard (AS-18 which deals with 'Related Party Disclosures') are disclosed by way of Notes to the Accounts {Note No B (40)} enclosed to accounts in this Annual Report.
- b. The Company did not have any materially significant Related Party Transactions, which may have potential conflict with the interest of the Company.
- c. The Company has duly complied with the requirements of the regulatory authorities on Capital Markets. There were no strictures or penalties imposed by Securities and Exchange Board of India (SEBI), Stock Exchange(s) or any Statutory Authority for non-compliance of any matter related to Capital Markets during the last three years.
- d. The Company does not have a Whistle Blower Policy. It is confirmed that no personnel is denied access to the Audit Committee.
- e. The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and while preparation of financial statements for the year ended March 31, 2012, the Company has not adopted a treatment different from those prescribed in any Accounting Standard [save as specified at the appropriate place(s)].
- f. Wherever applicable, the Board has received disclosures from senior management personnel relating to material financial and commercial transaction in which they and/or their relatives have personal interest and have entered into no transactions other than those reported in the Related Party Transactions are disclosed by way of Notes to the Accounts {Note No B (40)} enclosed to accounts in this Annual Report.
- g. All mandatory requirements under Clause 49 of the Listing Agreement have been appropriately complied with the Company and with regard to Non-Mandatory requirements; the Company has set up a Remuneration Committee. The Remuneration Committee has the overall responsibility of evaluating and approving performance appraisals for the Managing/Executive Directors/ Relative of Directors of the Company. The Company does not have any qualification of the Statutory Auditors pertaining to the Financial Statements of the year under review in their Audit Report.
- h. There was no pecuniary relationship or transactions between the Company and Non-Executive Directors other than

payment of sitting fees for attending Meeting of Board of Directors or Committees thereof.

- i. No shares and/or Convertible instruments are held by Non-Executive Independent Directors of the Company.
- j. Details related to Subsidiary Company (ies) are provided in Directors' Report and pursuant to Section 212 of the Companies Act, 1956, a separate statement is enclosed in this Annual Report.
- k. In accordance with the requirement of Corporate Governance, the Board of Directors has formulated a Code of Conduct for Directors and Senior Management Personnel of the Company and the compliance thereof has been confirmed by all concerned. The Code of Conduct has also been posted on the Company's website. In addition to this, as per requirement of SEBI (Prohibition of Insider Trading) Regulation, 1992, the Board of Directors has formulated

another Code of Conduct for prevention of Insider Trading in Equity Shares of the Company.

- l. The Company laid down Risk Assessment and Minimisation Procedure and the same is periodically reviewed by Board Members. The Company is having adequate Internal Control System to identify the Risk at appropriate time and to ensure that the Executive Management Controls the Risk in properly defined framework in the best interest of the Company.
- m. Management Discussion and Analysis Report is given separately which forms part of this Annual Report.

#### **8. Auditors' Certificate on Corporate Governance**

The Company has obtained Certificate from Statutory Auditors, M/s. Konar Mustaphi & Associates, Chartered Accountants, Kolkata on compliance of Corporate Governance. Auditors' Certificate on Corporate Governance forms part of this Annual Report.

# GENERAL SHAREHOLDER INFORMATION



## 1. AGM Details

Date	: September 21, 2012
Time	: 3.00 P.M.
Venue	: Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017
Financial Year	: April 1, 2011 to March 31, 2012
Book Closure Dates	: September 14, 2012 to September 21, 2012 (both days inclusive)
Dividend Payment Date	: Within 30 days from the date of Shareholder's Approval at the forthcoming AGM

*As required under Clause 49(IV) (G) (i) of the Listing Agreement with the Stock Exchange(s), particulars of Director(s) seeking appointment / re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on September 21, 2012.*

## 2. Financial Calendar

Financial Reporting for the Year 2012-13: *(tentative and subject to change)*

Particulars	Quarter/Half Year/ Year Ending	Tentative Schedule*
Unaudited Financial Results (1st Quarter)	Q.E. June 30, 2012	First week of August, 2012
Unaudited Financial Results (2nd Quarter)	Q.E. September 30, 2012	Second week of November, 2012
Unaudited Financial Results (3rd Quarter)	Q.E. December 31, 2012	Second week of February, 2013
Audited Financial Results (4th Quarter/Annual)	Y.E. March 31, 2013	Fourth Week of May, 2013

**\*Actual dates may vary.**

### 3. Listing on Stock Exchange(s) and Stock Codes

Sl. No.	Name of Stock Exchange(s)	Stock Codes
1	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Ph: +91 22-2272 1234/33 Fax: +91 22-2272 3121 Web: www.bseindia.com	532738
2	National Stock Exchange of India Limited(NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Ph: +91 22-26598100 Fax: +91 22-26598120 Web: www.nseindia.com	TANTIACONS
3	Singapore Exchange Securities Trading Limited 2 Shentonway, # 19-00 SGX Centre Singapore 068804 Ph: (65) 62368888; Fax: (65) 65356994 Web: www.sgx.com	<b>Short name:</b> Tantia cb1% 120718S <b>Abbreviated Name:</b> TANTCB12 <b>ISIN Code:</b> XS0310744106

The Listing Fees for Financial Year 2012-13 have already been paid for all the above Stock Exchange(s).

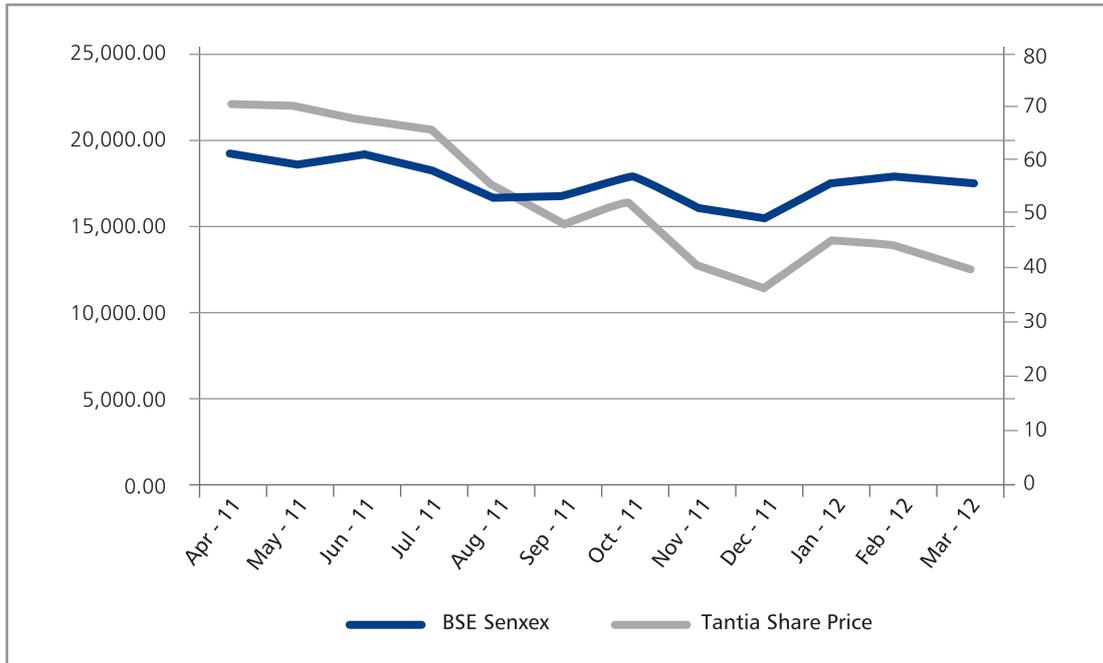
### 4. Details of price movement on Stock Exchange(s)

The monthly high and low quotations, as well as the volume of Equity Shares traded at the BSE and the NSE are provided in the following table:

SL. No.	Month	BSE			NSE		
		High (₹)	Low (₹)	Volume (No.)	High (₹)	Low (₹)	Volume (No.)
1	April-2011	75.70	69.60	96610	76.00	68.90	117731
2	May-2011	71.30	65.40	123206	71.25	65.05	205080
3	June-2011	72.30	63.45	82090	72.00	63.50	125620
4	July-2011	72.20	64.15	150184	74.00	64.55	130922
5	August-2011	66.85	43.50	147614	67.00	43.40	331930
6	September-2011	59.50	46.70	44516	64.40	46.75	101818
7	October-2011	56.40	46.50	109081	56.50	46.10	223983
8	November-2011	53.45	38.45	47697	53.55	37.75	74597
9	December-2011	44.90	31.60	36704	44.90	33.00	70854
10	January-2012	49.00	36.55	125530	47.95	34.90	54421
11	February-2012	54.45	44.00	153834	54.50	43.75	261187
12	March-2012	49.65	39.00	94894	47.75	39.00	202976

## 5. Performance Chart in comparison to BSE Sensex

The graph is made on monthly closing price of Equity Shares of Tantia Constructions Limited and monthly closing value of SENSEX.



## 6. Registrar and Share Transfer Agent(RTA)

M/s. Maheshwari Datamatics Private Limited is Registrar and Share Transfer Agent (RTA) of the Company. Shareholders/Investors are requested to send share transfer related documents directly to our RTA whose address is given under the heading 'Address for Correspondence' at item no. 16(b) of this General Shareholder Information. The Company has a Share Transfer and Investor Grievances Committee to look into various issues relating to the investors.

## 7. Share Transfer/ Transmission /Consolidation/ Split System

The exercises of Share Transfer/transmission/consolidation/split are handled by the Company's RTA and after completing the procedural formalities of Share Transfer /Transmission/Consolidation/Split, the share certificates are returned to the transferees within a maximum period of 15 days from the date of lodgement of the same, in case the application is otherwise found in order. There are no pending Share Transfers as on March 31, 2012.

## 8. Distribution of Shareholding as on March 31, 2012

Range of Equity Shares held:

No. of Shares/(Share Range)	Number of Shareholders	Percentage of Shareholders (%)	Number of Shares held	Percentage of Holding (%)
1 – 500	10776	90.4558	1338617	7.7722
501 – 1000	567	4.7595	464645	2.6978
1001 – 2000	303	2.5434	465382	2.7021
2001 – 3000	92	0.7723	234526	1.3617
3001 – 4000	40	0.3358	142304	0.8262
4001 – 5000	28	0.2350	132130	0.7672
5001 – 10000	49	0.4113	344135	1.9981
10000 & above	58	0.4869	14101327	81.8747
<b>Total</b>	<b>11913</b>	<b>100.00</b>	<b>17223066</b>	<b>100.00</b>

#### Shareholding Pattern as on March 31, 2012:

Shares held by	Number of Shares held	Percentage (%)
Indian Promoters	9651498	56.04
Foreign Promoters	0	0
Persons acting in concert	0	0
<b>Total Shareholding of Promoter and Promoter Group</b>	<b>9651498</b>	<b>56.04</b>
<b>Public Shareholding</b>		
Mutual funds	1018900	5.92
Banks/Financial Institutions/ Insurance Companies/Non-Government Institutions	336682	1.95
Foreign Institutional Investors(FIIs)	0	0.00
Private Corporate Bodies	1804056	10.47
Indian Public	4294842	24.94
NRI/Foreign National	100790	0.59
Trusts /Clearing Member	16298	0.09
<b>Grand Total</b>	<b>17223066</b>	<b>100.00</b>

## 9. Dematerialisation of Shares and Liquidity

The shares of the Company are compulsorily traded in dematerialised form on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), RTA are entrusted with the responsibility of dematerialisation of Company's Shares. Shares held in demat and physical modes as on March 31, 2012 are as follows:

Category	Number of		% of Total Equity
	Shareholders	Shares	
<b>Dematerialised Mode</b>			
a) NSDL	7776	14078923	81.74
b) CDSL	4103	2278484	13.23
<b>Sub Total</b>	<b>11879</b>	<b>16357407</b>	<b>94.97</b>
<b>Physical Mode</b>	<b>34</b>	<b>865659</b>	<b>5.03</b>
<b>Total</b>	<b>11913</b>	<b>17223066</b>	<b>100.00</b>

*The International Securities Identification Number (ISIN) allotted to our Equity Shares under the Depository System is INE388G01018.*

## 10. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on Equity

### i. GDRs/ADRs

The Company did not issue any GDRs/ADRs during the year ended March 31, 2012.

### ii. Foreign Currency Convertible Bonds (FCCBs)

The Company has issued on July 17, 2007, 7500 - 1% Foreign Currency Convertible Bonds (FCCBs) due 2012 at 100% of US \$ 1000 each aggregating to US \$ 7.5 million. The bondholders

have option of converting these bonds into shares at an initially agreed conversion price of ₹ 140/- per share (including the premium of ₹ 130/- each) with a fixed rate of conversion of US \$ 1 = ₹ 40.38 at any time on or after July 17, 2007 upto July 5, 2012. If at any time during the conversion period, the bondholders exercise the conversion option, the Paid-Up Equity Share Capital of the Company will stand increased accordingly.

However, during the Financial Year 2010-11, the Company opted to Buy-back 5000 Foreign Currency Convertible Bonds (FCCBs) aggregating to US \$ 5,000,000 from the bondholder(s) in compliance with the applicable guidelines issued by the

Reserve Bank of India (RBI) from time to time. Consequently, only 2500-1% Foreign Currency Convertible Bonds (FCCBs) are due for conversion in July, 2012.

### iii. Convertible Warrant(s)

The Company have allotted 24,50,000 Convertible Warrant(s) to the Promoters/Promoter Group Companies on Private Placement/Preferential Basis, pursuant to shareholder's approval by way of Postal Ballot, results of which was declared on March 9, 2011 on such terms and condition duly approved by the shareholder's of the Company.

Each of the said Warrant shall carry a right, entitling its registered owner to apply for his/her option to seek allotment of 1 (one) equity share of ₹ 10/- each upon conversion of the Warrant(s) and those Equity Shares shall rank pari-passu with the existing Equity Shares of the Company in all respects including Dividend. Upon exercises of conversion option, the Paid-up Equity Share Capital of the Company will stand increased accordingly with the equivalent number of Equity Shares.

## 11. Plant Locations

In view of the nature of the Company's business which is infrastructural development and the Construction Sites of the Company are spread across the Country. However, your Company produces Ready Mix Concrete (RMC) at the following plants:

### i. RMC -1

Narayanpur, Battala, Rajarhat, Gopalpur  
Kolkata- 700136, West Bengal  
Email: [rmc@tantiagroup.com](mailto:rmc@tantiagroup.com)

### ii. RMC -2

1261, Taratala Road,  
Near- Brace Bridge Rail Gate  
Kolkata- 700088, West Bengal  
Email: [rmc2@tantiagroup.com](mailto:rmc2@tantiagroup.com)

### iii. RMC -3

Village: Pamohi, Plot No. 267  
P.O. & P.S.: Garchuk  
Guwahati- 781035, Assam  
Email: [rmc3@tantiagroup.com](mailto:rmc3@tantiagroup.com)

## 12. Reconciliation of Share Capital Audit Report by Practicing Company Secretary

The Company has received Quarterly 'Reconciliation of Share Capital Audit Report' from Sri Mohan Ram Goenka, a Practicing Company Secretary, who has carried out 'Reconciliation of Share Capital Audit' to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of Share Capital Audit confirms that the total issued/ paid-up capital is equal to the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

## 13. Unclaimed Dividend

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, all unclaimed/ unpaid Dividend pertaining to the Company remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Following table gives information relating to outstanding Dividend accounts and dates when due for transfer to IEPF.

Finacial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2004-05	24.09.2005	24.09.2012
2005-06	04.09.2006	04.09.2013
2006-07	03.09.2007	03.09.2014
2007-08	24.09.2008	24.09.2015
2008-09	09.09.2009	09.09.2016
2009-10	15.09.2010	15.09.2017
2010-11	16.09.2011	16.09.2018

A request is made to all the shareholders who have not encashed their Dividend warrants and which are not yet transferred to the IEPF, providing them details of the unencashed warrants and requesting to comply with the procedure for seeking payment for the same.

However, in compliance with the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Company has transferred Unpaid Dividend for the Financial Year 2003-04 amounting to ₹ 900 to the Investor Education and

Protection Fund (IEPF) of Central Government.

#### 14. Details of Equity Shares lying in Unclaimed Shares Demat Suspense Account

In Compliance with the Clause 5A of the Listing Agreement with the Stock Exchange(s), the details of unclaimed Equity Shares which was previously issued and allotted by the Company during its public issue of Equity Shares in the year 2006 as gives as hereunder:

Aggregate number of Shareholder(s) and the outstanding shares in the suspense account lying at the beginning of the year 01-04-2011	Number of Shareholder(s) who approached the Company for transfer of shares from suspense account during the year 2011-12	Number of Shareholder(s) to whom shares were transferred from suspense account during the year 2011-12	Aggregate number of Shareholder(s) and the outstanding shares in the suspense account lying at the end of the year 31-03-2012
a. Aggregate No. of Shareholders- 2 b. Outstanding Shares as on April 1, 2011 – 250 Equity Shares	None	None	a. Aggregate No. of Shareholders- 2 b. Outstanding Shares as on March 31, 2012 – 250 Equity Shares

#### 15. Designated E-mail Address for Investor Relations

i. As per Clause 47(f) of the Listing Agreement with the Stock Exchange(s), the designated e-mail address for Investor Relations is:

*E-mail: cs@tantiagroup.com*

ii. In order to support the initiative of Ministry of Corporate Affairs ('MCA') 'Green Initiative in Corporate Governance' allowing paperless compliances by the Companies through electronic mode. Members desirous in receiving the various documents including Notices, Reports and Accounts etc. in electronic mode may register their e-mail addresses with the Company at the designated e-mail address of the Company for this purpose.

*E-mail: shareholders@tantiagroup.com*

#### 16. Address for Correspondence

a. Secretarial Department:

Md. Jamshed Alam  
Company Secretary and Compliance Officer  
Tantia Constructions Limited  
25-27, Netaji Subhas Road,  
Kolkata – 700 001  
Phone: +9133 2230 1896/6284  
Fax: +9133 2230 7403

b. Registrar and Share Transfer Agent (RTA)

Maheshwari Datamatics Private Limited  
6, Mangoe Lane, 2nd Floor,  
Kolkata 700001  
Tel No: + 91 33 2243 5029/5809, 2248 2248  
Fax: + 91 33 2248 4787  
*E mail: mdpl@cal.vsnl.net.in*

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
**Tantia Constructions Limited**

We have examined the Compliance of conditions of Corporate Governance by Tantia Constructions Limited ("the Company") for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange(s).

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

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

We state that as per the certificate given by the Registrar and Share Transfer Agent of the Company and as per relevant records maintained by the Company, we report that no Investor Grievances was unattended/pending against the Company for a period exceeding 30 days.

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

For **KONAR MUSTAPHI & ASSOCIATES**

*Chartered Accountants*

Firm Registration No. 314125E

Place: Kolkata  
Dated: May 29, 2012

**S. K. Mustaphi**

*Partner*

M. No. 51842

# CEO AND CFO CERTIFICATION TO THE BOARD

Certification by the Chairman & Managing Director and Vice President (Finance & Accounts)

To,  
The Board of Directors,  
Tantia Constructions Limited

We, I.P.Tantia, Chairman and Managing Director and Rohini Sureka, Vice President (Finance & Accounts), of Tantia Constructions Limited, responsible for the finance function certifies that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2012 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions were entered into by the Company during the year ended March 31, 2012 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - i. significant change in internal control over financial reporting during this year.
  - ii. significant change in accounting policies during this year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control systems over financial reporting.

Place: Kolkata  
Date: May 29, 2012

I.P.Tantia  
Chairman and  
Managing Director

Rohini Sureka  
Vice President  
(Finance & Accounts)

## ANNUAL CERTIFICATE UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE(S)

This is to certify that all the Members of the Board and Senior Management Personnel of the Company have confirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2012 in terms of certificates received from all concerned. The Code of Conduct is posted on Company's Website [www.tantiagroup.com](http://www.tantiagroup.com).

For and on behalf of the Board

Place: Kolkata  
Dated: May 29, 2012

I.P. Tantia  
Chairman & Managing Director

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# **FINANCIAL SECTION**

# AUDITOR'S REPORT

To the Members of  
Tantia Constructions Limited

1. We have audited the attached Balance Sheet of **TANTIA CONSTRUCTIONS LIMITED**, KOLKATA as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 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 sub-section (4A) of Section 227 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 appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representation received from the directors as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of 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 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, 2012;
    - ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
    - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **KONAR MUSTAPHI AND ASSOCIATES**  
Firm Registration No. 314125E  
*Chartered Accountants*

**S. K. MUSTAPHI**  
*Partner*

Place: Kolkata  
Dated: May 29, 2012

Membership No. 51842

## Annexure to Auditors Report for the year ended as at March 31, 2012

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

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified on rotational basis over a period of three years which in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. Accordingly, the physical verification of the fixed assets has been carried out by the Management during the year and 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.
- ii) a) As explained to us, the inventories have been physically verified by the Management in phased manner during the year. In our opinion the frequency of such verification is reasonable.
- 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 are 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.
- iii) a) 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 in the register maintained under section 301 of the Companies Act, 1956. Accordingly, Paragraphs 4(iii) (b), (c) and (d) of the Order is not applicable.
- b) 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 in the register maintained under section 301 of the Companies Act, 1956. Accordingly, Paragraphs 4(iii) (f) and (g) of the Order is not applicable
- 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 for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit we have not observed any failure to correct major weaknesses in the aforesaid internal control systems.
- v) a) In our opinion and according to the information and explanations given to us, and based on our verification, we are of the opinion that the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been entered.
- b) In our opinion and according to the information and explanations given to us, and based on our verification, we report that the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of Rupees five lakh in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public to which the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 apply.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under clause (d) of subsection (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix) a) The Company is generally regular in depositing with appropriate authority 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 as applicable.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, details of dues of Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and other material statutory dues which has not been deposited on account of any dispute are given below

Name of the Statute	Name of the State	Nature of Dues	Amount (₹ in Lakhs)	Periods to which the amount relates	Forum where dispute is pending
Sales tax	West Bengal	Appeal demand	39.03	2004-05	Revisionary Board
Sales tax	West Bengal	Appeal demand	210.32	2005-06	Revisionary Board
Sales tax	West Bengal	Appeal demand	343.31	2006-07	Revisionary Board
Sales tax	West Bengal	Normal assessment demand	561.30	2007-08	Appeal
Sales tax	West Bengal	Normal assessment demand	853.13	2008-09	Appeal
Sales tax	Jharkhand	Normal assessment demand	1.15	2006-07	Appeal

- x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and 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 financial institutions or banks.
- xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4 (xii) of CARO are not applicable.
- xiii) In our opinion, the Company is not a chit fund, nidhi, mutual benefit fund or society. Accordingly the provisions of clause 4(xiii) CARO 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. Therefore the provisions of clause 4(xiv) CARO are not applicable to the Company.
- xv) In our opinion, the terms and condition on which the Company has given Guarantee for loans taken by others from Banks are not prejudicial to the intent of the Company.
- xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that funds raised on short term basis that have not been used during the year for long term investment.
- xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 and the price at which the shares were issued were not prejudicial to the interest of the Company.
- xix) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report.
- xx) The Company has not raised any money by way of public issue during the period covered by our audit.
- xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For KONAR MUSTAPHI AND ASSOCIATES  
Firm Registration No. 314125E  
Chartered Accountants

S. K. MUSTAPHI  
Partner

Place: Kolkata  
Dated: May 29, 2012

Membership No. 51842

## Balance Sheet as at March 31, 2012

		(₹ in Lakhs)	
	Note	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
Share Capital	2	1,736	1,651
Reserves & Surplus	3	15,108	13,901
Share warrant	4	731	-
Share warrant Application money	4	-	1,004
		<b>17,575</b>	<b>16,556</b>
<b>2) Non-current Liabilities</b>			
Long-term Borrowings	5	12,408	5,528
Deferred Tax Liabilities	6	751	620
Other Long term liabilities	7	840	718
Long-term Provisions	8	196	129
		<b>14,195</b>	<b>6,995</b>
<b>3) Current Liabilities</b>			
Short-term Borrowings	9	47,312	41,728
Trade Payables	10	4,842	5,787
Other Current Liabilities	11	5,827	4,619
Short-term Provisions	12	332	506
		<b>58,313</b>	<b>52,640</b>
<b>Total</b>		<b>90,083</b>	<b>76,191</b>
<b>II. ASSETS</b>			
<b>Non current Assets</b>			
<b>1) Fixed Assets :</b>			
Tangible Assets	13	11,653	9,365
Intangible Assets		-	16
Capital Work in progress		49	9
Non current Investments	14	7,086	459
Long-term Loans and Advances	15	978	3,604
Other Non-current assets	16	68	147
		<b>19,834</b>	<b>13,600</b>
<b>2) Current Assets</b>			
Inventories	17	24,876	19,543
Trade Receivables	18	16,835	19,327
Cash & Bank balances	19	3,587	3,206
Short-term Loans and Advances	20	7,544	7,135
Other Current assets	21	17,407	13,380
		<b>70,249</b>	<b>62,591</b>
<b>Total</b>		<b>90,083</b>	<b>76,191</b>
Summary of significant accounting policies	1		

The accompanying notes including other explanatory information form an integral part of the financial statement

In terms of our report of even date  
**For KONAR MUSTAPHI & ASSOCIATES**  
 Firm's Registration No. 314125E  
 Chartered Accountants

**I. P. TANTIA**  
 Chairman & Managing Director

**S. K. MUSTAPHI**  
 Partner  
 Membership No. 51842

**RAHUL TANTIA**  
 Director (Operations)

Dated : May 29, 2012  
 Place : Kolkata

**MD. JAMSHED ALAM**  
 Company Secretary

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

(₹ in Lakhs)

	Note	Year ended March 31, 2012	Year ended March 31, 2011
<b>I INCOME</b>			
Revenue from operation	22	62,613	67,915
Other income	23	268	557
<b>Total Revenue</b>		<b>62,881</b>	<b>68,472</b>
<b>II EXPENSES</b>			
Cost of material consumed	24	24,087	23,549
Contract operating expenses	25	27,640	32,990
(Increase)/decrease in work in progress	26	(4,187)	(1,444)
Employee benefits expenses	27	2,015	1,632
Finance cost	28	7,246	4,453
Depreciation and amortisation expenses	13	1,134	726
Other expenses	29	3,328	3,225
<b>Total expenses</b>		<b>61,263</b>	<b>65,131</b>
<b>Profit before exceptional &amp; extraordinary Items &amp; Tax</b>		<b>1,618</b>	<b>3,341</b>
Exceptional items		-	-
<b>Profit before extraordinary Items &amp; tax</b>		<b>1,618</b>	<b>3,341</b>
Extraordinary items		-	-
<b>Profit before Tax</b>		<b>1,618</b>	<b>3,341</b>
<b>Tax expense :</b>			
Current tax	30	460	592
Deferred tax	30	130	123
		<b>1,028</b>	<b>2,626</b>
Profit/(Loss) of joint venture (net of tax)		(151)	99
<b>Profit/(Loss) for the year</b>		<b>877</b>	<b>2,725</b>
<b>Earning per Equity Share of ₹ 10/- each</b>			
Basic (₹)	41	5.08	16.63
Diluted (₹)		4.50	15.67
Summary of significant accounting policies	1		

The accompanying notes including other explanatory information form an integral part of the financial statement

In terms of our report of even date

**For KONAR MUSTAPHI & ASSOCIATES**

Firm's Registration No. 314125E

Chartered Accountants

**I. P. TANTIA**

Chairman & Managing Director

**S. K. MUSTAPHI**

Partner

Membership No. 51842

**RAHUL TANTIA**

Director (Operations)

Dated : May 29, 2012

Place : Kolkata

**MD. JAMSHED ALAM**

Company Secretary

# Cash Flow Statement

for the period ended March 31, 2012

(₹ in Lakhs)

	Year ended March 31, 2012		Year ended March 31, 2011	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax		1,618		3,341
Add/(Less) Adjustment for :				
Depreciation	1,134		726	
(Profit)/Loss on sales of Fixed Assets (Net)	20		1	
Foreign Exchange Fluctuation	171		396	
Interest Income	(187)		(130)	
Interest on Borrowings	7,246	8,384	4,453	5,446
<b>Operating Profit before working Capital changes</b>		<b>10,002</b>		<b>8,787</b>
Add/(Less) (Increase)/decrease in Assets/Liabilities :				
Debtors	2,494		(5,053)	
Loans & advances	2,217		(2,380)	
Other Current assets	(3,947)		(4,431)	
Inventories	(5,333)		(3,359)	
Trade payables, Liabilities & Provisions	(24)	(4,593)	102	(15,121)
<b>Cash Generated from Operations</b>		<b>5,409</b>		<b>(6,334)</b>
Direct Taxes paid		15		(2)
<b>Cash Flow before extraordinary items</b>		<b>5,424</b>		<b>(6,336)</b>
Extra-Ordinary items		0		-
<b>Net Cash From Operating Activities</b>		<b>5,424</b>		<b>(6,336)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Add/(Less) (Increase)/decrease in Assets/Liabilities :				
Additions of Fixed Assets (net)	(3,916)		(3,271)	
Sale/discard of Fixed Assets	450		2	
Interest Income	187		130	
Investment in Joint Ventures & others	(6,777)	(10,056)	(177)	(3,316)
<b>Net Cash used in investing Activities.</b>		<b>(10,056)</b>		<b>(3,316)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Add/(Less) (Increase)/decrease in Assets/Liabilities :				
Share Capital issue	85		(0)	
Share Premium Account	632		(0)	
Secured Loans	2,344		1,597	
Unsecured Loans	1,465		4,882	
Interest Paid	(7,246)		(4,453)	
Advance against Share Warrant	(273)		1,004	
Dividend Paid	(410)		(247)	
Tax on Dividend	(67)	(3,470)	(41)	2,741
<b>Net Cash from financing Activities.</b>		<b>(3,470)</b>		<b>2,741</b>
<b>D Net increase/(Decrease) in Cash and Cash equivalent (A+B+C)</b>		<b>(8,102)</b>		<b>(6,911)</b>
<b>E Add: Balance at the beginning of the Year</b>		<b>(23,025)</b>		<b>(15,717)</b>
<b>Cash &amp; Cash equivalents at the close of the year</b>		<b>(31,127)</b>		<b>(22,628)</b>

In terms of our report of even date

For KONAR MUSTAPHI & ASSOCIATES

Firm's Registration No. 314125E

Chartered Accountants

S. K. MUSTAPHI

Partner

Membership No. 51842

Dated : May 29, 2012

Place : Kolkata

I. P. TANTIA

Chairman & Managing Director

RAHUL TANTIA

Director (Operations)

MD. JAMSHED ALAM

Company Secretary

# Notes to Financial Statement

as at and for the year ended March 31, 2012

## Note: 1.

### A. Corporate information

Tantia Constructions Limited ('The Company') is one of the most experienced civil infrastructure solutions providers in India. Incorporated as a private limited Company in 1964 which became public limited Company in 1982, the Company is engaged in executing critical infrastructure projects. It began operations in the railways segment and over the years extended to seven core infrastructure segments of railways, roads, urban development, infrastructure and industrial fabrication, power, marine and aviation.

### B. Summary of significant accounting policies

#### 1. Basis of Preparation of Financial Statements

The Financial Statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (Indian GAAP) and comply in all material aspect with the applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956, and the relevant provisions of the Companies Act, 1956, except where otherwise stated.

During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for preparation and presentation of its financial statements. The adaptation of Revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figure in accordance with the requirements applicable in the current year in terms of Revised Schedule VI.

For recognition of Income and Expenses mercantile system of accounting is followed except in case of insurance claims where on the ground of prudence and as well as uncertainty in realization, the same is accounted for as and when accepted/received.

The accounting policies have been consistently applied by the Company except for the changes mentioned in Para 3.

#### 2. Use of Estimates:

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known.

#### 3. Change in Accounting Policies:

a) During the year under review the Company has credited gross bill amount as revenue, instead of net of retention as it was thought to be a better presentation of Financial Statement. Due to such change there has been an increase of gross contract receipt to the extent of ₹ 708 relating to last year.

#### 4. Inventories

- Stock of raw materials, stores and spares and fuel (except for those relating to Construction activities) are valued at cost (weighted average basis) or net realisable value whichever is lower.
- Cost of Raw materials, stores, spares and fuel used in construction activities are valued at cost (weighted average basis).
- Work-in-progress is valued at cost and reflects the work done but not certified.
- The cost of inventories comprises all cost of purchase, cost of conversion and other incidental cost incurred in bringing the inventories to their present location and condition.
- Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

#### 5. Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of duties (net of VAT where input credit is availed) together with any incidental costs for bringing the asset to its working condition for its intended use less accumulated depreciation and impairment losses, if any.

Capital work in progress is stated at amounts spent up to the date of the Financial Statement.

Intangible assets comprise of License fees and other implementation cost of software (SAP) acquired for in-house use and is net of amortization. Intangible assets under development are stated at cost.

#### 6. Depreciation / Amortization

Depreciation on fixed assets acquired upto the year ended on Diwali 2040 S.Y. (Corresponding to 3rd November 1983) is provided by applying the rates specified in Schedule-XIV of the Companies Act, 1956 and calculated on written down value method.

## Notes to Financial Statement as at and for the year ended March 31, 2012

In respect of the assets acquired thereafter, other than Construction Accessories and Intangible Asset's depreciation is charged on the straight line method at the rates prescribed in Schedule-XIV of the Companies' Act 1956. Construction Accessories are depreciated over a period of five years on straight line method from the year of addition.

Intangible Assets are amortized over the best estimates of its useful life.

### 7. Impairment of Assets

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of the asset exceeds the recoverable value. If any indication of such impairment exists, the reasonable amounts of those assets are estimated and impairment loss is recognized. The impairment loss recognized in prior accounting period is adjusted if there has been a change in the estimate of recoverable amount.

### 8. Revenue Recognition

#### On Construction Contracts:

- The contract revenue is recognized by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage completion method.
- The stage of completion of contracts is measured by reference to the proportion that the contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs for each contract.
- Losses on contracts are fully accounted for as an expense immediately when it is certain that the total contract costs will exceed the total contract price. Total contract cost are ascertained on the basis of actual cost and cost to be incurred for the completion of contracts in progress which is determined by the management based on technical data, forecast and estimates of expenditure to be incurred in future.
- Price escalation claims and other additional claims are recognized as revenue when:
  - i. They are realized or receipts thereof are mutually settled or reasonably ascertained.
  - ii. Negotiations with the client have reached such an advanced stage that there is reasonable certainty that the client will accept the claim.
  - iii. Amount that is probable, if accepted by the client, to be measured reliably by the Company.

#### On Sale of Goods:

- In case of sale of goods, the transfer of property in goods results in the transfer of significant risks and rewards of ownership to the buyer and revenue is recognized at the time of transfer of property.

### 9. Foreign Currency Transactions

Transactions in foreign currency are recorded using the exchange rate prevailing at the date of transactions. Monetary assets and liabilities related to foreign currency transactions unsettled at the end of the year are translated at year end rate. All other foreign currency assets and liabilities are stated at the rates prevailing at the date of transaction other than those covered by forward contracts, which are stated at the contracted rate. Exchange differences arising on foreign currency transactions are recognized in the Statement of Profit & Loss.

### 10. Investment

Long-term investments are stated at cost, provision is made to recognize a decline, if any, other than temporary, in the value of long term investments. Investments in Joint Ventures are stated at cost.

Current investments being readily realisable and intended to be held for less than a year are carried at cost or market rate whichever is lower, on individual investment basis.

### 11. Employee Benefit (Retirement and Post Employment Benefit)

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) – 15 "Employee Benefits" notified by Companies (Accounting Standard) Rules, 2006.

#### I. Gratuity

Liability on account of Gratuity is:

- Covered through recognized gratuity fund managed by Life Insurance Corporation of India and contributions are charged to revenue; and
- Balance if any, is provided on the basis of valuation of the liability by and independent Actuary as at the year end.

## Notes to Financial Statement as at and for the year ended March 31, 2012

### II. Provident Fund, ESI and Medical

Contribution to provident fund (defined contribution plan) and ESI made to government administered Provident Fund and ESI are recognized as expenses. The company has no further obligation beyond its monthly contribution. Those employees who are not covered under ESI scheme (as stated in the Act) are eligible for medical re-imburement as per the HR policy of the Company.

### III. Leave Encashment

Liability for leave encashment is treated as a long term liability and is provided on the basis of valuation by an independent Actuary as at the year end.

### 12. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

### 13. Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) - 20, "EPS" notified by Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share is computed by dividing the net profit for the year attributable to the equity share holders by the weighted average number of the equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit during the year, adjusted for the effects of dilutive potential equity share, attributable to the equity share holders by the weighted average number of the equity shares and dilutive equity potential equity shares outstanding during the year except where the results are anti dilutive.

### 14. Taxation

Tax expenses comprise of current tax and deferred tax.

Current tax is determined in respect of taxable income for the year based on Income Tax Act 1961. Deferred tax is recognized, subject to consideration of prudence, on timing difference (being the difference between taxable income and accounting income that originates in one period and are capable of being reversed in one or more subsequent years) and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date and are recognized only if there is reasonable certainty that they will be realized.

### 15. Accounting of Joint Venture contracts

- a) In respect of its interest in Jointly Controlled Operations, the Company recognize the asset that it controls and the liability that it incurs along with the expenses that it incurs and the income it earns from the Joint Venture in accordance with Accounting Standards (AS) 27.
- b) In respect of its interest in Jointly Controlled Entity, the same is recognized as an Investment in accordance with Accounting Standard (AS) 13, Accounting for Investment.

### 16. Provision, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognised but are disclosed in the Notes to Accounts. Disputed demands in respect of Income Tax and Sales Tax etc are disclosed as contingent liability. Payments in respect of such demands, if any, are shown as advance, till the final outcome.

Contingent Assets are neither recognized nor disclosed in the financial statements.

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 2A. SHARE CAPITAL

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
<b>Authorised</b>		
390,00,000 Equity Shares (Prev. Yr. 290,00,000) of ₹ 10/- each	3,900	2,900
10,00,000 10.5% Cumulative Preference Shares (Prev. Yr. 10,00,000) of ₹ 10/- each	100	100
	<b>4,000</b>	<b>3,000</b>
<b>Issue, Subscribed and paid up :</b>		
1,72,23,066 Equity Shares (Prev. Yr. 1,63,73,066) of ₹ 10/- each (Note: The above shares include 33,60,000 Equity shares issued as fully paid up Bonus shares by way of capitalization of accumulated General Reserve)	1,722	1,637
1,40,000 10.5% Cumulative Preference Shares (Prev. Yr. 1,40,000) of ₹ 10/- each fully paid up (The Company has issued and allotted on 8th January 2005, 1,40,000 10.50% Cumulative Redeemable Preference shares of ₹ 10 each fully paid up, redeemable at the option of the shareholder with 90 days notice or at the option of the Company with 30 days notice within a maximum period of 10 (ten) years. There was no redemption during the year.	14	14
	<b>1,736</b>	<b>1,651</b>

### Note: 2B.(i) A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of shares	Amount	No. of shares	Amount
At the Beginning of the year	1,63,73,066	1,637	1,63,73,066	1,637
Issued during the Year by Conversion of Share Warrant	8,50,000	85	-	-
Bought Back	-	-	-	-
Outstanding at the end of the Year	<b>1,72,23,066</b>	<b>1,722</b>	<b>1,63,73,066</b>	<b>1,637</b>

### Note: 2B.(ii) A reconciliation of the number of Preference Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of shares	Amount	No. of shares	Amount
At the Beginning of the year	1,40,000	14	1,40,000	14
Issued during the Year	-	-	-	-
Bought Back	-	-	-	-
Outstanding at the end of the Year	<b>1,40,000</b>	<b>14</b>	<b>1,40,000</b>	<b>14</b>

### Note: 2C. The rights, preferences and restrictions attaching to each class of shares

#### Class : Equity Shares

- The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the no. of shares held by the shareholder.

#### Class : Preference Shares

The Company had issued cumulative redeemable preference shares having a par value of ₹ 10/- per share. The preference share holders do not carry any voting right at shareholders meeting except in case of special meeting of preference share holders only. The preference share holders are entitled to dividend @ 10.5% on pro-rata basis before equity share holders are paid dividend. The preference shares are redeemable at the option of shareholder with a notice of 90 days within a maximum period of 10 years from the date of issue. In the event of liquidation of the Company, the holders of preference shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts and before distribution of anything to the equity share holder. The distribution will be in the proportion to the no. of shares held by the shareholder.

## Notes to Financial Statement as at and for the year ended March 31, 2012

**Note: 2D.(i)** Equity Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of Share Holder	As at March 31, 2012		As at March 31, 2011	
	No. of shares	% holding	No. of shares	% holding
Nigolice Trading Pvt Ltd	42,89,000	24.90	39,62,900	24.20
Reliance Capital Trustee Co Ltd	10,18,900	5.92	10,18,900	6.22
Harsh Tantia	9,31,300	5.41	9,31,300	5.69

**Note: 2D.(ii)** Preference Shares in the company held by each share holder holding more than 5 percent shares specifying the number of shares held

Name of Share Holder	As at March 31, 2012		As at March 31, 2011	
	No. of shares	% holding	No. of shares	% holding
Ishwari Prasad Tantia (Representing IPT HUF)	70,000	50.00	70,000	50.00
Sarla Tantia	70,000	50.00	70,000	50.00

**Note: 2E.** Disclosure of terms of any securities convertible into Equity/Preferential Shares along with earliest date of conversion

**FCCB** - The Company has issued on July 17, 2007, 7500, 1% Foreign Currency Convertible Bonds due in the year 2012 at 100% of US\$ 1000 each aggregating to US\$ 7.5 million to finance capital expenditure. The bondholders have an option of converting these bonds into shares at an initial conversion price of ₹ 140.00 per share (including the premium of ₹ 130/- each) with a fixed rate of conversion of ₹ 40.38 per US\$ at any time on or after July 17, 2007 up-to July 5, 2012. The bonds are also redeemable at the option of the Company at a minimum rate of 130% of the early redemption amount in case of early redemption on any date after 24 months from the issue date and up to July 5, 2012. Unless previously redeemed, converted or repurchased and cancelled, the bonds will be redeemed at 137.92% of its principal amount on the maturity date.

Out of the above proceeds and in terms of the objects of the issue, the Company has utilized ₹ 2,812 (Pr. Year ₹ 2,812) for financing capital expenditure and ₹ 115 for FCCB issue expenses. The amount of foreign exchange fluctuation and FCCB issue expenses have been charged to profit and loss account of the relevant year(s).

During the last financial year the Company had opted to Buy Back 5000 FCCB in line with the terms of RBI Circular no RBI/2008-09/317 A.P. (DIR Series) Circular no. 39 dtd. 08.12.2008 read with Circular no RBI/2009-10/367 A.P. (DIR Series) Circular no. 44 dtd 29.03.2010 issued in this regard. The Buy Back was completed at a mutually decided discount of 25% on the accredited value of the bonds.

**SHARE WARRANTS** - The Committee of Directors of the Company at their meeting held on June 11, 2011 have allotted 24,50,000 Convertible Warrants to the Promoters/Promoter Group Companies on Private Placement/Preferential Basis, pursuant to Shareholder's approval by way of Postal Ballot, results of which was declared on March 9, 2011 on such terms and condition duly approved by the Shareholder's are outlined as hereunder;

- An amount equivalent to at least 25% of the consideration determined as per SEBI (ICDR) Regulation, 2009 must be paid as upfront money on or before the date of allotment of Convertible Warrants and the remaining 75% balance must be paid within a period not exceeding 18 months from the date of issue of said warrants.
- Each of the said Warrant shall carry a right, entitling its registered owner to apply for one Equity Share of ₹ 10/- each upon conversion of Warrants after making full payment of consideration. In case the Warrant holders do not apply for the Equity Shares of the Company within the aforesaid time period, then the amount paid on each of the said warrant shall be forfeited and all the rights attached to the said warrant shall lapse automatically.
- The Equity Shares allotted pursuant to conversion of warrants shall rank pari-passu with the existing Equity Shares of the Company in all respects.

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 3. RESERVES & SURPLUS

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
<b>Capital Reserve</b>		
Balance as per the last Financial Statement	100	100
Addition during the Year	-	-
<b>Balance (a)</b>	<b>100</b>	<b>100</b>
The Company had received ₹ 100 against future call option of 7,14,285 Share warrants in the F. Y. 2008-09. The call was not exercised by the applicants and as per the terms of the issue of warrant, the said amount was forfeited and credited to Capital Reserve during the year 2008-09.		
<b>Securities Premium Account</b>		
Balance as per the last Financial Statement	4,947	4,947
Add: Received during the Year	632	-
<b>Balance (b)</b>	<b>5,579</b>	<b>4,947</b>
<b>General Reserve</b>		
Balance as per the last Financial Statement	1,315	1,015
Add: Transferred from Surplus	100	300
<b>Balance (c)</b>	<b>1,415</b>	<b>1,315</b>
<b>Surplus</b>		
Balance as per the last Financial Statement	7,539	5,591
Add: Profit for the Year	877	2,725
Transfer to		
General Reserve	100	300
Dividend on Cumulative Preference Share	1	1
Proposed Dividend on Equity Share	258	409
Income Tax on Proposed Dividend	43	67
<b>Balance (d)</b>	<b>8,014</b>	<b>7,539</b>
<b>Total Reserves and Surplus (a + b + c + d)</b>	<b>15,108</b>	<b>13,901</b>

### Note: 4. RECONCILIATION OF SHARE WARRANTS

	(₹ in Lakhs)	
Particulars	Qty	Amount
Application Money at the beginning of the Year	2450000	1,004
Further Money received during the Year		443
Converted into Equity Share of ₹ 10/- at a premium @ ₹ 74.25/-	850000	716
<b>Share Warrant allotted pending conversion into Equity</b>	<b>1600000</b>	<b>731</b>

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 5. LONG TERM BORROWINGS

(Amount in ₹)

	As at March 31, 2012		As at March 31, 2011	
	Non-current	Current	Non-current	Current
<b>SECURED</b>				
Deferred Payment Liabilities				
Equipment and Vehicle Loans from Banks and Non-Banking Finance Companies etc.	3,222	1,810	878	1,301
Secured by way of hypothecation of assets financed by them and Personal Guarantees of the Chairman & Managing Director.				
Payable between 2-3 Yrs ₹ 1,792, 3-4 Yrs ₹ 1,430, and Interest Rate ranges from 10.75% - 12.50%.				
<b>Total (a)</b>	<b>3,222</b>	<b>1,810</b>	<b>878</b>	<b>1,301</b>
<b>UNSECURED</b>				
<b>RUPEE LOAN</b>				
Advance against Contracts				
From Contractee	1,171	958	2,745	1,202
From Subsidiaries :				
Tantia Raxaultollway Pvt Ltd	7,460	-	-	-
Tantia Sanjauliparkings Pvt Ltd	172	188	-	-
From Joint Venture	383	412	795	643
<b>FOREIGN CURRENCY LOAN</b>				
Foreign Currency Convertible Bonds	-	1,279	1,110	-
<b>Total (b)</b>	<b>9,186</b>	<b>2,837</b>	<b>4,650</b>	<b>1,845</b>
<b>Total Long Term Borrowings (a + b)</b>	<b>12,408</b>	<b>4,647</b>	<b>5,528</b>	<b>3,146</b>

### Note: 6. DISCLOSURE ON DEFERRED TAX AS PER AS 22 ON "ACCOUNTING FOR TAXES ON INCOME"

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
<b>Deferred Tax Liability</b>		
Fixed Assets as per Accounts	11,653	9,381
Fixed Assets as per Income Tax	9,164	7,321
<b>Deferred Tax Liability (Timing Difference)</b>	<b>2,489</b>	<b>2,060</b>
<b>Deferred Tax Asset</b>		
- Provisions for Employee benefits	226	159
- Bonus Provision	54	76
<b>Deferred Tax Asset (Timing Difference)</b>	<b>280</b>	<b>235</b>
<b>Net Deferred Tax Liability</b>	<b>2,209</b>	<b>1,825</b>
Tax Impact on Net Liability @ 33.99%	751	620
<b>Deferred Tax Liability</b>	<b>751</b>	<b>620</b>

### Note: 7. OTHER LONG TERM LIABILITIES

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
Other Liabilities	840	718
	840	718

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 8. LONG TERM PROVISIONS

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Retirement Benefits		
- Gratuity	138	100
- Leave encashment	58	29
	196	129

### Note: 9. SHORT TERM BORROWINGS

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
<b>SECURED</b>		
Cash Credit from Scheduled Banks	34,885	26,230
Secured by way of charge:		
On pari-passu basis with among consortium members primarily by hypothecation of entire stock, book debts and other current assets of the company both present and future.		
These are collaterally secured by way of charge on fixed assets including land and shed of the Company excluding equipments, machinery and vehicles that are hypothecated to various banks and Non-Banking finance Companies under exclusive charge for financing thereof and Personal Guarantees of the Chairman & Managing Director and the Director (Operations)		
<b>Total (a)</b>	34,885	26,230
<b>UNSECURED</b>		
Short Term Loans from Scheduled Banks	10,556	14,132
These are payable within 1 Year and interest rates ranges from 11.25% to 14.25%		
From Non-Banking Finance Companies	-	345
Deposits from Bodies Corporate	1,683	-
Advance against Materials	188	1,021
<b>Total (b)</b>	12,427	15,498
<b>Total Short Term Borrowings (a + b)</b>	47,312	41,728

### Note: 10. TRADE PAYABLES (INCLUDING DUES TO MSMED VENDORS)

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Trade Payables (including dues to MSMED vendors)	4,842	5,787
Details of dues to Micro and Small enterprises as defined under the MSMED Act 2006:		
Principal amount remaining unpaid	3	23
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid	-	-
Further interest remaining due and payable even in the succeeding years, until such date when interest dues as above are actually paid to the small enterprises.	-	-

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 11. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
Current Maturities of Long term debt(Refer note – 5)	4,647	3,146
Interest accrued but not due	3	13
Interest accrued and due	83	33
Unpaid Dividend	17	5
Unclaimed Share Application Money	4	4
Statutory Liabilities	77	313
Others	996	1,105
(Includes ₹ 8 (Previous Year ₹ 8) payable to Directors)		
	<b>5,827</b>	<b>4,619</b>

### Note: 12. SHORT TERM PROVISIONS

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
Retirement Benefits (a)	30	29
Proposed Dividends on		
Equity Shares	259	409
Cumulative Preference Shares	1	1
<b>Total (b)</b>	<b>260</b>	<b>410</b>
Provision for		
Tax on Dividends (c)	42	67
<b>Total (a + b + c)</b>	<b>332</b>	<b>506</b>

### Note: 13. FIXED ASSETS

(₹ in Lakhs)

Sl No	Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION					NET BLOCK	
		At 01.04.2011	Additions	Disposals	At 31.03.2012	upto 01.04.2011	For the Year	Deductions	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
A)	<b>Tangible Assets</b>										
1	Free Hold Land	25	-	-	25	-	-	-	-	25	25
2	Work shop & Office Shed	103	119	-	222	13	3	-	16	206	90
3	Plant & Machinery	11,053	2,255	583	12,725	3,626	598	125	4,099	8,626	7,427
4	Construction Accessories	1,156	1,261	-	2,417	20	426	-	446	1,971	1,136
5	Testing & Survey Equipments	158	12	-	170	38	8	-	46	124	120
6	Air Conditioner	33	4	-	37	4	2	-	6	31	29
7	Computer	139	10	-	149	77	17	-	94	55	62
8	Office Equipments	60	9	-	69	7	3	-	10	59	53
9	Vehicles	601	200	27	774	242	56	15	283	491	359
10	Furniture & Fixtures	78	6	-	84	14	5	-	19	65	64
	<b>Sub Total (a)</b>	<b>13,406</b>	<b>3,876</b>	<b>610</b>	<b>16,672</b>	<b>4,041</b>	<b>1,118</b>	<b>140</b>	<b>5,019</b>	<b>11,653</b>	<b>9,365</b>
	Previous Year	10,189	3,262	45	13,406	3,374	710	43	4,041	9,365	6,815
B)	<b>Intangible Assets</b>										
1	Software	80	-	-	80	64	16	-	80	-	16
	<b>Sub Total ( b)</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>64</b>	<b>16</b>	<b>-</b>	<b>80</b>	<b>-</b>	<b>16</b>
	Previous Year	80	-	-	80	48	16	-	64	16	32
	<b>Grand Total (a + b)</b>	<b>13,486</b>	<b>3,876</b>	<b>610</b>	<b>16,752</b>	<b>4,105</b>	<b>1,134</b>	<b>140</b>	<b>5,099</b>	<b>11,653</b>	<b>9,381</b>
	<b>Total Previous Year</b>	<b>10,269</b>	<b>3,262</b>	<b>45</b>	<b>13,486</b>	<b>3,422</b>	<b>726</b>	<b>43</b>	<b>4,105</b>	<b>9,381</b>	<b>6,847</b>

Note: Additions to Work shop and Office shed includes ₹ 119 constructed on lease hold land.

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 14. NON CURRENT INVESTMENTS

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
(Unquoted, Long Term at Cost)		
<b>In Subsidiaries</b>		
<b>In Equity instruments</b>		
Tantia Sanjauliparkings Private Limited 1000000 Equity Shares (Prev. Yr. - 1000000) of ₹ 10/- each, fully paid up	100	100
Tantia Raxaultollway Private Limited 17238 Equity Shares (Prev. Yr. - 17238) of ₹ 10/- each, fully paid up	2	2
Tantia Infrastructure Private Limited 1000000 Equity Shares (Prev. Yr. - 100000) of ₹ 10/- each, fully paid up	100	1
<b>Total (a)</b>	<b>202</b>	<b>103</b>
<b>In Preference instruments</b>		
Tantia Sanjauliparkings Private Limited 20000 Preference Shares (Prev. Yr. - Nil) of ₹ 100/- each, fully paid up	200	-
Tantia Infrastructure Private Limited 248120 Preference Shares (Prev. Yr. - Nil) of ₹ 100/- each, fully paid up	6,203	-
<b>Total (b)</b>	<b>6,403</b>	<b>-</b>
<b>In Associates</b>		
(Unquoted, Trade, Long Term at Cost)		
<b>In Equity instruments</b>		
Infra Vision Developers (P) Ltd 4,95,000 Equity Shares (Prev. Yr. - 4,95,000) of ₹ 10/- each, fully paid up	50	50
<b>Non-Trade</b>		
<b>In Others</b>		
<b>In Equity instruments</b>		
Andromeda Communications (P) Ltd. 7,000 Equity Shares (Prev. Yr. - 7,000) of ₹ 10/- each, fully paid up	29	29
Universal Realtors (P) Ltd. 40,000 Equity shares (Prev. Yr. 40,000) of ₹ 10/- each, fully paid up	4	4
<b>Total (c)</b>	<b>83</b>	<b>83</b>
<b>Investment in Government Securities</b>		
National Saving Certificate, Deposited with Sales tax Authorities, Mizoram	0	0
<b>Total (d)</b>	<b>0</b>	<b>0</b>
<b>Investment in Joint Ventures as per Accounting Standard 27</b>		
RBM-TANTIA JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 99.999)	134	85
JMC-TANTIA JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	25	25
TANTIA-DBC JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 75)	(1)	(1)
TANTIA-SOMA JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	16	17
TANTIA-SIMPLEX JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 88.43)	1	1
IVRCL-TANTIA JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	2	2
TANTIA -FREYSSINET JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	26	12
TANTIA-TBL JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	24	24
TANTIA-SPML JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	3	3
TANTIA - GONDWANA (JV) (Jointly Controlled Entity) (% of Profit Share 99.80)	158	94
TANTIA - CCIL (JV) (Jointly Controlled Entity) (% of Profit Share 74)	4	7
TANTIA - EDCL (JV) (Jointly Controlled Entity) (% of Profit Share 51)	4	4
TANTIA - SEC (JV) (Jointly Controlled Entity) (% of Profit Share 52)	2	-
<b>Total (e)</b>	<b>398</b>	<b>273</b>
<b>Grand Total (a + b + c + d + e)</b>	<b>7,086</b>	<b>459</b>

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 15. LONG TERM LOANS AND ADVANCES

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
(Unsecured, considered good)		
Capital Advances	148	-
Security Deposits	737	3,545
<b>Other Loans &amp; Advances</b>		
Prepaid Expenses	9	23
Advances recoverable in cash or in kind or for value to be received	84	36
	<b>978</b>	<b>3,604</b>

### Note: 16. OTHER NON CURRENT ASSETS

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
(Unsecured, considered good)		
Deferred Revenue Expenses	68	147
	<b>68</b>	<b>147</b>

### Note: 17. INVENTORIES

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
(As taken, valued and certified by the management)		
Raw Materials	8,424	7,431
Construction Contract Work-in-progress	14,716	10,529
(Work-in-progress is valued at cost and reflects the work done but not certified)		
Stores & Spares	889	856
Loose Tools	847	727
a) Stock of raw materials, stores and spares and fuel (except for those relating to Construction activities) are valued at cost (weighted average basis) or net realisable value whichever is lower.		
b) Cost of Raw materials, stores, spares and fuel used in construction activities are valued at cost (weighted average basis).		
c) The cost of inventories comprises all cost of purchase, cost of conversion and other incidental cost incurred in bringing the inventories to their present location and condition.		
d) Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.		
	<b>24,876</b>	<b>19,543</b>

### Note: 18. TRADE RECEIVABLES

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
(Unsecured, considered good)		
Other Debts	14,074	15,116
Exceeding Six Months	2,761	4,211
Of the total Debts:		
Receivable from Subsidiaries :		
Tantia Raxaultollway Pvt Ltd ₹ 73 (Prev. Year Nil)		
Tantia Sanjauliparkings Pvt Ltd ₹ 71 (Prev. Year Nil)		
Receivable from Joint Ventures ₹ 1,972 (Prev. Year ₹ 4,025)		
	<b>16,835</b>	<b>19,327</b>

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 19. CASH AND BANK BALANCES

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
In current Accounts	787	160
Cash on Hand	274	175
<b>Total (a)</b>	<b>1,061</b>	<b>335</b>
<b>OTHER BANK BALANCES</b>		
Earmarked balances with Banks		
In current Accounts (Dividend & Unclaimed share Application)	20	8
Balances with Banks		
In Deposit Accounts (Less than 12 months)	2,441	2,475
In Deposit Accounts (Beyond 12 months)	65	388
(Fixed deposit receipts pledged as Security/ Margin with Bank for BG Limit and Lien with Client)		
<b>Total (b)</b>	<b>2,526</b>	<b>2,871</b>
<b>Grand Total (a + b)</b>	<b>3,587</b>	<b>3,206</b>

### Note: 20. SHORT TERM LOANS AND ADVANCES

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
(Unsecured, considered good)		
Security Deposits & Earnest Money	4,494	626
<b>Advance to Associate Companies</b>		
- Infra Vision Developers (P) Ltd	668	668
- Nigolice Trading Pvt Ltd	33	-
<b>Advance to Subsidiaries</b>		
- Tantia Raxaultollway Pvt Ltd	-	12
- Tantia Sanjauliparkings Pvt Ltd	51	-
- Tantia Infrastructure Pvt Ltd	-	24
<b>Other Loans &amp; Advances</b>		
Prepaid Expenses	201	349
Advances recoverable in cash or in kind or for value to be received	2,097	5,456
	<b>7,544</b>	<b>7,135</b>

### Note: 21. OTHER CURRENT ASSETS

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Interest accrued but not due on Bank deposits	80	60
Works Contract Tax receivable	2,260	2,160
Unbilled Revenue	12,217	9,217
Deferred Revenue Expenses	445	209
Income Tax Advance (including Income Tax Deducted at Source, Net of Provision for taxation)	2,399	1,713
Others	6	21
	<b>17,407</b>	<b>13,380</b>

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 22. REVENUE FROM OPERATIONS

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>Sale of Services</b>		
Contract Receipts (Gross)	57,553	65,099
<b>Sale of Product</b>		
RMC Sale	4,986	2,802
Less : Excise Duty	(5)	(4)
<b>Other operating revenues</b>		
Misc Business income	79	18
	<b>62,613</b>	<b>67,915</b>

### Note: 23. OTHER INCOME

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>Interest</b>		
On Bank Deposits	163	130
On Bank Deposits (US\$)	-	0
From others	24	-
Miscellaneous Income	81	199
Gain on Buy Back of FCCB	-	228
	<b>268</b>	<b>557</b>

### Note: 24. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Raw Materials	21,273	20,818
Consumable Materials	1,835	1,532
Stores & Spares	378	450
Carriage Inwards (Including material re-handling)	601	749
	<b>24,087</b>	<b>23,549</b>

### Note: 25. CONTRACT OPERATING EXPENSES

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Contract Execution Expenses	21,518	28,104
Equipment Hire Expenses	1,440	1,492
Machinery Repairing Charges		
- Plant & Machinery	956	783
- Others	151	110
Power & Fuel	2,360	1,605
Site Expenses	424	184
Consultancy Fees	395	614
Testing Expenses	377	76
Survey & Inspection Expenses	19	22
	<b>27,640</b>	<b>32,990</b>

### Note: 26. (INCREASE)/DECREASE IN WORK IN PROGRESS

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Balance at the end of the Year	14,716	10,529
Less: At the beginning of the Year	10,529	9,085
	<b>4,187</b>	<b>1,444</b>

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 27. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Salary and Bonus	1,718	1,404
Contribution towards Employees Provident Fund, ESIC and other funds	60	44
Staff Welfare Expenses	164	137
Employees Retirement Benefits	73	47
	<b>2,015</b>	<b>1,632</b>

### Note: 28. FINANCE COST

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>Interest expenses</b>		
To Banks on Working Capital Loans	5,953	3,619
To Non-Banking Finance Companies on Equipment Finance Loan	223	78
To Others	440	255
Interest on FCCB	7	18
<b>Other borrowing cost</b>		
Bank Commission & Other Charges	623	483
	<b>7,246</b>	<b>4,453</b>

### Note: 29. OTHER EXPENSES

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Rent	289	302
Rates and Taxes	1,682	1,263
Insurance	101	87
Printing & Stationery	51	52
Directors' Commission	5	109
Directors' Fees	3	2
Auditor's Remuneration:		
Audit Fees	4	2
Tax Audit Fees	1	0
Other Services	1	1
Reimbursement of Expenses	-	0
Internal Audit & Other Certificate Fees	8	7
Light Vehicles Running Expenses	32	37
Travelling & Conveyance	331	354
Loss on Sale of Fixed Assets (Net)	34	7
Advertisement	16	18
Computer Maintenance	10	11
Legal Expenses	42	24
Security Guard Expenses	115	117
Telephone Expenses	74	90
SAP – Maintenance	11	12
Foreign Exchange Fluctuation	171	396
Donation	4	1
Miscellaneous Expenses	343	332
	<b>3,328</b>	<b>3,225</b>

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 30. PROVISION FOR TAXATION

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Income Tax for the year	460	1,012
Income Tax for earlier year	-	(420)
Deferred Taxes	130	123
	590	715

(Amount are presented in ₹ in lakhs except for per share data and quantitative informations)

### Note: 31. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Sl No.	Particulars	2011-12	2010-11
1	Counter guarantees given to Consortium Banks in respect of Contracts in India. ₹ 1,597 (Previous year ₹ 1,759) are held by banks as margin money against the guarantees given by them in addition to the counter guarantees offered by the company for the total non-fund based limit for Bank guarantee of ₹ 62,600 (Previous Year ₹ 54,150). Total figure as shown above includes ₹ 4,158 (Prev. Yr. 4,198) relating to Joint Venture.	62,600	54,150
2	Sale Tax Liability / Works Contract Tax Liability for which the company has preferred an appeal before the Appellate Authorities.	2,007	824
3	Bill Discounting	-	1,469
4	Arbitration case for which stay order has been taken	160	-
5	The demand, if any, that may arise out of search and seizure proceedings initiated by the Income Tax Authority	Amount not ascertainable	Amount not ascertainable
6	The Company has provided an undertaking to pay in the event of default for loan given by the Banks to its Subsidiaries including fellow Subsidiaries. Outstanding amount of default as on March 31, 2012 was Nil.		
7	The company had issued in 2007-08, 7500, 1% Foreign Currency Convertible Bond of US\$ 1000 each due in the year 2012 @ 100%, redeemable with premium only if there is no pre-mature conversion. The payment of premium on redemption of ₹ 456 (Previous year – ₹ 246) is therefore contingent in nature as the outcome of which depends on uncertain future events and so not provided for.		

### Note: 32. CAPITAL AND OTHER COMMITMENTS

#### • Capital commitment:

The Company has commitment towards purchase of plant & machinery whose aggregate amount is ₹ 103.63 for RMC Divisions at Bhubaneswar, Narayanpur and Taratala.

#### • Other Commitment:

The Company has a commitment towards purchase of Raw Materials for various projects aggregating to ₹ 40 for which purchase orders have been raised before March 31, 2012.

### Note: 33.

The Company has not granted any Loans and Advances in the nature of Loan to its Associates and Subsidiaries, hence disclosure under Clause 32 of the Listing Agreement has not been given.

### Note: 34.

Current tax is determined in respect of taxable income for the year based on applicable tax rates and Laws.

### Note: 35.

Company is in the process of obtaining balance confirmation from its Debtors and Creditors, adjustment if any, arising out of same will be considered in the subsequent period.

### Note: 36.

The contract awarded to the Company by the Bihar State Government for development and widening of roads in Patna had been prematurely terminated by the Govt. of Bihar on April 30, 2008. The company had taken necessary remedial measure through Honorable High Court of Calcutta. Arbitrator has been appointed in the matter to adjudicate the claim filed by the Company and the hearings are in process.

## Notes to Financial Statement as at and for the year ended March 31, 2012

### Note: 37.

Disclosure in accordance with Accounting Standard – 7 (Revised 2002) on “Accounting for Construction Contract” issued by The Institute of Chartered Accountants of India is as under:

Particulars	(₹ in Lakhs)	
	2011-12	2010-11
The amount of contract revenue recognized as revenue in the period	57,553	65,099
The aggregate amount of costs incurred and recognized profits (less recognized losses) upto the reporting period	1,47,165	1,55,526
The amount of advances received	10,933	6,404
The amount of retentions	4,611	3,414

### Note: 38.

As required by Accounting Standard 15 (Revised) the following table summaries the components of net expense recognized in the Profit and Loss Account and the funded status and amounts recognized in the Balance Sheet for the respective plans.

Particulars	(₹ in Lakhs)	
	31.03.2012	31.03.2011
<b>Defined Contribution Plan –</b>		
Company has recognized the following amounts in the Profit & Loss Account for the year.		
Contribution to Employees Provident fund -	24	21
Contribution to Employees State Insurance	14	5

Reconciliation of opening and closing balances of the present value of the Defined benefit obligation	Gratuity (Funded)		Leave Encashment (Non Funded)	
	(Amount in ₹)			
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Obligation at the period beginning (April 1)	136	109	58	44
Current Service Cost	12	11	26	15
Interest Cost	11	9	5	4
Actuarial (Gain)/Loss	18	13	2	(4)
Benefits paid	(8)	(6)	(3)	(1)
<b>Obligation at the year end (March 31)</b>	<b>169</b>	<b>136</b>	<b>88</b>	<b>58</b>
<b>Change in Plan Assets</b>				
Plan assets at period beginning, at fair value	35	32		
Expected return on plan assets	3	3		
Actuarial (Gain)/Loss			NA	NA
Contributions		7		
Benefits paid	(8)	(7)		
<b>Plan Assets at the year end, at fair value</b>	<b>30</b>	<b>35</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of present value of the obligation and the fair value of plan assets.</b>				
Fair value of plan assets at the end of the year	30	35	Nil	Nil
Present value of the defined benefit obligations at the end of the year	169	136	88	58
<b>Liability/(Assets) recognised in the Balance Sheet</b>	<b>139</b>	<b>101</b>	<b>88</b>	<b>58</b>
<b>Cost for the year</b>				
Current service cost	12	11	26	15
Interest cost	11	9	5	4
Expected return on plan assets	(3)	(3)		(0)
Actuarial (gain)/loss	18	13	2	(4)
<b>Net Cost recognised in the Profit and Loss Account</b>	<b>38</b>	<b>30</b>	<b>33</b>	<b>14</b>
<b>Assumptions used to determine the benefit obligations:</b>				
Interest rate	8.00%	8.00%	8.00%	8.00%
Estimated rate of return on plan assets	8-9%	8-9%	NA	NA
Expected rate of increase in Salary	3.00%	3.00%	5.00%	5.00%

## Notes to Financial Statement as at and for the year ended March 31, 2012

**Note: 39.**

The Company operates under a major segment namely “Core Infrastructure” and under other segments. Since the segment revenue from external customers for each of the other segments is below 10% of total revenue and the carrying amount of assets for each other segments are below 10% of the carrying amount of all assets, reporting under AS-17 on “Segment Reporting” has not been made.

**Note: 40.**

Disclosure on Related Party Transactions as per AS 18 on “Related Party Disclosures” issued by The Institute of Chartered Accountants of India:

Related Parties with whom transactions have taken place during the year:-

A. Associate Companies and Enterprises over which the key management personnel and its relatives are able to exercise significant influence:	Nigolice Trading (P) Ltd.
	Infra vision Developers (P) Ltd.
	Tantia Financial Services Ltd
	Monobal Vayapar (P) Ltd.
	Castal Extrusion Private Limited
	Andromeda Communications (P) Ltd
	Harsh Leisure (P) Ltd.
B. Subsidiaries	Tantia Sanjauliparkings (P) Ltd.
	Tantia Infrastructure (P) Ltd.
	Tantia Raxaultollway (P) Ltd.
C. Joint Ventures:	RBM Tantia (JV)
	Tantia BSBK (JV)
	JMC Tantia (JV)
	Tantia DBC (JV)
	Tantia Simplex (JV)
	Tantia Soma (JV)
	Tantia Nayak (JV)
	Tantia TBL (JV)
	Tantia SPML (JV)
	Tantia Freyssinet Gilcon (JV)
	Tantia Gondwana (JV)
	Tantia CCIL (JV)
	Tantia EDCL (JV)
	Tantia SEC (JV)
	Tantia YSCC (JV)
Tantia EPAS (JV)	
D. Key Management Personnel and Relatives:	Sri I. P. Tantia (Chairman & Managing Director)
	Sri B. L. Ajitsaria (Director – Business Development)
	Sri Rahul Tantia (Director - Operations)
	Sri Murare Lal Agarwala (Director - Projects)
	Ms Rohini Sureka (Vice President - Finance & Accounts)

## Notes to Financial Statement as at and for the year ended March 31, 2012

Particulars of Transactions during the year:

(₹ in Lakhs)

Nature of Transactions	Year	Fellow / Company / Trust	Subsidiaries	Joint Venture	Key Management Personnel and Relatives	Total
Rendering of Services	2011-12	-	4,312	5,946	-	10,258
	2010-11	-	-	9,921	-	9,921
Receiving of Services	2011-12	-	-	-	-	-
	2010-11	-	-	4	-	4
Remuneration Paid/payable	2011-12	-	-	-	201	201
	2010-11	-	-	-	180	180
Rent paid	2011-12	13	-	-	28	41
	2010-11	42	-	-	42	84
Re-imbursement of expenses	2011-12	44	69	-	2	115
	2010-11	39	24	-	-	63
Purchase of Goods	2011-12	37	-	-	-	37
	2010-11	-	-	-	-	-
Purchase of Fixed Assets	2011-12	-	-	222	-	222
	2010-11	-	-	-	-	-
Advances given	2011-12	2,587	-	-	-	2,587
	2010-11	549	24	-	-	573
Refund of Advances	2011-12	2,565	-	-	-	2,565
	2010-11	449	-	-	-	449
MD Commission	2011-12	-	-	-	5	5
	2010-11	-	-	-	109	109
Investment in Joint Ventures	2011-12	-	-	327	-	327
	2010-11	-	-	74	-	74
Share of Profit/(Loss)	2011-12	-	-	(152)	-	(152)
	2010-11	-	-	99	-	99
Donation	2011-12	-	-	-	-	-
	2010-11	1	-	-	-	1
Investment in Shares	2011-12	-	6502	-	-	6502
	2010-11	-	10,272	-	-	10,272
Share Application Money Allotment Pending	2011-12	-	-	-	-	-
	2010-11	-	15	-	-	15
Outstanding balances receivable	2011-12	699	239	2755	21	3714
	2010-11	835	36	274	22	1,167
Outstanding balance payable	2011-12	6	-	-	7	13
	2010-11	30	-	-	9	39

**Note: 41.**

The earnings per share (Basic & Diluted, computed as per the requirement under Accounting Standard 20 on "Earnings per Share".

Particulars	2011-12	2010-11
<b>BASIC</b>		
Net Profit after tax for the year attributable for equity shareholders	875	2,723
Weighted number of shares for EPS computation	1,72,23,066	1,63,73,066
Earnings Per Share	5.08	16.63
<b>DILUTED</b>		
Net Profit after tax for the year	875	2,723
Expenses on FCCB (net of tax)	5	12
Adjusted profit after tax for the year available for equity shareholders	880	2,735
Weighted average number of shares for EPS computation	1,95,44,495	1,74,54,673
Diluted Earnings Per Share	4.50	15.67

## Notes to Financial Statement as at and for the year ended March 31, 2012

**Note: 42.**

Joint Venture Disclosure as per Accounting Standard 27 on "Financial reporting on interests in Joint Venture":

i. Financial interest in the Jointly controlled Entities

(₹ in Lakhs)

Name of JV	Year	Assets	Liabilities	Turnover	Other Income	Expenses
JMC Tantia JV	2011-12	46	42	-	0	0
	2010-11	66	61.79	62	-	0
Tantia DBC JV	2011-12	10	7	-	-	0
	2010-11	10	7	-	-	-
Tantia Freyssinet Gilcon JV	2011-12	28	16	-	8	7
	2010-11	21	8	-	-	0
Tantia-Gondwana JV	2011-12	1,937	1,930	2,855	2	2,855
	2010-11	3,232	3,225	7,614	-	7,608
IVRCL-Tantia JV	2011-12	95	93	-	-	0
	2010-11	95	93	-	0	0
Tantia-Simplex JV	2011-12	26	25	-	-	0
	2010-11	26	25	-	-	0
Tantia-Soma JV	2011-12	27	0	-	2	2
	2010-11	35	2	-	-	0
Tantia-SPML JV	2011-12	2	2	-	-	-
	2010-11	2	2	-	-	-
Tantia-BSBK JV	2011-12	36	36	-	-	-
	2010-11	47	47	13	-	13
Tantia-CCIL JV	2011-12	1,159	1,158	2,151	-	2,151
	2010-11	874	874	555	-	555
Tantia-EPAS JV	2011-12	9	9	24	-	24
	2010-11	-	-	-	-	-
Tantia-TBL JV	2011-12	15	9	-	-	0
	2010-11	14	9	-	-	0
Tantia-SEC JV	2011-12	12	-	681	-	628
	2010-11	-	-	-	-	-
RBM Tantia (JV)	2011-12	-	-	-	-	-
	2010-11	2,972	1,581	4,327	5	4,435

Pending finalization of the RBM Tantia-JV account, current year's figures are not given.

**Note: 43.**

The Company has reviewed the possibility of any impairment of the fixed assets of the Company in terms of the Accounting Standard 28 – "Impairment of Assets" as at the Balance Sheet date and is of the opinion that no such provision for impairment is required.

## Notes to Financial Statement as at and for the year ended March 31, 2012

**Note: 44.**

Additional information pursuant to paragraph 4D of part II of Schedule VI to the Companies Act, 1956.

Expenditure / Remittance in Foreign Currency

(₹ in Lakhs)

	2011-12		2010-11	
A Value of imports calculated on CIF Basis:				
(i) Capital Goods	6	-	69	-
B Expenditure in foreign currencies:				
(i) Traveling expenses	9	-	11	-
(ii) Consultancy Charges	4	-	13	-
(iii) Interest	7	-	18	-
C Value of Raw Materials consumed:				
(i) Imported		-	-	-
(ii) Indigenous	24,087	100.00%	23,549	100.00%
D Value of Spare Parts & Components consumed:				
(i) Imported		-		-
(ii) Indigenous	886	100.00%	710	100.00%
E Earnings in foreign currency (on accrual basis)	-	-	-	-
Export of goods or services on F.O.B. basis and work bills realized on contracts	-	-	-	-

**Note: 45.**

Disclosure pertaining to Accounting Standard 29 – “Provisions, Contingent Liabilities and Contingent Assets” issued by The Institute of Chartered Accountants of India are given below.

Particulars	Dividend including Corporate Tax on Dividend (Including Preference shares)	Employee benefits
Balance as on 1.4.2011	477	158
Balance as on 1.4.2010	289	122
Add: Provisions made (2011-12)	302	71
(2010-11)	477	44
Less: Payments (2011-12)	477	3
(2010-11)	288	8
Less: Adjustments (2011-12)	-	-
(2010-11)	1	-
Closing Balance as on 31.03.2012	302	226
Closing Balance as on 31.03.2011	477	158

**Note: 46.**

Previous year's figure have been re-grouped and rearranged wherever necessary.

**Note: 47.**

'0' represents amount less than ₹ 50,000/-.

In terms of our report of even date  
**For KONAR MUSTAPHI & ASSOCIATES**  
 Firm's Registration No. 314125E  
 Chartered Accountants

**S. K. MUSTAPHI**  
 Partner  
 Membership No. 51842

Dated : May 29, 2012  
 Place : Kolkata

**I. P. TANTIA**  
 Chairman & Managing Director

**RAHUL TANTIA**  
 Director (Operations)

**MD. JAMSHED ALAM**  
 Company Secretary

# CONSOLIDATED AUDITOR'S REPORT

To the Board of Directors of  
Tantia Constructions Limited

1. We have audited the attached Consolidated Balance Sheet of **TANTIA CONSTRUCTIONS LIMITED** and its subsidiaries and Joint Ventures (the Group) as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. The Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. 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. We did not audit the financial statement of the subsidiary Tantia Raxaultollway Pvt. Ltd. This financial statement has been audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amount included in respect of the above mentioned subsidiary, is based solely on the report of other auditor.
4. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirement of Accounting Standard 21, Consolidated Financial Statement, Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interest in Joint Ventures as notified under the Companies (Accounting Standards) Rules, 2006 (as amended).
5. Based on our audit and on consideration of the report submitted by the auditor of Tantia Raxaultollway Pvt. Ltd on the separate financial statement, in our opinion and to the best of our information and according to the explanations given to us, 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 Company as at March 31, 2012,
  - ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
  - iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **KONAR MUSTAPHI AND ASSOCIATES**

Firm Registration No. 314125E

*Chartered Accountants*

**S. K. MUSTAPHI**

*Partner*

Place: Kolkata

Dated: May 29, 2012

Membership No. 51842

# Consolidated Balance Sheet

as at March 31, 2012

(₹ in Lakhs)

	Note	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
Share Capital	2	1,736	1,651
Reserves & Surplus	3	14,643	13,859
Share warrant	4	731	-
Share warrant Application money	4	-	1,004
		<b>17,110</b>	<b>16,514</b>
<b>2) Minority Interest</b>			
		1	1
<b>3) Non-current Liabilities</b>			
Long-term Borrowings	5	11,183	5,428
Deferred Tax Liabilities (Net)	6	751	620
Other Long term liabilities	7	851	719
Long-term Provisions	8	196	129
		<b>12,981</b>	<b>6,896</b>
<b>4) Current Liabilities</b>			
Short-term Borrowings	9	47,312	41,730
Trade Payables	10	5,007	5,811
Other Current Liabilities	11	6,237	4,621
Short-term Provisions	12	332	506
		<b>58,888</b>	<b>52,668</b>
<b>Total</b>		<b>88,980</b>	<b>76,079</b>
<b>II ASSETS</b>			
<b>1) Non current Assets</b>			
<b>Fixed Assets :</b>			
Tangible Assets	13	11,655	9,365
Intangible Assets		-	16
Capital Work in Progress		49	9
Intangible Assets under Development		4,643	35
Goodwill on Consolidation		6	6
Non current Investments	14	167	315
Long-term Loans and Advances	15	1,300	3,613
Other Non-current assets	16	70	149
		<b>17,890</b>	<b>13,508</b>
<b>2) Current Assets</b>			
Inventories	17	24,926	19,543
Trade Receivables	18	16,064	19,327
Cash & Bank balances	19	4,085	3,211
Short-term Loans and Advances	20	7,531	7,124
Other Current assets	21	18,484	13,366
		<b>71,090</b>	<b>62,571</b>
<b>Total</b>		<b>88,980</b>	<b>76,079</b>
Summary of Significant Accounting Policies	1		

The accompanying notes including other explanatory information form an integral part of the financial statement

In terms of our report of even date  
**For KONAR MUSTAPHI & ASSOCIATES**  
 Firm's Registration No. 314125E  
 Chartered Accountants

**I. P. TANTIA**  
 Chairman & Managing Director

**S. K. MUSTAPHI**  
 Partner  
 Membership No. 51842

**RAHUL TANTIA**  
 Director (Operations)

Dated : May 29, 2012  
 Place : Kolkata

**MD. JAMSHED ALAM**  
 Company Secretary

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

(₹ in Lakhs)

	Note	Year ended March 31, 2012	Year ended March 31, 2011
<b>I INCOME</b>			
Revenue From Operation	22	59,088	67,915
Other Income	23	280	557
<b>Total Revenue</b>		<b>59,368</b>	<b>68,472</b>
<b>II EXPENSES</b>			
Cost of Material Consumed	24	23,881	23,549
Contract Operating Expenses	25	24,752	32,990
(Increase)/Decrease in Work in Progress	26	(4,202)	(1,444)
Employee benefits expenses	27	2,000	1,632
Finance Cost	28	7,272	4,453
Depreciation and Amortisation expenses	13	1,134	726
Other Expenses	29	3,273	3,225
<b>Total Expenses</b>		<b>58,110</b>	<b>65,131</b>
<b>Profit before exceptional &amp; extraordinary items &amp; tax</b>		<b>1,258</b>	<b>3,341</b>
Exceptional items		-	-
<b>Profit before extraordinary items &amp; tax</b>		<b>1,258</b>	<b>3,341</b>
Extraordinary items		-	-
<b>Profit after extraordinary items &amp; tax</b>		<b>1,258</b>	<b>3,341</b>
Adjustment for diminution in Value of Investment		7	42
<b>Profit before tax</b>		<b>1,251</b>	<b>3,299</b>
<b>Tax expense :</b>			
Current Tax	30	466	592
Deferred Tax	30	130	123
		<b>655</b>	<b>2,584</b>
Profit of Joint Venture(Net of Tax)		(202)	99
<b>Profit/(Loss) for the period from continuing operations</b>		<b>453</b>	<b>2,683</b>
Pre-acquisition Profit/(Loss)		-	1
<b>Profit/(Loss) for the period</b>		<b>453</b>	<b>2,684</b>
Basic (₹)		2.62	16.37
Diluted (₹)		2.34	15.43
Summary of Significant Accounting Policies	1		

The accompanying notes including other explanatory information form an integral part of the financial statement

In terms of our report of even date

**For KONAR MUSTAPHI & ASSOCIATES**

Firm's Registration No. 314125E

Chartered Accountants

**I. P. TANTIA**

Chairman & Managing Director

**S. K. MUSTAPHI**

Partner

Membership No. 51842

**RAHUL TANTIA**

Director (Operations)

Dated : May 29, 2012

Place : Kolkata

**MD. JAMSHED ALAM**

Company Secretary

## Consolidated Cash Flow Statement for the period ended March 31, 2012

(₹ in Lakhs)

Particulars	Year ended		Year ended	
	March 31, 2012		March 31, 2011	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax		1,251		3,299
Add/(Less) Adjustment for :				
Depreciation	1,134		726	
(Profit)/Loss on sales of Fixed Assets (Net)	20		1	
Adjustment for diminuation in value of investment	7		42	
Pre acquisition loss	0		(1)	
Foreign Exchange Fluctuation	171		396	
Interest Income	(199)		(130)	
Interest on Borrowings	7,272	8,405	4,453	5,487
<b>Operating Profit before working Capital changes</b>		<b>9,656</b>		<b>8,786</b>
Add/(Less) (Increase)/decrease in Assets/Liabilities :				
Debtors	3,264		(5,054)	
Short term Loans & advances	(407)		(2,469)	
Other Current assets	(5,039)		(4,431)	
Inventories	(5,384)		(3,359)	
Trade payables, Liabilities & Provisions	402	(7,164)	121	(15,192)
<b>Cash Generated from Operations</b>		<b>2,492</b>		<b>(6,406)</b>
Direct Taxes paid		8		(2)
<b>Cash Flow before extraordinary items</b>		<b>2,500</b>		<b>(6,408)</b>
Extra-Ordinary items		0		-
<b>Net Cash From Operating Activities</b>		<b>2,500</b>		<b>(6,408)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Add/(Less) (Increase)/decrease in Assets/Liabilities :				
Additions of Fixed Assets (net)	(3,876)		(3,306)	
Increase in CWIP	(4,648)			
Sale/discard of Fixed Assets	450		2	
Interest Income	199		130	
Goodwill on consolidation			6	
Preliminary exp.			(7)	
Long term loans & advances	2,313			
Investment in Associates			(3)	
Investment in Joint Ventures & others	(59)	(5,621)	(74)	(3,252)
<b>Net Cash used in investing Activities.</b>		<b>(5,621)</b>		<b>(3,252)</b>

## Consolidated Cash Flow Statement for the period ended March 31, 2012

(₹ in Lakhs)

Particulars	Year ended		Year ended	
	March 31, 2012		March 31, 2011	
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Add/(Less) (Increase)/decrease in Assets/Liabilities :				
Share Capital issue	85		(0)	
Security premium	632			
Share application money pending allotment			15	
Secured Loans	8,752		1,597	
Unsecured Loans	(5,936)		4,881	
Interest Paid	(7,272)		(4,453)	
Minority interest			(1)	
Advance against Share Warrant	(273)		1,004	
Dividend Paid	(410)		(247)	
Tax on Dividend	(67)	(4,489)	(41)	2,754
<b>Net Cash from financing Activities.</b>		<b>(4,489)</b>		<b>2,754</b>
<b>D Net increase/(Decrease) in Cash and Cash equivalent (A+B+C)</b>		<b>(7,610)</b>		<b>(6,906)</b>
<b>E Add : Balance at the beginning of the Year</b>		<b>(23,019)</b>		<b>(15,716)</b>
<b>Cash and Cash equivalent at the close of the year</b>		<b>(30,629)</b>		<b>(22,622)</b>

In terms of our report of even date  
**For KONAR MUSTAPHI & ASSOCIATES**  
 Firm's Registration No. 314125E  
*Chartered Accountants*

**S. K. MUSTAPHI**  
*Partner*  
 Membership No. 51842

Dated : May 29, 2012  
 Place : Kolkata

**I. P. TANTIA**  
*Chairman & Managing Director*

**RAHUL TANTIA**  
*Director (Operations)*

**MD. JAMSHED ALAM**  
*Company Secretary*

# Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

## Note: 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1. Principles of Consolidation

The consolidated financial statements relates to Tantia Constructions Limited ('the Company'), and its subsidiary companies ('the Group'). The consolidated financial statements have been prepared on the following basis:

- a) The financial statement of the Company and its subsidiary Companies have been consolidated on a line-by-line basis by adding together the book values of like terms of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealized profits or losses as per Accounting Standard (AS) 21 – "Consolidated Financial Statements" notified by the Companies (Accounting Standards) Rules, 2006.
- b) In case of associates where the Company directly or indirectly through its subsidiaries holds more than 20% of equity, Investments in associates are accounted under the equity method as per Accounting Standard (AS) 23 – 'Accounting for investments in Associates in Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006.
- c) In terms of Accounting Standards (AS-27) – 'Financial Reporting of interest in joint ventures' notified by the Companies (Accounting Standards) Rules, 2006, the Companies proportionate in the joint ventures being jointly controlled entities are consolidated as separate line items in the financial statements along with the book value of Assets, Liabilities, Income and Expenditures after eliminating inter group balances/transactions and unrealized profit and losses resulting from the transactions between the Company and the Joint Ventures.
- d) The financial statements of the subsidiaries, joint ventures and the associates used in the consolidation are drawn up to the same reporting date i.e. March 31, 2012.
- e) The excess of cost to the Company, of its investment in the subsidiaries over the Company's share of equity is recognised in the financial statement as Goodwill and tested for impairment annually.
- f) The excess of the Company's share of equity of the subsidiaries on the acquisition date, over its cost of investment is treated as Capital Reserve.
- g) Minority interest in the net assets of the consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately  
  
Minority interest in the net assets of consolidated subsidiaries consists of:
  - i. The amount of equity attributable to minorities at the date on which investment in a subsidiaries is made; and
  - ii. The minorities share if movements in the equity since the date the parent subsidiary relationship came into existence.
- h) Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the income in order to arrive at the net income attributable to the Share Holders of the Company.
- i) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transaction and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- j) Investments in subsidiaries, associates and jointly controlled entities not considered for consolidation have been accounted as per Accounting Standard (AS) 13 – 'Accounting for Investments' notified by Companies (Accounting Standards) Rules, 2006.

### 2. Basis of Preparation of Financial Statements

The Financial Statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (Indian GAAP) and comply in all material aspect with the applicable accounting standards notified under Section 211(3C) of the Companies Act, 1956, and the relevant provisions of the Companies Act, 1956 except where otherwise stated.

During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for preparation and presentation of its financial statements. The adaptation of Revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figure in accordance with the requirements applicable in the current year in terms of Revised Schedule VI.

For recognition of Income and Expenses mercantile system of accounting is followed except in case of insurance claims where on the ground of prudence as well as uncertainty in realisation, the same is accounted for as and when accepted/received.

The accounting policies have been consistently applied by the Company except for the changes mentioned in Para 4.

### 3. Use of Estimates:

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known.

### 4. Change in Accounting Policies:

a) During the year under review the Company has credited gross bill amount as revenue, instead of net of retention as it was thought to be a better presentation of Financial Statement. Due to such change there has been an increase of contract receipt to the extent of ₹ 708.

### 5. Inventories

- a) Stock of raw materials, stores and spares and fuel (except for those relating to Construction activities) are valued at cost (weighted average basis) or net realisable value whichever is lower.
- b) Cost of Raw materials, stores, spares and fuel used in construction activities are valued at cost (weighted average basis).
- c) Work-in-progress is valued at cost and reflects the work done but not certified.
- d) The cost of inventories comprises all cost of purchase, cost of conversion and other incidental cost incurred in bringing the inventories to their present location and condition.
- e) Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

### 6. Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of duties (net of VAT where input credit is availed) together with any incidental costs for bringing the asset to its working condition for its intended use less accumulated depreciation and impairment losses, if any.

Capital work in progress is stated at amounts spent up to the date of the Balance Sheet.

Intangible assets comprise of License fees and other implementation cost of software (SAP) acquired for in-house use and is net of amortisation. Intangible assets under development are stated at cost.

### 7. Depreciation / Amortisation

Depreciation on fixed assets acquired upto the year ended on Diwali 2040 S.Y. (Corresponding to 3rd November 1983) is provided by applying the rates specified in Schedule-XIV of the Companies Act, 1956 and calculated on written down value method.

In respect of the assets acquired thereafter, other than Construction Accessories and Intangible Asset's depreciation is charged on the straight line method at the rates prescribed in Schedule-XIV of the Companies Act, 1956. Construction Accessories are depreciated over a period of five years on straight line method from the year of addition.

Intangible Assets are amortised over the best estimates of its useful life.

### 8. Impairment of Assets

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of the asset exceeds the recoverable value. If any indication of such impairment exists, the reasonable amounts of those assets are estimated and impairment loss is recognised. The impairment loss recognized in prior accounting period is adjusted if there has been a change in the estimate of recoverable amount.

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### 9. Revenue Recognition

#### On Construction Contracts:

- The contract revenue is recognized by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage completion method.
- The stage of completion of contracts is measured by reference to the proportion that the contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs for each contract.
- Losses on contracts are fully accounted for as an expense immediately when it is certain that the total contract costs will exceed the total contract price. Total contract cost are ascertained on the basis of actual cost and cost to be incurred for the completion of contracts in progress which is determined by the management based on technical data, forecast and estimates of expenditure to be incurred in future.
- Price escalation claims and other additional claims are recognised as revenue when:
  - i. They are realised or receipts thereof are mutually settled or reasonably ascertained.
  - ii. Negotiations with the client have reached such an advanced stage that there is reasonable certainty that the client will accept the claim.
  - iii. Amount that is probable, if accepted by the client, to be measured reliably by the Company.

#### On Sale of Goods:

- In case of sale of goods, the transfer of property in goods results in the transfer of significant risks and rewards of ownership to the buyer and revenue is recognised at the time of transfer of property.

### 10. Foreign Currency Transactions

Transactions in foreign currency are recorded using the exchange rate prevailing at the date of transactions. Monetary assets and liabilities related to foreign currency transactions unsettled at the end of the year are translated at year end rate. All other foreign currency assets and liabilities are stated at the rates prevailing at the date of transaction other than those covered by forward contracts, which are stated at the contracted rate. Exchange differences arising on foreign currency transactions are recognized in the Statement of Profit & Loss.

### 11. Investment

Long-term investments are stated at cost, provision is made to recognize a decline, if any, other than temporary, in the value of long term investments. Investments in Joint Ventures are stated at cost.

Current investments being readily realisable and intended to be held for less than a year are carried at cost or market rate whichever is lower, on individual investment basis.

### 12. Employee Benefit (Retirement and Post Employment Benefit)

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) – 15 “Employee Benefits” notified by Companies (Accounting Standard) Rules, 2006.

#### I. Gratuity

Liability on account of Gratuity is:

- Covered through recognized gratuity fund managed by Life Insurance Corporation of India and contributions are charged to revenue; and
- Balance if any, is provided on the basis of valuation of the liability by and independent actuary as at the year end.

#### II. Provident Fund, ESI and Medical

Contribution to provident fund (defined contribution plan) and ESI made to government administered Provident Fund and ESI are recognized as expenses. The company has no further obligation beyond its monthly contribution. Those employees who are not covered under ESI scheme (as stated in the Act) are eligible medical re-imbusement as per the HR policy of the Company.

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### III. Leave Encashment

Liability for leave encashment is treated as a long term liability and is provided on the basis of valuation by an independent actuary as at the year end.

### 13. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes subsequent period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

### 14. Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) - 20, "EPS" notified by Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share is computed by dividing the net profit for the year attributable to the equity share holders by the weighted average number of the equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit during the year, adjusted for the effects of dilutive potential equity share, attributable to the equity share holders by the weighted average number of the equity shares and dilutive equity potential equity shares outstanding during the year except where the results are anti dilutive.

### 15. Taxation

Tax expenses comprise of current tax and deferred tax.

Current tax is determined in respect of taxable income for the year based on Income Tax Act, 1961. Deferred tax is recognized, subject to consideration of prudence, on timing difference (being the difference between taxable income and accounting income that originates in one period and are capable of being reversed in one or more subsequent years) and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date and are recognized only if there is reasonable certainty that they will be realized.

### 16. Provision, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the Notes to Accounts. Disputed demands in respect of Income Tax and Sales Tax etc are disclosed as contingent liability. Payments in respect of such demands, if any, are shown as advance, till the final outcome.

Contingent Assets are neither recognised nor disclosed in the financial statements.

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### Note: 2A. SHARE CAPITAL

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
<b>Authorised</b>		
390,00,000 Equity Shares (Prev. Yr. 290,00,000) of ₹ 10/- each	3,900	2,900
10,00,000 10.5% Cumulative Preference Shares (Prev. Yr. 10,00,000) of ₹ 10/- each	100	100
	<b>4,000</b>	<b>3,000</b>
<b>Issue, Subscribed and paid up :</b>		
1,72,23,066 Equity Shares (Prev. Yr. 1,63,73,066 ) of ₹ 10/- each (Note: The above shares include 33,60,000 Equity shares issued as fully paid up Bonus shares by way of capitalization of accumulated General Reserve)	1,722	1,637
1,40,000 10.5% Cumulative Preference Shares (Prev. Yr. 1,40,000) of ₹ 10/- each fully paid up (The Company has issued and allotted on January 8, 2005, 1,40,000 10.50% Cumulative Redeemable Preference shares of ₹ 10 each fully paid up, redeemable at the option of the shareholder with 90 days notice or at the option of the Company with 30 days notice within a maximum period of 10 (ten) years. There was no redemption during the year.	14	14
	<b>1,736</b>	<b>1,651</b>

### Note: 2B.(i) A reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of shares	Amount	No. of shares	Amount
At the Beginning of the year	1,63,73,066	1,637	1,63,73,066	1,637
Issued during the Year by Conversion of Share Warrant	8,50,000	85	-	-
Bought Back	-	-	-	-
Outstanding at the end of the Year	<b>1,72,23,066</b>	<b>1,722</b>	<b>1,63,73,066</b>	<b>1,637</b>

### Note: 2B.(ii) A reconciliation of the number of Preference Shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of shares	Amount	No. of shares	Amount
At the Beginning of the year	1,40,000	14	1,40,000	14
Issued during the Year	-	-	-	-
Bought Back	-	-	-	-
Outstanding at the end of the Year	<b>1,40,000</b>	<b>14</b>	<b>1,40,000</b>	<b>14</b>

### Note: 2C. The rights, preferences and restrictions attaching to each class of shares

#### Class : Equity Shares

- The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the no. of shares held by the shareholder.

#### Class : Preference Shares

The Company had issued cumulative redeemable preference shares having a par value of ₹ 10/- per share. The preference share holders do not carry any voting right at shareholders meeting except in case of special meeting of preference share holders only. The preference share holders are entitled to dividend @ 10.5% on pro-rate basis before equity share holders are paid dividend. The preference shares are redeemable at the option of shareholder with a notice of 90 days within a maximum period of 10 years from the date of issue. In the event of liquidation of the Company, the holders of preference shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts and before distribution of anything to the equity share holder. The distribution will be in the proportion to the no. of shares held by the shareholder.

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

**Note: 2D.(i)** Equity Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Name of Share Holder	As at March 31, 2012		As at March 31, 2011	
	No. of shares	% holding	No. of shares	% holding
Nigolice Trading Pvt Ltd	42,89,000	24.90	39,62,900	24.20
Reliance Capital Trustee Co Ltd	10,18,900	5.92	10,18,900	6.22
Harsh Tantia	9,31,300	5.41	9,31,300	5.69

**Note: 2D.(ii)** Preference Shares in the company held by each share holder holding more than 5 percent shares specifying the number of shares held

Name of Share Holder	As at March 31, 2012		As at March 31, 2011	
	No. of shares	% holding	No. of shares	% holding
Ishwari Prasad Tantia HUF	70,000	50.00	70,000	50.00
Sarla Tantia	70,000	50.00	70,000	50.00

**Note: 2E.** Disclosure of terms of any securities convertible into Equity/Preferential Shares along with earliest date of conversion

**FCCB** - The company has issued on July 17, 2007, 7500, 1% Foreign Currency Convertible Bonds due in the year 2012 at 100% of US\$1000 each aggregating to US\$7.5 million to finance capital expenditure. The bondholders have an option of converting these bonds into shares at an initial conversion price of ₹ 140.00 per share (including the premium of ₹ 130.00 each) with a fixed rate of conversion of ₹ 40.38 per US\$ at any time on or after July 17, 2007 up-to July 5, 2012. The bonds are also redeemable at the option of the Company at a minimum rate of 130% of the early redemption amount in case of early redemption on any date after 24 months from the issue date and up to July 5, 2012. Unless previously redeemed, converted or repurchased and cancelled, the bonds will be redeemed at 137.92% of its principal amount on the maturity date.

Out of the above proceeds and in terms of the objects of the issue, the Company has utilized ₹ 2,812 (Pr. Year ₹ 2,812) for financing capital expenditure and ₹ 115 for FCCB issue expenses. The amount of foreign exchange fluctuation and FCCB issue expenses have been charged to profit and loss account of the relevant year(s).

During the last financial year the Company had opted to Buy Back 5000 FCCB in line with the terms of RBI Circular no RBI/2008-09/317 A.P. (DIR Series) Circular no. 39 dtd. 08.12.2008 read with Circular no RBI/2009-10/367 A.P. (DIR Series) Circular no. 44 dtd 29.03.2010 issued in this regard. The Buy Back was completed at a mutually decided discount of 25% on the accredited value of the bonds.

**SHARE WARRANTS** - The Committee of Directors of the Company at their meeting held on June 11, 2011 have allotted 24,50,000 Convertible Warrants to the Promoters/Promoter Group Companies on Private Placement/Preferential Basis, pursuant to Shareholder's approval by way of Postal Ballot, results of which was declared on March 9, 2011 on such terms and condition duly approved by the Shareholder's are outlined as hereunder;

- An amount equivalent to at least 25% of the consideration determined as per SEBI (ICDR) Regulation, 2009 must be paid as upfront money on or before the date of allotment of Convertible Warrants and the remaining 75% balance must be paid within the period not exceeding 18 months from the date of issue of said warrants.
- Each of the said Warrant shall carry a right, entitling its registered owner to apply for one Equity Share of ₹ 10/- each upon conversion of Warrants after making full payment of consideration. In case the Warrant holders do not apply for the Equity Shares of the Company within the aforesaid time period, then the amount paid on each of the said warrant shall be forfeited and all the rights attached to the said warrant shall lapse automatically.
- The Equity Shares allotted pursuant to conversion of warrants shall rank pari-passu with the existing Equity Shares of the Company in all respects.

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### Note: 3. RESERVES & SURPLUS

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
<b>Capital Reserve</b>		
Balance as per the last Financial Statement	100	100
Addition during the Year	-	-
<b>Balance (a)</b>	<b>100</b>	<b>100</b>
The Company had received ₹ 100 against future call option of 7,14,285 Share warrants in the F. Y. 2008-09. The call was not exercised by the applicants and as per the terms of the issue of warrant, the said amount was forfeited and credited to Capital Reserve during the year 2008-09.		
<b>Securities Premium Account</b>		
Balance as per the last Financial Statement	4,947	4,947
Add: Received during the Year	632	-
<b>Balance (b)</b>	<b>5,579</b>	<b>4,947</b>
<b>General Reserve</b>		
Balance as per the last Financial Statement	1,315	1,015
Add: Transferred from Surplus	100	300
<b>Balance (c)</b>	<b>1,415</b>	<b>1,315</b>
<b>Surplus</b>		
Balance as per the last Financial Statement	7,497	5,590
Add: Profit for the Year	453	2,684
Transfer to		
General Reserve	100	300
Dividend on Cumulative Preference Share	1	1
Proposed Dividend on Equity Share	258	409
Income Tax on Proposed Dividend	42	67
<b>Balance (d)</b>	<b>7,549</b>	<b>7,497</b>
<b>Total Reserve and Surplus (a + b + c + d)</b>	<b>14,643</b>	<b>13,859</b>

### Note: 4. RECONCILIATION OF SHARE WARRANTS

	(₹ in Lakhs)	
Particulars	Qty	Amount
Application Money at the beginning of the Year	2450000	1,004
Further Money received during the Year		443
Converted into Equity Share of ₹ 10/- at a premium @ ₹ 74.25/-	850000	716
<b>Share Warrant allotted pending conversion into Equity</b>	<b>1600000</b>	<b>731</b>

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### Note: 5. LONG TERM BORROWINGS

(Amount in ₹)

	As at March 31, 2012		As at March 31, 2011	
	Non-current	Current	Non-current	Current
<b>SECURED</b>				
Deferred Payment Liabilities				
Equipment and Vehicle Loans from Banks and Non-Banking Finance Companies etc.	3,222	1,810	878	1,301
Secured by way of hypothecation of assets financed by them and Personal Guarantees of the Chairman & Managing Director.				
Payable between 2-3 Yrs ₹ 1,792, 3-4 Yrs ₹ 1,430, and Interest Rate ranges from 10.75% - 12.50%.				
Term Loan from Banks	6,408	-	-	-
1. The term loan amounting to ₹ 5,608/- (Pr. Year Nil) is secured by first charge by hypothecation of all assets present and future and corporate guarantee of Tantia Constructions Ltd. alongwith substitution rights as per concession agreement. It is to be repaid in 46 qtrly installments after moratorium of 12 months from the date of COD/DCCO at an interest rate of Base Rate + 1.50% pa.				
2. The term loan amounting to ₹ 800/- (Pr. Year Nil) is secured by first charge on escrow account with the bank where in the company would deposit all collection and corporate guarantee of Tantia Constructions Ltd. It is to be repaid in 108 monthly installments starting from 1st April, 2013 at an interest rate of Base Rate + 2.3% pa.				
<b>Total (a)</b>	<b>9,630</b>	<b>1,810</b>	<b>878</b>	<b>1,301</b>
<b>UNSECURED</b>				
<b>RUPEE LOAN</b>				
Advance against contracts				
From Contractee	1,553	1,370	3,440	1,845
<b>FOREIGN CURRENCY LOAN</b>				
Foreign Currency Convertible Bonds	-	1,279	1,110	-
<b>Total (b)</b>	<b>1,553</b>	<b>2,649</b>	<b>4,550</b>	<b>1,845</b>
<b>Total Long Term Borrowings (a + b)</b>	<b>11,183</b>	<b>4,459</b>	<b>5,428</b>	<b>3,146</b>

### Note: 6. DISCLOSURE ON DEFERRED TAX AS PER AS 22 ON "ACCOUNTING FOR TAXES ON INCOME"

(₹ in Lakhs)

	As at	
	March 31, 2012	March 31, 2011
<b>Deferred Tax Liability</b>		
Net Fixed Assets as per Accounts	11,655	9,381
Net Fixed Assets As Per Income Tax	9,164	7,321
<b>Deferred Tax Liability (Timing Difference)</b>	<b>2,491</b>	<b>2,060</b>
<b>Deferred Tax Asset</b>		
- Provisions for Employee benefits	226	159
- Bonus Provision	54	76
<b>Deferred Tax Asset (Timing Difference)</b>	<b>280</b>	<b>235</b>
<b>Net Deferred Tax Liability</b>	<b>2,211</b>	<b>1,825</b>
Tax Impact On Net Liability @ 33.99%	751	620
<b>Deferred Tax Liability</b>	<b>751</b>	<b>620</b>

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### Note: 7. OTHER LONG TERM LIABILITIES

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Other Liabilities	851	719
	851	719

### Note: 8. LONG TERM PROVISIONS

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Retirement Benefits		
- Gratuity	138	100
- Leave encashment	58	29
	196	129

### Note: 9. SHORT TERM BORROWINGS

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
<b>SECURED</b>		
Cash Credit from Scheduled Banks	34,885	26,230
Secured by way of charge:		
On pari-passu basis with among consortium members primarily by hypothecation of entire stock, book debts and other current assets of the company both present and future.		
These are collaterally secured by way of charge on fixed assets including land and shed of the Company excluding equipments, machinery and vehicles that are hypothecated to various banks and Non-Banking finance Companies under exclusive charge for financing thereof and Personal Guarantees of the Chairman & Managing Director and the Director (Operations)		
<b>Total (a)</b>	<b>34,885</b>	<b>26,230</b>
<b>UNSECURED</b>		
Short Term Loans from Scheduled Banks	10,556	14,132
These are payable within 1 Year and interest rates ranges from 11.25% to 14.25%		
From Non-Banking Finance Companies	-	345
Deposits from Bodies Corporate	1,683	-
Advance against materials	188	1,021
Loan	-	2
<b>Total (b)</b>	<b>12,427</b>	<b>15,500</b>
<b>Total Short Term Borrowings (a + b)</b>	<b>47,312</b>	<b>41,730</b>

### Note: 10. TRADE PAYABLES (INCLUDING DUES TO MSMED VENDORS)

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Trade Payables (including dues to MSMED vendors)	5,007	5,811
Details of dues to Micro and Small enterprises as defined under the MSMED Act 2006:		
Principal amount remaining unpaid	3	23
Interest due thereon	-	-
Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
Interest accrued and remaining unpaid	-	-
Further interest remaining due and payable even in the succeeding years, until such date when interest dues as above are actually paid to the small enterprises.	-	-

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### Note: 11. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
Current Maturities of Long term debt (Refer note – 5)	4,459	3,146
Interest accrued but not due	54	13
Interest accrued and due	83	33
Unpaid Dividend	17	5
Unclaimed Share Application Money	4	4
Statutory Liabilities	151	313
Payable for Capital Goods	7	-
Others	1,462	1,107
(Includes ₹ 8 (Previous Year ₹ 8) payable to Directors)		
	<b>6,237</b>	<b>4,621</b>

### Note: 12. SHORT TERM PROVISIONS

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
Retirement Benefits (a)	30	29
Proposed Dividends on		
Equity Shares	259	409
Cumulative Preference Shares	1	1
Total (b)	260	410
Provision for		
Tax on Dividends (c)	42	67
Total (a + b + c)	<b>332</b>	<b>506</b>

### Note: 13. FIXED ASSETS

(₹ in Lakhs)

Sl No	Particulars	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
		At 01.04.2011	Additions	Disposals	At 31.03.2012	upto 01.04.2011	For the Year	Deductions Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
A)	<b>Tangible Assets</b>									
1	Free Hold Land	25	-	-	25	-	-	-	25	25
2	Work shop & Office Shed	103	119	-	222	13	3	16	206	90
3	Plant & Machinery	11,053	2,255	583	12,725	3,626	598	125	8,626	7,427
4	Construction Accessories	1,156	1,261	-	2,417	20	426	-	1,971	1,136
5	Testing & Survey Equipments	158	12	-	170	38	8	-	124	120
6	Air Conditioner	33	4	-	37	4	2	-	31	29
7	Computer	139	10	-	149	77	17	-	55	62
8	Office Equipments	60	11	-	71	7	3	-	61	53
9	Vehicles	601	200	27	774	242	56	15	491	359
10	Furniture & Fixtures	78	6	-	84	14	5	-	65	64
	<b>Sub Total (a)</b>	<b>13,406</b>	<b>3,878</b>	<b>610</b>	<b>16,674</b>	<b>4,041</b>	<b>1,118</b>	<b>140</b>	<b>11,655</b>	<b>9,365</b>
	Previous Year	10,189	3,262	45	13,406	3,374	710	43	9,365	6,815
B)	<b>Intangible Assets</b>									
1	Software	80	-	-	80	64	16	-	80	16
	<b>Sub Total ( b)</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>64</b>	<b>16</b>	<b>-</b>	<b>80</b>	<b>16</b>
	Previous Year	80	-	-	80	48	16	-	64	32
	<b>Grand Total (a+b)</b>	<b>13,486</b>	<b>3,878</b>	<b>610</b>	<b>16,754</b>	<b>4,105</b>	<b>1,134</b>	<b>140</b>	<b>11,655</b>	<b>9,381</b>
	Total Previous Year	10,269	3,262	45	13,486	3,422	726	43	9,381	6,847

Note: Addition to Work shop and Office shed includes ₹ 119 constructed on lease hold land.

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### Note: 14. NON CURRENT INVESTMENTS

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
(Unquoted, Long Term at Cost)		
<b>In Associates</b>		
(Unquoted, Trade, Long Term at Cost)		
<b>In Equity instruments</b>		
Infra Vision Developers (P) Ltd	1	8
4,95,000 Equity Shares (Prev. Yr. - 4,95,000) of ₹ 10/- each, fully paid up		
<b>Non-Trade</b>		
<b>In Others</b>		
<b>In Equity instruments</b>		
Andromeda Communications (P) Ltd.	29	29
7,000 Equity Shares (Prev. Yr. - 7,000) of ₹ 10/- each, fully paid up		
Universal Realtors (P) Ltd.	4	4
40,000 Equity shares (Prev. Yr. 40,000) of ₹ 10/- each, fully paid up		
<b>Total (c)</b>	<b>34</b>	<b>41</b>
<b>Investment in Government Securities</b>		
National Saving Certificate, Deposited with Sales tax Authorities, Mizoram	0	0
<b>Total (d)</b>	<b>0</b>	<b>0</b>
<b>Investment in Joint Ventures as per Accounting Standard 27</b>		
RBM-TANTIA JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 99.999)	133	85
JMC-TANTIA JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	-	25
TANTIA-DBC JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 75)	-	(1)
TANTIA-SOMA JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	-	17
TANTIA-SIMPLEX JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 88.43)	-	1
IVRCL-TANTIA JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	-	2
TANTIA -FREYSSINET JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	-	13
TANTIA-TBL JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	-	24
TANTIA-SPML JOINT VENTURE (Jointly Controlled Entity) (% of Profit Share 50)	-	3
TANTIA - GONDWANA (JV) (Jointly Controlled Entity) (% of Profit Share 99.80)	-	94
TANTIA - CCIL (JV) (Jointly Controlled Entity) (% of Profit Share 74)	-	7
TANTIA - EDCL (JV) (Jointly Controlled Entity) (% of Profit Share 51)	-	4
TANTIA - SEC (JV) (Jointly Controlled Entity) (% of Profit Share 52)	-	-
<b>Total (e)</b>	<b>133</b>	<b>274</b>
<b>Grand Total (a + b + c + d + e)</b>	<b>167</b>	<b>315</b>

### Note: 15. LONG TERM LOANS AND ADVANCES

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
(Unsecured, considered good)		
Capital Advances	314	8
Security Deposits	782	3,546
<b>Other Loans &amp; Advances</b>		
Prepaid Expenses	9	23
Advances recoverable in cash or in kind or for value to be received	195	36
	<b>1300</b>	<b>3,613</b>

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### Note: 16. OTHER NON CURRENT ASSETS

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
(Unsecured, considered good)		
Deferred Revenue Expenses	68	147
Preliminary Expenses	2	2
	<b>70</b>	<b>149</b>

### Note: 17. INVENTORIES

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
(As taken, valued and certified by the management)		
Raw Materials	8,460	7,431
Construction Contract Work-in-progress	14,730	10,529
(Work-in-progress is valued at cost and reflects the work done but not certified)		
Stores & Spares	889	856
Loose Tools	847	727
a) Stock of raw materials, stores and spares and fuel (except for those relating to Construction activities) are valued at cost (weighted average basis) or net realisable value whichever is lower.		
b) Cost of Raw materials, stores, spares and fuel used in construction activities are valued at cost (weighted average basis).		
c) The cost of inventories comprises all cost of purchase, cost of conversion and other incidental cost incurred in bringing the inventories to their present location and condition.		
d) Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.		
	<b>24,926</b>	<b>19,543</b>

### Note: 18. TRADE RECEIVABLES

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
(Unsecured, considered good)		
Other Debts	13,481	15,116
Exceeding Six Months	2,583	4,211
	<b>16,064</b>	<b>19,327</b>

### Note: 19. CASH AND BANK BALANCES

(₹ in Lakhs)

	As at March 31, 2012	As at March 31, 2011
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
In Current Accounts	1,279	166
Cash in hand	280	175
<b>Total (a)</b>	<b>1,559</b>	<b>341</b>
<b>OTHER BANK BALANCES</b>		
Earmarked balances with Banks		
In current Accounts (Dividend & Unclaimed share Application)	20	8
Balances with Banks		
In Deposit Accounts (Less than 12 months)	2,441	2,474
In Deposit Accounts (Beyond 12 months)	65	388
(Fixed deposit receipts pledged as Security/ margin with Bank for BG Limit and Lien with Client)		
<b>Total (b)</b>	<b>2,526</b>	<b>2,870</b>
<b>Grand Total (a + b)</b>	<b>4,085</b>	<b>3,211</b>

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### Note: 20. SHORT TERM LOANS AND ADVANCES

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
(Unsecured, considered good)		
Security Deposits & Earnest Money	4,507	626
<b>Advance to Associate Companies</b>		
- Infra Vision Developers (P) Ltd	668	668
- Nigolice Trading Pvt Ltd	33	-
<b>Other Loans &amp; Advances</b>		
Prepaid Expenses	224	349
Advances recoverable in cash or in kind or for value to be received	2,099	5,481
	<b>7,531</b>	<b>7,124</b>

### Note: 21. OTHER CURRENT ASSETS

	(₹ in Lakhs)	
	As at March 31, 2012	As at March 31, 2011
Interest accrued but not due on Bank deposits	80	60
Works Contract Tax receivable	2,963	2,160
Unbilled Revenue	12,217	9,217
Deferred Revenue Expenses	444	209
Income Tax Advance (including Income Tax Deducted at Source, Net of Provision for taxation)	2,773	1,713
Preliminary Expenses	0	0
Others	6	7
	<b>18,484</b>	<b>13,366</b>

### Note: 22. REVENUE FROM OPERATIONS

	(₹ in Lakhs)	
	Year ended March 31, 2012	Year ended March 31, 2011
<b>Sale of Services</b>		
Contract Receipts	54,028	65,099
<b>Sale of Product</b>		
RMC Sale	4,986	2,802
Less : Excise Duty	(5)	(4)
<b>Other operating revenues</b>		
Miscellaneous Business income	79	18
	<b>59,088</b>	<b>67,915</b>

### Note: 23. OTHER INCOME

	(₹ in Lakhs)	
	Year ended March 31, 2012	Year ended March 31, 2011
<b>Interest</b>		
On Bank Deposits	175	130
On Bank Deposits (US\$)	-	0
From others	24	-
Miscellaneous Income	81	199
Gain on Buy Back of FCCB	-	228
	<b>280</b>	<b>557</b>

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### Note: 24. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Raw Materials	21,169	20,818
Consumable Materials	1,803	1,532
Stores & Spares	360	450
Carriage Inwards (Including material re-handling)	549	749
	<b>23,881</b>	<b>23,549</b>

### Note: 25. CONTRACT OPERATING EXPENSES

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Contract Execution Expenses	18,990	28,104
Equipment Hire Expenses	1,416	1,492
Machinery Repairing Charges		
- Plant & Machinery	918	783
- Others	145	110
Power & Fuel	2,099	1,605
Site Expenses	333	184
Consultancy Fees	461	614
Testing Expenses	371	76
Survey & Inspection Expenses	19	22
	<b>24,752</b>	<b>32,990</b>

### Note: 26. (INCREASE)/DECREASE IN WORK IN PROGRESS

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Balance at the end of the Year	14,731	10,529
Less: At the beginning of the Year	10,529	9,085
	<b>4,202</b>	<b>1,444</b>

### Note: 27. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
Salary and Bonus	1,704	1,404
Contribution towards Employees Provident Fund, ESIC and other funds	62	44
Staff Welfare Expenses	161	137
Employees Retirement Benefits	73	47
	<b>2,000</b>	<b>1,632</b>

### Note: 28. FINANCE COST

(₹ in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
<b>Interest expenses</b>		
To Banks on Working Capital Loan	5,953	3,619
To Non-Banking Finance Companies on Equipment Finance Loan	223	78
To Others	470	255
Interest on FCCB	7	18
<b>Other borrowing cost</b>		
Bank Commission & Other Charges	619	483
	<b>7,272</b>	<b>4,453</b>

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

### Note: 29. OTHER EXPENSES

	(₹ in Lakhs)	
	Year ended March 31, 2012	Year ended March 31, 2011
Rent	278	302
Rates and Taxes	1,666	1,263
Insurance	91	87
Printing & Stationery	49	52
Directors' Commission	5	109
Directors' Fee	3	2
Auditor's Remuneration		
Audit Fees	5	2
Tax Audit Fees	1	0
Other Services	1	1
Reimbursement for Expenses	-	0
Internal Audit & Other Certificate Fees	8	7
Light Vehicles Running Expenses	32	37
Travelling & Conveyance	321	354
Loss on Sale of Fixed Assets (Net)	34	7
Advertisement	16	18
Computer Maintenance	10	11
Legal Expenses	42	24
Security Guard Expenses	112	117
Telephone Expenses	74	90
SAP – Maintenance	11	12
Miscellaneous Expenses	339	332
Foreign Exchange Fluctuation	171	396
Donation	4	1
	<b>3,273</b>	<b>3,225</b>

### Note: 30. PROVISION FOR TAXATION

	(₹ in Lakhs)	
	Year ended March 31, 2012	Year ended March 31, 2011
Income tax for the year	460	1,012
Income tax for earlier year	6	(420)
Deferred taxes	130	123
	<b>596</b>	<b>715</b>

# Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

(Amounts are presented in ₹ in Lakhs, except for per share data and quantitative information)

**Note: 31.**

The Subsidiaries, Joint Ventures and Associate companies considered in the consolidated financial statements are:

Name of the Entity	Country of Incorporation	Proportion of Ownership Interest	
		Current year	Previous year
<b>Subsidiaries of the Company</b>			
Tantia Infrastructure Private Limited	India	100%	100%
Tantia Raxaultollway Private Limited (through its subsidiary)	India	74%	74%
Tantia Sanjauliparkings Private Limited	India	100%	100%
<b>Joint Ventures (Jointly Controlled Entity)</b>			
RBM-TANTIA	India	99.999%	99.999%
JMC-TANTIA	India	50.00%	50.00%
TANTIA-DBC	India	75.00%	75.00%
TANTIA-SOMA	India	50.00%	50.00%
IVRCL-TANTIA	India	50.00%	50.00%
TANTIA-FREYSSINET GILCON	India	50.00%	50.00%
TANTIA-TBL	India	50.00%	50.00%
TANTIA-SPML	India	50.00%	50.00%
TANTIA-GONDWANA	India	99.80%	99.80%
TANTIA-CCIL	India	74.00%	74.00%
TANTIA-BSBK	India	50.00%	50.00%
TANTIA-SIMPLEX	India	88.43%	88.43%
TANTIA-NAYAK	India	51.00%	51.00%
TANTIA-EDCL	India	51.00%	51.00%
TANTIA-SEC	India	52.00%	-
TANTIA-YSCC	India	51.00%	-
TANTIA-EPAS	India	45.00%	-
<b>Associates of the Company</b>			
Infravision Developers Private Limited	India	49.50%	49.50%

In respect of jointly controlled entity "RBM Tantia JV", the interest in the entity was acquired and held exclusively with a view to its subsequent disposal in the near future. Hence the same was not considered for Consolidation purpose.

**Note: 32. CONTINGENT LIABILITIES AND COMMITMENTS**

(₹ in Lakhs)

Sl No.	Particulars	31.03.2012	31.03.2011
1	Counter guarantees given to Consortium Banks in respect of Contracts in India. ₹ 1,597 (Previous year ₹ 1,759) are held by banks as margin money against the guarantees given by them in addition to the counter guarantees offered by the company for the total non-fund based limit for Bank guarantee of ₹ 62,600 (Previous Year ₹ 54,150).	62,600	54,150
2	Arrear Cumulative Preference Dividend payable on declaration	94	-
3	Sale tax liability / works contract tax liability for which the company has preferred an appeal before the Appellate Authority.	2,007	824
4	Bill Discounting	-	1,469
5	Arbitration case for which stay order has been taken	160	-
6	The demand, if any, that may arise out of search and seizure proceedings initiated by the Income Tax Authority	Amount not ascertainable	Amount not ascertainable
7	The company had issued in 2007-08, 7500, 1% Foreign Currency Convertible Bond of USD \$ 1000 each due in the year 2012 @ 100%, redeemable with premium only if there is no pre-mature conversion. The payment of premium on redemption of ₹ 464 (Previous year – ₹ 246) is therefore contingent in nature as the outcome of which depends on uncertain future events and hence not provided for.		

**Note: 33. CAPITAL AND OTHER COMMITMENTS**

• **Capital commitment:**

The Company has commitment towards purchase of Plant & Machinery aggregating to ₹ 103.63 for RMC Divisions at Bhubaneswar, Narayanpur and Taratala.

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

• **Other Commitment:**

The Company has commitment towards purchase of Raw Materials for various projects aggregating to ₹ 40 for which purchase orders have been raised before March 31, 2012.

**Note: 34.**

Current tax is determined in respect of taxable income for the year based on applicable tax rates and Laws.

**Note: 35.**

Company is in the process of obtaining balance confirmation from its Debtors and Creditors, adjustment if any, arising out of same will be considered in the subsequent period.

**Note: 36.**

The contract awarded to the Company by the Bihar State Government for development and widening of roads in Patna had been prematurely terminated by the Govt. of Bihar on April 30, 2008. The company had taken necessary remedial measure through Honorable High Court of Kolkata. Arbitrator has been appointed in the matter to adjudicate the claim filed by the Company and the hearings are in process.

**Note: 37.**

Disclosure in accordance with Accounting Standard – 7 (Revised 2002) on “Accounting for Construction Contract” issued by The Institute of Chartered Accountants of India is as under:

The amount of contract revenue recognised as revenue in the period	54,028	65,099
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting period	1,47,165	1,55,526
The amount of advances received	10,933	6,404
The amount of retentions	4,611	3,414

**Note: 38.**

As required by Accounting Standard 15 (Revised) the following table summaries the components of net expense recognized in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the respective plans.

Particulars	2011-12	2010-11
<b>Defined Contribution Plan –</b>		
Company has recognised the following amounts in the Statement of Profit & Loss for the year.		
Contribution to employees Provident fund -	24	21
Contribution to Employees State Insurance	14	5

Reconciliation of opening and closing balances of the present value of the Defined benefit obligation	Gratuity (Funded)		Leave Encashment (Non Funded)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Obligation at the period beginning (April 1)	136	109	58	44
Current Service Cost	12	11	26	15
Interest Cost	11	9	5	4
Actuarial (gain)/loss	18	13	2	(4)
Benefits paid	(8)	(6)	(3)	(1)
<b>Obligation at the year end (March 31)</b>	<b>169</b>	<b>136</b>	<b>88</b>	<b>58</b>
<b>Change in Plan Assets</b>				
Plan assets at period beginning, at fair value	35	32		
Expected return on plan assets	3	3		
Actuarial (gain)/loss			NA	NA
Contributions		7		
Benefits paid	(8)	(7)		
<b>Plan Assets at the year end, at fair value</b>	<b>30</b>	<b>35</b>	<b>-</b>	<b>-</b>

(Amount in ₹)

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

(Amount in ₹)

Reconciliation of opening and closing balances of the present value of the Defined benefit obligation	Gratuity (Funded)		Leave Encashment (Non Funded)	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Reconciliation of present value of the obligation and the fair value of plan assets.				
Fair value of plan assets at the end of the year	30	35	Nil	Nil
Present value of the defined benefit obligations at the end of the year	169	136	88	58
<b>Liability/(Assets) recognised in the Balance Sheet</b>	<b>139</b>	<b>101</b>	<b>88</b>	<b>58</b>
<b>Cost for the year</b>				
Current service cost	12	11	26	15
Interest cost	11	9	5	4
Expected return on plan assets	(3)	(3)		(0)
Actuarial (gain)/loss	18	13	2	(4)
<b>Net Cost recognised in the Profit and Loss Account</b>	<b>38</b>	<b>30</b>	<b>33</b>	<b>14</b>
<b>Assumptions used to determine the benefit obligations:</b>				
Interest rate	8.00%	8.00%	8.00%	8.00%
Estimated rate of return on plan assets	8-9%	8-9%	NA	NA
Expected rate of increase in Salary	3.00%	3.00%	5.00%	5.00%

**Note: 39.**

The Company operates under a major segment namely "Core Infrastructure" and under other segments. Since the segment revenue from external customers for each of the other segments is below 10% of total revenue and the carrying amount of assets for each other segments are below 10% of the carrying amount of all assets, reporting under AS-17 on "Segment Reporting" has not been made.

**Note: 40.**

Disclosure of Related Party Transactions as per Accounting Standard-18 on "Related party disclosures" issued by The Institute of Chartered Accountants of India:

Related Parties with whom transactions have taken place during the year:-

A. Associate Companies and Enterprises over which the key management personnel and its relatives are able to exercise significant influence:	Nigolice Trading (P) Ltd.	
	Infra vision Developers (P) Ltd.	
	Tantia Financial Services Ltd	
	Monobal Vayapar (P) Ltd.	
	Castal Extrusion Private Limited	
	Andromeda Communications (P) Ltd	
	Harsh Leisure (P) Ltd.	
	RBM Tantia (JV)	
	Tantia BSBK (JV)	
	JMC Tantia (JV)	
C. Joint Ventures:	Tantia DBC (JV)	
	Tantia Simplex (JV)	
	Tantia Soma (JV)	
	Tantia Nayak (JV)	
	Tantia TBL (JV)	
	Tantia SPML (JV)	
	Tantia Freyssinet Gilcon (JV)	
	Tantia Gondwana (JV)	
	Tantia CCIL (JV)	
	Tantia EDCL (JV)	
	Tantia SEC (JV)	
	Tantia YSCC (JV)	
	Tantia EPAS (JV)	
	D. Key Management Personnel and Relatives:	Sri I. P. Tantia (Chairman & Managing Director)
		Sri B. L. Ajitsaria (Director – Business Development)
Sri Rahul Tantia (Director - Operations)		
Sri Murare Lal Agarwala (Director - Projects)		
Ms Rohini Sureka (Vice President - Finance & Accounts)		

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

Particulars of Transactions during the year:

(₹ in Lakhs)

Nature of Transactions	Year	Fellow / Company / Trust	Joint Venture	Key Management Personnel and Relatives	Total
Rendering of Services	2011-12	-	-	-	-
	2010-11	-	9,921	-	9,921
Receiving of Services	2011-12	-	-	-	-
	2010-11	-	4	-	4
Remuneration Paid/payable	2011-12	-	-	201	201
	2010-11	-	-	180	180
Rent paid	2011-12	13	-	28	41
	2010-11	42	-	42	84
Re-imbusement of expenses	2011-12	44	-	2	46
	2010-11	39	-	-	39
Purchase of Goods	2011-12	37	-	-	37
	2010-11	-	-	-	-
Advances given	2011-12	2,587	-	-	2,587
	2010-11	549	-	-	549
Refund of Advances	2011-12	2,565	-	-	2,565
	2010-11	449	-	-	449
MD Commission	2011-12	-	-	5	5
	2010-11	-	-	109	109
Investment in Joint Ventures	2011-12	-	-	-	-
	2010-11	-	74	-	74
Share of Profit/(Loss)	2011-12	-	-	-	-
	2010-11	-	99	-	99
Donation	2011-12	-	-	-	-
	2010-11	1	-	-	1
Unsecured Loans	2011-12	-	-	-	-
	2010-11	1	-	-	1
Repayment of Unsecured Loans	2011-12	-	-	-	-
	2010-11	1	-	-	1
Outstanding balances receivable	2011-12	699	-	21	720
	2010-11	836	274	22	1132
Outstanding balance payable	2011-12	6	-	7	13
	2010-11	30	1	9	40

**Note: 41.**

The earnings per share (Basic & Diluted, computed as per the requirement under Accounting Standard 20 on "Earnings per Share".

Particulars	2011-12	2010-11
<b>BASIC</b>		
Net Profit after tax for the year attributable for equity shareholders	452	2,682
Weighted number of shares for EPS computation	1,72,23,066	1,63,73,066
Earnings Per Share	2.62	16.37
<b>DILUTED</b>		
Net Profit after tax for the year	452	2,681
Expenses on FCCB (net of tax)	5	12
Adjusted profit after tax for the year available for equity shareholders	457	2,693
Weighted average number of shares for EPS computation	1,95,44,495	1,74,54,673
Diluted Earnings Per Share	2.34	15.43

**Note: 42.**

The Company has reviewed the possibility of any impairment of the fixed assets of the Company in terms of the Accounting Standard-28 – "Impairment of Assets" as at the Balance Sheet date and is of the opinion that no such provision for impairment is required.

## Notes to Consolidated Financial Statement as at and for the year ended March 31, 2012

**Note: 43.**

Additional information pursuant to paragraph 4D of part II of Schedule VI to the Companies Act, 1956.

Expenditure / Remittance in Foreign Currency

(₹ in Lakhs)

	2011-12		2010-11	
A Value of imports calculated on CIF Basis:				
(i) Capital Goods	6	-	69	-
B Expenditure in foreign currencies:				
(i) Traveling expenses	9	-	11	-
(ii) Consultancy Charges	4	-	13	-
(iii) Tender Application expenses	-	-	-	-
(iv) Books and Periodicals	-	-	-	-
(v) Interest	7	-	18	-
(vi) Listing Fee	-	-	-	-
C Value of Raw Materials consumed:				
(i) Imported	-	-	-	-
(ii) Indigenous	23,881	100.00%	23,549	100.00%
D Value of Spare Parts & Components consumed:				
(i) Imported	-	-	-	-
(ii) Indigenous	886	100.00%	710	100.00%
E Earnings in foreign currency (on accrual basis)	-	-	-	-
Export of goods or services on F.O.B. basis and work bills realized on contracts	-	-	-	-

**Note: 44.**

Disclosure pertaining to Accounting Standard 29 – “Provisions, Contingent Liabilities and Contingent Assets” issued by The Institute of Chartered Accountants of India are given below.

Particulars	Dividend including Corporate Tax on Dividend (Including on Preference shares)	Employee benefits
Balance as on 1.4.2011	477	158
Balance as on 1.4.2010	289	122
Add: Provisions made (2011-12)	302	71
(2010-11)	477	44
Less: Payments (2011-12)	477	3
(2010-11)	288	8
Less: Adjustments (2011-12)	-	-
(2010-11)	1	-
Closing Balance as on 31.03.2012	302	226
Closing Balance as on 31.03.2011	477	158

**Note: 45.**

Previous year's figure have been re-grouped and rearranged wherever necessary.

**Note: 46.**

'0' represents amount less than ₹ 50,000/-.

In terms of our report of even date  
**For KONAR MUSTAPHI & ASSOCIATES**  
 Firm's Registration No. 314125E  
 Chartered Accountants

**S. K. MUSTAPHI**  
 Partner  
 Membership No. 51842

Dated : May 29, 2012  
 Place : Kolkata

**I. P. TANTIA**  
 Chairman & Managing Director

**RAHUL TANTIA**  
 Director (Operations)

**MD. JAMSHED ALAM**  
 Company Secretary

## Statement of Subsidiaries

In compliance with General Circular No. 2/2011 dated February 8, 2011 issued by Ministry of Corporate Affairs (MCA)

(₹ in Lakhs)

Name of Company	Capital	Reserves	Total Assets	Total Liabilities	Detail of Investment (Expect for Investment in Subsidiaries)	Turnover	Profit before Tax	Taxation	Profit after Tax	Dividend
Tantia Infrastructure Pvt Ltd	348	5,945	6,302	6,302	6,296	-	0	-	0	-
Tantia Raxaultollway Pvt Ltd	315	5,859	12,019	12,019	-	32	-	-	-	-
Tantia Sanjauliparkings Pvt Ltd	133	293	1,357	1,357	-	-	-	-	-	-

## Notice

Notice is hereby given that the Forty- Seventh Annual General Meeting of the Members of TANTIA CONSTRUCTIONS LTD will be held on Friday, the 21st day of September, 2012 at 3.00 p.m. at "Bharatiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata- 700017, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended March 31, 2012, the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend for financial year ended March 31, 2012.
3. To appoint Sri Himangsu Sekhar Sinha, an Independent Director, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint Sri Mahabir Prasad Agrawal, an Independent Director, who retires by rotation and being eligible, offer himself for re-appointment.

5. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Konar Mustaphi & Associates, Chartered Accountants, Kolkata having FRN- 314125E be and are hereby appointed as Statutory Auditors of the Company to hold such office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of ₹ 5,00,000/- (including Tax Audit Fees of ₹ 1,00,000), plus reimbursement of out of pocket expenses, certificate fees and all applicable taxes in India, if any."

By Order of the Board of Directors

Place: Kolkata

Dated: May 29, 2012

Md. Jamshed Alam

Company Secretary

## Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIM/HER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT 25-27, NETAJI SUBHAS ROAD, KOLKATA- 700001, NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF COMMENCEMENT OF THE AGM.**
2. Corporate Members intending to send their authorised representatives are requested to send a certified copy of the Resolution of the Board of Directors of the

Company, pursuant to Section 187 of the Act, authorizing their representative to attend and vote at the meeting on their behalf at the said AGM, preferably before 48 hours before the scheduled time of commencement of the AGM for making necessary arrangement(s).

3. Members/Proxy-holders are requested to produce, the attached Attendance Slip duly filled in, at the entrance for admission to the meeting hall. Members who hold shares in dematerialized form are requested to write their Name with Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Name with Folio Number in the attendance slip for the purpose of identification of their membership at the AGM.

4. In case of joint holders attending the AGM, only such joint holder who is first in the order of names will be entitled to vote by show of hands or at poll.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, September 14, 2012 to Friday, September 21, 2012(both days inclusive).
6. Dividend on Equity Shares as recommended by the Board, if declared at the meeting will be paid-
  - a. to those Members whose name appears in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before September 13, 2012.
  - b. in respect of shares held in electronic form, to those 'deemed members', whose names appear on the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on September 13, 2012.
7. The Audited Accounts of the Company for the year ended March 31, 2012, the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon and all other documents annexed to the Balance Sheet, are available for inspection by the Members at the Registered Office of the Company at 25-27, Netaji Subhas Road, Kolkata- 700001 on working days during 11.00 A.M. to 1.00 P.M. upto the date of this AGM.
8. In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrar and Share Transfer Agents, M/s. Maheshwari Datamatics Pvt. Limited ('the RTA') under the signature of the Sole/ First joint holder, the following information to be incorporated on dividend warrants:
  - i. Name of Sole/First Holder and the Folio Number.
  - ii. Particulars of Bank Account viz:
    - a) Name of Bank
    - b) Name of Branch
    - c) Complete Address of Bank with Pin Code Number
9. Members may kindly note that the bank account details as furnished by them or by NSDL / CDSL to the Company, for shares held in the physical form and in the dematerialized form respectively, will be printed on their Dividend Warrant(s) as a measure of protection against fraudulent encashment.
10. Non-Resident Indian Members are requested to inform the Company's RTA immediately of :
  - a) the change in Residential Status on return to India for permanent settlement, if any.
  - b) the particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin Code Number, if not furnished earlier or intimate changes in the particulars of the Banking Account, if any.
11. Members desirous of obtaining any information/ clarification (s) concerning the Audited Accounts of the Company for the financial year ended March 31, 2012 and operation of the Company are requested to send their query at least 10 days prior to the date of AGM to the Company Secretary at the registered office of the Company.
12. Members are advised to refer to the General Shareholder Information provided in the Annual Report.
13. The Company's Equity Shares are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).
14. Pursuant to provisions of Section 109A of the Companies Act, 1956, members can avail of the nomination facility in respect of shares held by them in physical form by submitting Form No. 2B of the Companies (Central Govt.'s) General Rules and Forms, 1956 to the Company or RTA. A copy of the said Form 2B may be obtained from the Company Secretary at the Registered Office of the Company on written request.
15. In order to support the initiative of Ministry of Corporate Affairs ("MCA") 'Green Initiative in Corporate Governance' allowing paperless

compliances by the Companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Members, who have not registered their email addresses with the Company, are requested to register their e-mail addresses with the Depository Participants

(DP)/ Registrar and Share Transfer Agent (RTA)/Company for receiving the various notices and documents including Report and Accounts etc. in electronic mode. Even after registering for e-communication, the Shareholders of the Company shall be entitled to receive such communication in physical form, upon request.

#### Annexure to the Notice

#### INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT AT THE ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director(s)	Sri Himangsu Sekhar Sinha	Sri Mahabir Prasad Agrawall
Brief Profile of Director(s)	Mr. H. S. Sinha aged about 84 years, an Ex-General Manager, Metro Railway, Kolkata. He advises the entire Tantia Construction team not only on matters of railway engineering but also administration, organization and monitoring. He is a known face in the railway circles, his vision for the Company is to make a complete solution provider and undertake BOT Projects for providing mass rapid transport system across secondary cities.	Mr. M. P. Agrawall aged about 58 years, is a graduate from Calcutta University and possesses rich experience in the field of Real Estate Development and Construction across India. He is a Chairman of Ambience Group based in Hyderabad.
Date of Birth	06.10.1928	09.05.1953
Expertise in specific functional area	Railway Engineering, Administration, Organization and Monitoring	Real Estate Development and Construction
Shareholding in the Company	Nil	Nil
Name of the Company(ies) in which Chairman / Membership of the Committee(s) of the Board of Directors of the Company	GPT Infraprojects Limited	None
a) Audit Committee	Member	–
b)Shareholders'/ Investor Grievance Committee	Member	–
Inter-se relationship with any other director(s)	Not related with any other Director of the Company.	Not related with any other Director of the Company.

Name of the Director(s)	Sri Himangsu Sekhar Sinha	Sri Mahabir Prasad Agrawal
Name of the Companies in which directorship(s) held	GPT Infraprojects Ltd GPT Healthcare Pvt Ltd Alvari Systems Private Limited	Ambience Properties Ltd. Kaveri Projects Ltd. Ambience Resorts & Motels Pvt Ltd. Fortune Constructions Pvt Ltd. Vasundhara Constructions Pvt Ltd Shubham Telecom Pvt Ltd Shirdi Industries Ltd Platinum Properties Pvt Ltd Radiant Developers Pvt Ltd Konzept Nirmaan Pvt Ltd Universal Realtors Pvt Ltd Sonar Shelters Ltd. Gandeva Properties Pvt Ltd Avant Garde Re- Energy Ltd Global Shelters Pvt Ltd G M Infra Ventures Pvt Ltd Celebrity Hospitality Pvt Ltd Swift Homes Pvt Ltd Espirit Hotels Pvt Ltd Celebrity Shelters Pvt Ltd A R Pharma Care Pvt Ltd

## Additional Notice to the Notice dated May 29, 2012

Please take Notice that in addition to the agenda contained in the Notice dated May 29, 2012 for convening the Forty- Seventh Annual General Meeting of Company to be held on Friday, the 21st day of September, 2012 at 3.00 p.m. at "Bharatiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata- 700017, the following business shall also be transacted as a Special Business under item No. 6 and 7 of the Notice dated May 29, 2012:

**6. To consider and to pass, with or without modification(s), the following resolution(s) as an Ordinary Resolution:**

"RESOLVED THAT Sri Sandip Bose, who was appointed by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act, 1956 to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from a member proposing his candidature for the office as Director on the Board, be and is hereby appointed as a Director of the Company, whose term of office shall not be liable to retire by rotation."

**7. To consider and to pass, with or without modification(s), the following resolution(s) as a Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 read with Schedule XIII, as amended upto date, and all other applicable provisions, if any, of the Companies Act, 1956 ('the Act') including any statutory modification(s) or re-enactment thereof and subject to such consent and approvals as may be necessary, the Company hereby approves the terms of appointment of and remuneration payable to Sri Sandip Bose as a Whole-time Director of the Company for a period of three years with effect from August 3, 2012 on terms set out in the

explanatory statement and as per the Agreement entered into between the Company and Sri Sandip Bose, a copy whereof, initialled by the Chairman of the meeting for the purposes of identification, has been submitted to this meeting, which Agreement is hereby specifically approved."

"RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as mentioned in explanatory statement paid to Sri Sandip Bose as a Whole-time Director of the Company shall be treated as minimum remuneration as provided under the Act."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of the said Agreement in such manner as may be agreed to between the Board of Directors and Sri Sandip Bose from time to time and the terms of the aforesaid Agreement shall be suitably modified to give effect to such alteration and/or variation, provided however that the said alteration shall not have the effect of increasing the overall remuneration exceeding the overall ceiling as stipulated in Schedule XIII appended to the Act."

"RESOLVED FURTHER THAT for the purpose of giving effect to above resolutions, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be, in their absolute discretion, deemed necessary, expedient, usual or proper in the best interest of the Company."

By order of the Board  
For Tantia Constructions Limited

Place: Kolkata  
Dated: August 3, 2012

Md. Jamshed Alam  
Company Secretary

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

**Item No. 6 and 7**

The Board of Directors of the Company, at its meeting held on August 3, 2012, appointed Sri Sandip Bose as an Additional Director of the Company with effect from that date. Further, the Board of Directors of the Company, at their Meeting held on August 3, 2012 have appointed Sri Sandip Bose as a Whole-time Director of the Company for a period of three years with effect from August 3, 2012 and Remuneration Committee has approved his remuneration, subject to approval of members of the Company.

In terms of Section 260 of the Companies Act, 1956, Sri Sandip Bose will hold office as an Additional Director upto the date of this Annual General Meeting. The Company has received a notice in writing along with the requisite deposit from a member under Section 257 of the Act, signifying his intention to propose Sri Sandip Bose for appointment as a Director of the Company. Pursuant to Section 264 of the Act, Sri Sandip Bose has consented to act as a Director, if appointed.

In order to comply with the provisions of the Companies Act, 1956, the Board of Directors of the Company has decided at their meeting held on August 3, 2012 to send an additional agenda to the members of the Company, which shall form part of Notice calling Forty- Seventh Annual General Meeting of the Company, to be transacted as Special Business.

Sri Sandip Bose is B.E. (Civil) and M.B.A. from Jadavpur University, Kolkata. He is having an experience of more than 16 years with the Company, out of his total experience of 19 years in the Industry. Currently, he is looking after Business Development in different sectors like Infrastructure, Roads, Bridges/Flyovers and Buildings, etc and leading the Ready Mix Concrete (RMC) Division of the Company. He has established credibility having potential and commitment to improve business growth of the Company and playing an instrumental role in the growth and success of the Company.

Base on recommendations received from Remuneration Committee at their meeting held on August 3, 2012, the Board of Directors proposed the following terms and conditions of remuneration payable to Sri Sandip Bose, as a Whole-time Director of the Company for a period of three years w.e.f. August 3, 2012, pursuant to applicable provisions of the Companies Act, 1956.

a) **Salary :**

₹ 1,25,000/- per month.

b) **Perquisites :**

Perquisites applicable to the Sri Sandip Bose, as a Whole-time Director are as follows:

- i) Reimbursement of actual Medical Insurance Premium paid for self and family subject to maximum limit provided under Income Tax Act, 1961 from time to time.
- ii) Leave Travel Concession/Allowance for self and family, in accordance with the rules of the Company.
- iii) Fees of Clubs (subject to maximum of 2 clubs and admission fees only).
- iv) Personal Accident Insurance Premium subject to maximum of ₹ 10,000/-.
- v) Company's contribution to Provident Fund and Gratuity which shall not be included in the computation of limits for remuneration or perquisites.
- vi) Annual 30 days Leave with full pay and allowances and right to accumulate and encashment as per the rules of the Company.

c) **Minimum Remuneration**

Where in any financial year during the currency of the tenure of Sri Sandip Bose, as a Whole-time Director, the Company has no profits or its profits are inadequate, the Company will consider

the remuneration by way of salary, perquisites as minimum remuneration, subject to the ceiling limits prescribed under Schedule XIII and other applicable provisions of the Companies Act, 1956.

d) **General**

- i) He shall not be paid any sitting fees for attending meeting(s) of the Board or Committee(s) thereof.
- ii) Subject to the superintendence, control and direction of the Board, he shall exercise substantial managerial powers in general and specific powers as may from time to time be lawfully entrusted to and conferred upon him by the Board.
- iii) Basic Salary or part thereof shall be paid directly to him, after all statutory deductions in India.
- iv) The appointment is terminable by either party giving the other 6 months notice in writing without assigning any reason(s) and without liability to pay any compensation.

**PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE(S), INFORMATION OF DIRECTOR SEEKING APPOINTMENT ARE AS FOLLOWS APART FROM BRIEF RESUME GIVEN ABOVE**

Name of the Director	Sri Sandip Bose
Date of Birth	26.10.1969
Expertise in specific functional area	Business Development
Shareholding in the Company	1380 Equity Shares
Name of the Companies in which directorship(s) held	None
Name of the Companies in which Chairman / Membership of the Committee(s) of the Board of Directors of the Company	None
Inter-se relation with other Director(s) in the Company	Not related with any other Director(s) of the Company.

None of the Directors other than Sri Sandip Bose himself is, either directly or indirectly, concerned or interested in the proposed resolution.

*This may be treated as an abstract for the purpose of Section 302 of the Companies Act, 1956.*

By order of the Board  
For Tantia Constructions Limited

Place: Kolkata  
Dated: August 3, 2012

Md. Jamshed Alam  
Company Secretary

## ATTENDANCE SLIP

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Attendance Slip(s) at the venue of the Meeting

DP. Id*	
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Master Folio No.	
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Client Id*	
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No. of Shares	
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NAME AND ADDRESS OF THE SHAREHOLDER .....

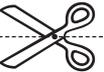
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I hereby record my presence at the 47th ANNUAL GENERAL MEETING of the Company being held on Friday, 21st September, 2012 at 3.00 p.m. at "Bharatiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata – 700 017.

\* Applicable for investors holding shares in dematerialised form.

Signature of the Shareholder/Proxy



## PROXY FORM

DP. Id*	
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Master Folio No.	
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Client Id*	
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No. of Shares	
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I/We.....

of .....being a Member/Members of Tantia Constructions Limited hereby appoint .....of ..... or failing him ..... of ..... as my/our proxy to vote for me/us and on my/our behalf at the 47th ANNUAL GENERAL MEETING of the Company to be held on Friday, 21st September, 2012 at 3.00 p.m. at "Bharatiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata – 700 017 or at any adjournment thereof.

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

Affix Revenue Stamp RE. 1
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\* Applicable for investors holding shares in dematerialised form.

**NOTE:**

1. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
2. Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.



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[info@trisycom.com](mailto:info@trisycom.com)



Creating core infrastructure  
[www.tantiagroup.com](http://www.tantiagroup.com)