

**Limited Review Report to
The Resolution Professional
Tantia Constructions Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of Tantia Constructions Limited ("the Company") for the quarter ended 30 June 2019 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No CIR/CFD/FAC/62/2016 dated 05 July, 2016.

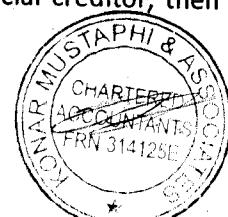
The accompanying statement is the responsibility of the Resolution Professional and has been approved by him which has been conferred upon him in terms of the provisions of Section 17 of the Insolvency and Bankruptcy Code, 2016 (IBC). Our responsibility is to express opinion on these financial statements based on our review.

We conducted our review in accordance with the Standard generally accepted in India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel as well as Resolution Professional and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with recognition and measurement principles laid down in applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with relevant Rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No CIR/CFD/FAC/62/2016 dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Attention is invited to the following:-

- a. Note 4a to the standalone financial results which states that the Net Worth of the Company has completely eroded. This has significantly affected the going concern assumption of the Company. A CDR package was approved by the Lending Banks (JLF) which was communicated to the Company vide letter of approval dated 6th May 2015 and cut off date (COD) for CDR proposal was 1 July 2014. The company could not generate sufficient surplus and the loans were categorized as NPA. The State Bank of India, in its capacity as financial creditor, then filed a



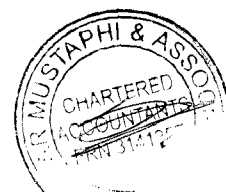
petition under the Insolvency and Bankruptcy Code, 2016 (IBC) with The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench. On 13 March, 2019, the NCLT vide its order of even date, has admitted the Corporate Insolvency Resolution Process (CIRP) in respect of the Company and appointed Mr. Kshitiz Chhawchharia, as the Interim Resolution Professional (IRP) in terms of the IBC. Further, the Committee of Creditors (COC) in its meeting held on 11 April, 2019 have approved the appointment of Mr. Kshitiz Chhawchharia as Resolution Professional (RP). The time allowed for resolution process is 180 days from the date of admission, which can be further extended for a period of not more than 90 days. The NCLT order also provide for a moratorium with effect from 13 March, 2019 till the completion of the CIRP process or until the approval of the resolution plan under section 31(1) or an order for liquidation of the Company under Section 33 is made, whichever is made earlier. CIRP is ongoing and is yet to be completed. Under a CIRP, a resolution plan needs to be prepared and approved by the Committee of Creditors (COC). The resolution plan which would be approved by the COC will need to be further approved by the NCLT to keep the Company as a going concern. Currently the resolution process is on, hence the financial statements of the Company are continued to be prepared on the going concern basis and no impairment loss has been recognized.

- b. Note 4b to the standalone financial results which states that the Company have not made any provision for Gratuity and Leave Encashment in line with IND-AS-19 which has resulted in understatement of loss for the quarter to that extent.
- c. Note 4c to the standalone financial results as per which during the quarter, the Company did not charge interest on its debt, as the majority of the Financial Institutions, Corporate depositors and Banks had stopped charging interest on its debt (being categorised as NPA) due from the Company. The results of this quarter ended 30 June, 2019 accordingly did not reflect any provision of interest in respect of such lenders. The impact of the same could not be determined in the absence of necessary documentary evidences, these have resulted in understatement of loss for the quarter to that extent.
- d. Note 4d to the standalone financial results in relation to Corporate Guarantee provided by the Company against loan availed by one of the subsidiaries of ₹ 26458.38 lacs (excluding interest) invoked by consortium of Banks due to non payment by that subsidiary and the Consortium has lodged claim with the Resolution Professional during last financial year amounting to ₹ 25579.92 lacs which is yet to be settled till date.

Our opinion is modified in respect of above matters.

Attention is drawn to:

- a. Note 5 to the standalone financial results in relation to excess payment of ₹ 84 lacs as managerial remuneration to the Chairman and Managing Director for the financial year(s)

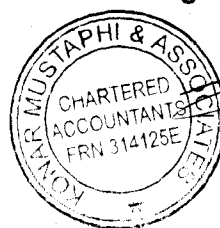


2012-13 and 2013-14. The Company had sought approval from the concerned authorities, viz Ministry of Corporate Affairs, for waiver in respect of recovery of the aforesaid excess amount from the Chairman and Managing Director, which was rejected by Ministry of Corporate Affairs. The Company have adjusted ₹ 24.29 lacs against his dues till March'19 and the balance amount of ₹59.71 lacs is yet to be recovered. As per the decision of COC taken at their meeting held on 20 July, 2019 payment to Chairman and Managing Director is pending for approval by the COC members, hence no adjustment towards above excess payment during quarter ended 30 June, 2019 was made. In terms of clause (f) of sub-section (1) of Section 28 of the IBC, prior approval of the members of the Committee of Creditors (COC) is required for undertaking any related party transactions.

- b. Note 6 of the standalone financial results where as part of the CIRP, creditors of the Company were called upon to submit their claims to the Interim Resolution Professional (IRP) as on 13 March, 2019 and later on to Resolution Professional (RP). Claims submitted by financial and operational creditors are being verified and admitted by the RP. In some instances, the amount of claim admitted by the RP is differing from the amount reflected in the books of accounts of the Company. Pending final outcome of the CIRP process no adjustments has been made in the books for the differential amount in the claims admitted. Hence, consequential impact, if any, on the financial results is not currently ascertainable.

Our opinion is not qualified in respect of above matters.

For KONAR MUSTAPHI & ASSOCIATES
Chartered Accountants
Firm Registration Number: 314125E



S.K. Mustaphi
Partner

Membership Number: 51842
UDIN : 19051842AAAABQ3350

Place: Kolkata
Date: 20.08.2019