

# Daring. Doing.

Tantia Constructions Limited | Annual Report, 2010-11



## Disclaimer

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Over the decades, Tantia Constructions has been recognised for embracing project challenges on the one hand and delivering them competently on the other.



Pan-Indian infrastructure presence. Presence across diverse infrastructure. Expertise across challenging terrains. Minimal public inconvenience. Engagement by large demanding customers. Large and growing customer base.

# Daring.Doing.

## Our vision

- To become the foremost contractor in eastern India
- To achieve long-term goodwill through:
  - Maximisation of shareholders' profit
  - Customer satisfaction
  - Enthusiasm without ego in self
  - Training colleagues and co-workers
  - Clarity with vendors and sub-contractors

## Our mission

- Excel in the infrastructure sector – railways, roads, urban development, power transmission, marine, aviation infrastructure, industrial fabrication and engineering growth
- Outshine competitors
- Expand to a ₹ 10-billion company
- Contribute 0.25% of profit to free vocational and construction training to the unskilled and unemployed

## Our roots

- Tantia Constructions was established in 1964 to provide construction services to support India's railway infrastructure.
- The Company possesses a rich experience of nearly five decades across diverse terrains.
- The Company is appreciated for its ability to deliver challenging projects on schedule across diverse infrastructural spaces.
- The Company was among one of the first Indian companies to be accredited for the ISO 9001:2000 certificate from DNV, The Netherlands (2001).

## Location

- Headquartered in Kolkata, West Bengal, with regional offices in New Delhi, Guwahati and Aizwal.
- The Company handles projects across 50 locations in India and the world.



structure spaces. Engineering insight. Completed project delivery.  
e during project delivery. Unleashing geographic value. Repeat  
order book. Tantia Constructions Limited.

### Long-term alliance partnerships

- Continental Construction Infrastructure Limited
- Jiangsu Provincial Transportation Engineering Group Co. Ltd
- IVRCL Infrastructure and Projects Limited
- BSBK Limited
- Soma Enterprise Limited
- JMC Projects (India) Limited
- Road Builder Sdn Berhad, Malaysia
- Basic Engineering Limited, Bangladesh
- OTBL, Bangladesh

### Achievements

- Witnessed a CAGR of 29% (four years) in revenues leading to 2010-11
- Witnessed a CAGR of 20% (four years) in profit after tax leading to 2010-11
- Growth in market capitalisation from ₹ 82 crore at the time of offer in 2006 to ₹ 115 crore, as on 31 March 2011 (BSE)
- Uninterrupted dividend payout for 12 years

### Clientele

#### Railways

- Eastern Railway
- East-Central Railway
- Western Railway
- North-Eastern Railway
- South-Eastern Railway
- North-East Frontier Railway
- Kolkata Metro Railway
- IRCON International Ltd
- RITES
- Northern Railway
- South Central Railway

#### Roads and highways

- National Highways Authority of India (NHAI)
- Punjab, Mizoram, Karnataka and West Bengal – State Public Works Departments
- Central Public Works Department

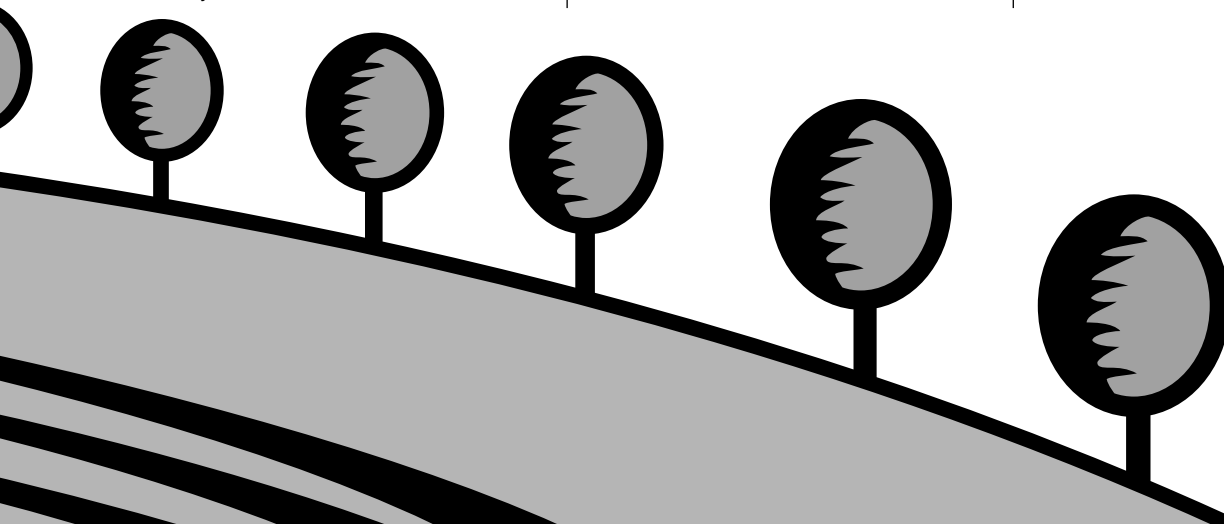
#### Urban development

- Hooghly River Bridge Commissioners (HRBC)
- Housing Infrastructure Development Corporation (HIDCO)

- Kolkata Municipal Corporation (KMC)
- Kolkata Municipal Development Association (KMDA)
- Kolkata Environmental Improvement Project (KEIP)
- Delhi State Industrial Development Corporation (DSIDC)
- Delhi Development Authority (DDA)

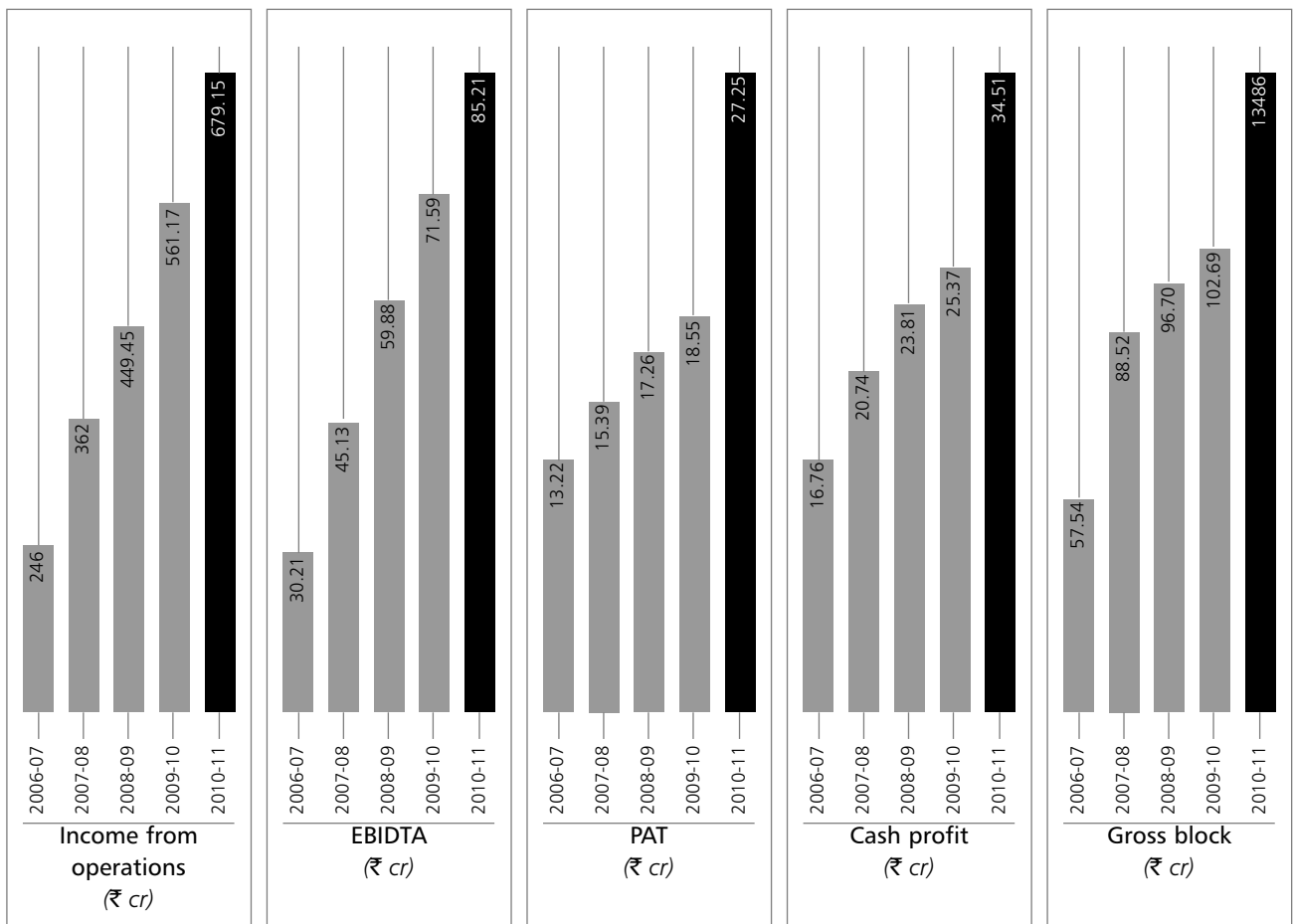
#### Supplementaries

- North-Eastern Electric Power Corporation (NEEPCO)
- National Thermal Power Corporation (NTPC)
- Assam State Electricity Board (ASEB)
- Central Public Works Department
- Indian Oil Corporation (IOC)
- Airports Authority of India (AAI)
- Public Health and Engineering
- Delhi Metro Railway Corporation (DMRC)
- H.P. Infrastructure Development Board
- Chennai Metro Rail

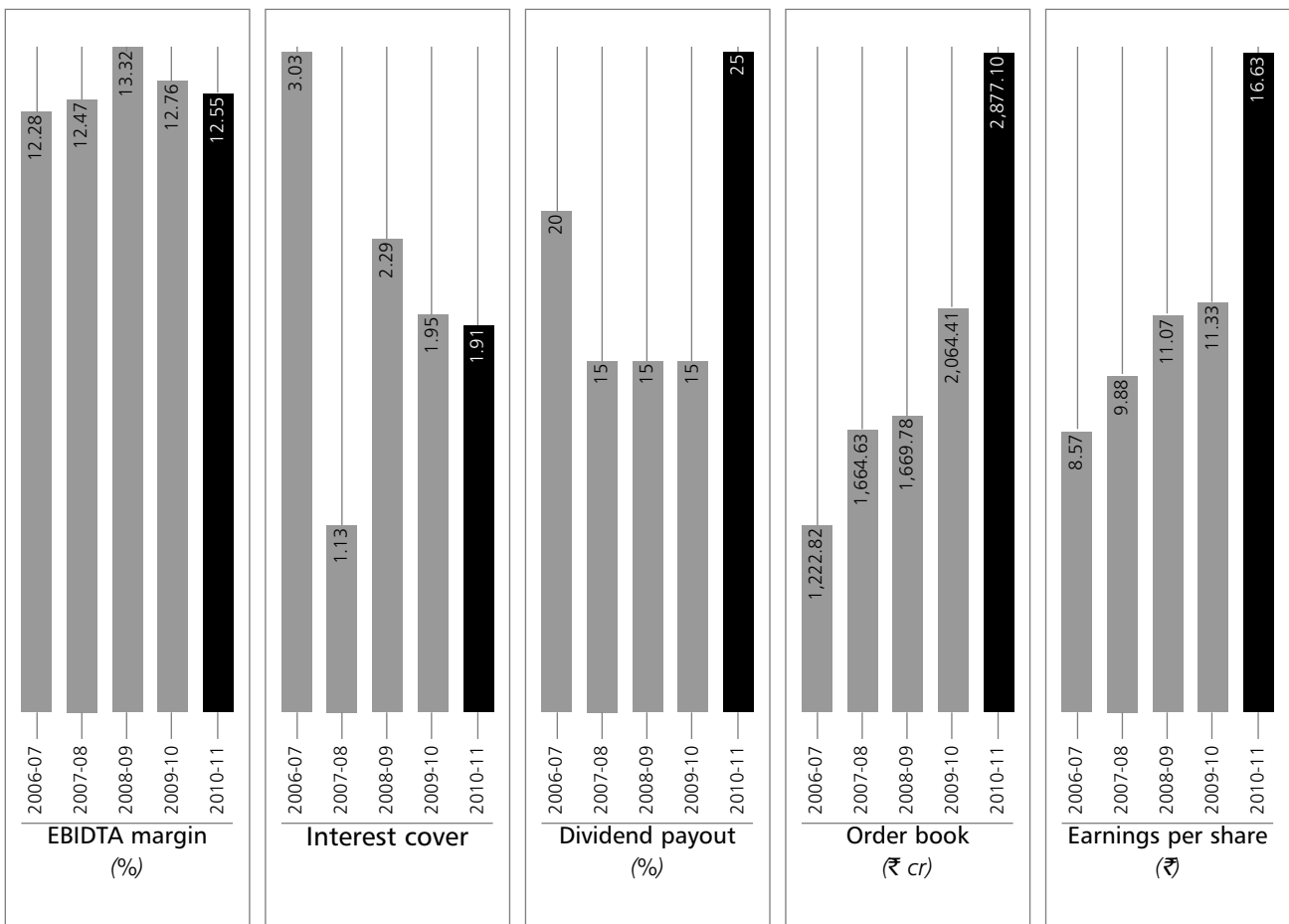


# Highlights, 2010-11

- On 30th June, 2010, the Company completed the buyback of 5,000 Foreign Currency Convertible Bonds (FCCBs) of US\$ 5,000,000 allotted by the Company in July 2007, which reduced debt.



- Tantia Constructions entered the BOT space through two projects (₹ 42 crore parking-cum-commercial project in Shimla and ₹ 375 crore road project of 70 km in Bihar for NHAI).





## CHAIRMAN & MD'S REVIEW

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“  
Tantia is matching  
the country's  
aggressive growth  
agenda, leading to  
attractive year-on-  
year growth.  
”

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*Mr. I. P. Tantia, Chairman & Managing Director,  
reviews the Company's progress in 2010-11*

**Q** How happy are you with the performance of the Company?

**A** I am pleased to present the Company's working for 2010-11.

Tantia Constructions grew revenues by 21 per cent and profit after tax 47 per cent in 2010-11. This growth in a challenging industry environment provides us with the optimism that we possess the capability to grow our industry presence in line with the national infrastructural agenda.

**Q** How would you appraise the macro economic factors during 2010-11?

**A** After shrinking 0.6% in 2009, global economic output registered a positive 5% growth in 2010. Much of the new growth came from developing and emerging economies, which grew 7.1% in 2010 compared with 2.6% in 2009. Even as oil and commodity prices and problems in the peripheral euro zone (Greece and Spain) threaten global expansion, the Indian economy appears resilient enough to report robust infrastructure growth.

India's GDP growth was 8.5% in 2010-11. The secular growth in GDP contributed to a significant improvement in construction activity -- after falling to a low of 5.4% in 2008-09, construction growth recovered to 7% in 2009-10 and 8% in 2010-11.

**Infrastructure sector:** The strong economic growth



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The Company possessed an order book of ₹ 2,877 cr as on 31 March 2011 in its 25th year of nation-building.

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achieved in India in recent years led to an expansion in industry, commerce and per capita income, which, in turn, strengthened the infrastructure sector. As a result, India emerged as one of the world's largest and most dynamic infrastructure and project finance markets, with the total number of project-based special purpose vehicles at around 800, and the infrastructure sector accounting for 26.7 percent of India's industrial output.

Economic growth and infrastructure development share a reciprocal relationship. Positive growth drives infrastructure investment, which, in turn, is necessary to sustain a high economic growth. The Planning Commission's Eleventh Five Year Plan (2007-12) estimates a 15% compounded annual growth in infrastructure investment, strengthening GDP growth from 5.71% in 2006-07 to a projected 8% in 2011-12.

**Q** What were the highlights of the Company's working during 2010-11?

**A** **BOT projects:** The Company achieved a breakthrough by foraying into the BOT space by winning two projects – a two-lane highway (62 kms) at Raxaul in Bihar as well as a car park and commercial building public-private partnership project in

Sanjauli (Shimla) with Himachal Pradesh Infrastructure Development Board.

**Key projects executed:** The Company completed and delivered ₹ 520 crore of projects in 2010-11. One of the biggest projects executed during the year was the improvement and upgradation of state roads in Mizoram worth ₹ 230 cr.

**Induction of key Board members:** Mr. U. S. Roy was appointed as an Independent Director of Tantia Constructions Ltd from December 2010. He was the Managing Director and CEO of SBI Life Insurance Co. Ltd, and Deputy Managing Director of State Bank of India (SBI).

**Buyback of FCCB:** The Company completed a buyback of 5,000 FCCBs of US\$ 1,000 each at a mutually decided discount of 25% on the accredited value of the bonds, which was funded by the Company's accruals.

**New corporate office:** The Company shifted its corporate office to its newly constructed 10-storied building in Salt Lake, alongside a popular retail destination.

Tantia Constructions expects to match the national infrastructure growth agenda with timely initiatives. The Company possessed an order book of ₹ 2,877 cr as on 31

March 2011 in its 25th year of nation-building.

**Q** How optimistic are you regarding the Company's growth in the coming years?

**A** India's infrastructure sector is set to grow rapidly as the country enters a high growth phase. The sector expects to attract funds from domestic and international sources.

About US\$ 1 trillion is expected to be invested in the country's infrastructure in the Twelfth Five Year Plan. In view of this, the Indian infrastructure sector is expected to outperform the rest of the economy.

Even though the domestic economy is replete with opportunities, growth should accrue from other geographies as well. As an opportunity-focused organisation, we are seeking to establish a meaningful overseas presence through various projects and partnerships.

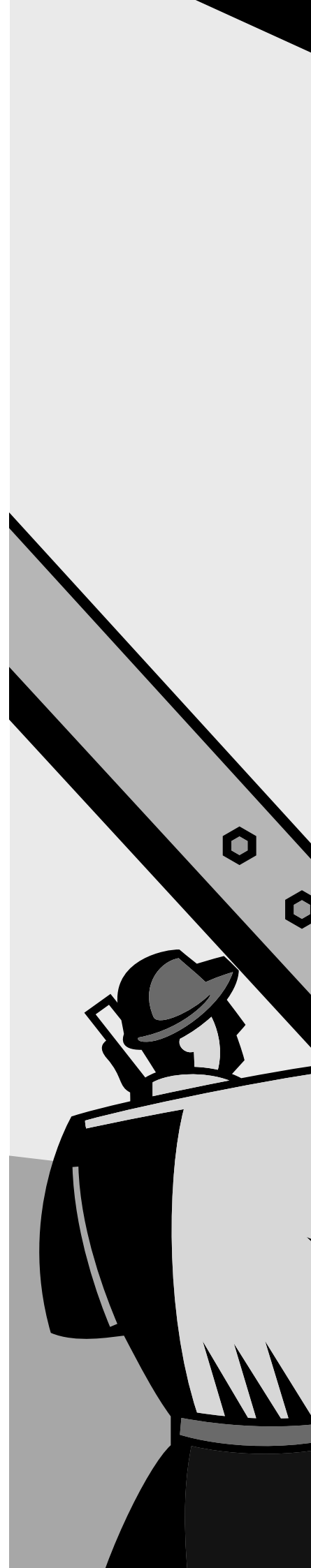
Tantia Constructions has emerged stronger from each challenge. The Company expects to capitalise on its growing order book, leading to profitable and sustainable success.

Sincerely,

I. P. Tantia  
Chairman & Managing Director

# Enduring strengths

- Tantia enjoys a pan-sub continental presence across India, Bangladesh, Bhutan and Nepal.
- Tantia possesses a rich terrain experience, resulting in informed project acceptance and delivery.
- Tantia is an employee-caring organisation with high employee retention.
- Tantia enjoys a diverse infrastructure presence - railways, bridges, roads and highways, industrial fabrications, power transmission, urban development, pipelines and superstructures, among others.
- Tantia delivers projects in line with international quality standards and practices, derived from process discipline leading to quality consistency. It received the ISO 9001:2000 certification from DNV, the Netherlands in 2001.
- Tantia possesses a strong, large, prominent and repeat clientele comprising Indian Railways, National Highway Authority of India, NEEPCO, NTPC, NHPC, SAIL, NBCC and IOC; state PSUs and departments, city development PSUs like Kolkata Municipal Corporation, Kolkata Metropolitan Development Authority and Airports Authority of India, among others, reflecting the Company's in-depth capability.
- Tantia's intellectual capital comprises competent engineers and a trained workforce. The Company strengthened its manpower through lateral hires and recruitment through prominent technical institutes.
- Tantia is recognised for its ability to embrace challenging infrastructure projects like the Aizawl-Thenzawl-Lunglei road, Dibrugarh airport terminal building, Kosi Rail Bridge and the Delhi Metro Rail project.
- Tantia invested significantly in the ownership of critical state-of-the-art infrastructure equipment, reducing its dependence on equipment rental agencies, saving costs and accelerating project completion.





# Industry review

## Indian economy

The Indian economy grew at a healthy GDP of 8.5% in 2010-11 as against 8.0% in 2009-10. FII inflows increased to US\$ 13.7 billion to reach US\$ 36.7 billion as on 31st March 2011, while foreign exchange reserves grew by US\$ 20 billion to about US\$ 305.49 billion (Source: Prime Minister's Economic Advisory Council). This rapid economic growth placed an increasing pressure on the country's physical infrastructure, reflected in a growing deficit in terms of their existing capacities and growing demand.

## Infrastructure

India's infrastructure spending increased 23% to reach ₹ 2,140 bn for 2011-12. The government intends to double infrastructure allocation to US\$1 trillion in the Twelfth Five Year Plan.

The government emphasised the need for infrastructure development in the 2011 Union Budget through an allocation of ₹ 214,000 crore (48.5 per cent of the Gross Budgetary Support, to support infrastructure expenditure). Besides, ₹ 58,000 crore was allocated towards the Bharat Nirman programme (₹ 10,000 crores in 2010-11), while the rural infrastructure development fund corpus was raised from ₹ 16,000 crores to ₹ 18,000 crores.

To address capacity constraints in key infrastructure sectors such as ports,

railways, and highways, the government decided to allow tax free bonds of ₹ 30,000 crore to be issued by various government undertakings in 2011-12. This resource mobilisation is expected to enhance core infrastructure capacity and demand for private sector construction and infrastructure services. The government also proposed to create a special purpose vehicle (SPV) to attract foreign funds for infrastructure development, with interest on such borrowings subject to a reduced withholding tax of just 5%, and income exempt from all taxes.

Construction (65 per cent of the total infrastructure investment) is expected to be the biggest beneficiary of the surge in infrastructure investment over the next five years. Infrastructure investment is likely to rise from 5.15 per cent of gross domestic product (GDP) during the Tenth Five Year Plan period (2002-07) to about 7.55 per cent during the Eleventh Five Year Plan (2007-12). A preliminary assessment suggests that infrastructure investment during the Twelfth Five Year Plan (2012-17) will need to be of the order of about US\$ 1,025 billion to achieve a share of 9.95 per cent as a proportion of GDP as targeted by the Planning Commission (Source: IBEF).

## Roads and highways

India possesses the third-largest road

network with more than 3.31 million km. Around 85% of passenger traffic and 65% of freight traffic is carried by the country's roads. Since 2005, the number of Indian on-road vehicles increased 10.2% annually, resulting in a greater demand for quality roads. India's road density is 2.83 km per 1,000 people and 770 km per 1,000 sq. km compared with an international average of 6.7 km per 1,000 people and 841 km per 1,000 sq. km.

National Highways constitute only 1.7% of the total road network in India and carry about 40% of total road traffic. Planning Commission provided an outlay of ₹ 1,06,659 crore for roads in the Eleventh Plan (₹ 27,500 crore outlay for 2011-12 as against ₹ 25,465 crore in 2010-11 and ₹ 18,632.75 crore in 2009-10).

In 2011-12, the Road Transport Ministry plans to award projects covering 10,000 kms of highway projects – 7,994 km in BOT/toll mode, 1,000 km in annuity and EPC and the remaining by state governments (Source: Ministry of Roads, Transport and Highways). There is also a growing space for bridge and flyover construction as the country possesses a number of major rivers that lack bridges (or are legacy), and cities with few flyovers.

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The government intends to double infrastructure allocation to US\$1 trillion in the Twelfth Five Year Plan.

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**The government outlay for various road transportation schemes for 2011-12:**

Project	Budget outlay
5,926 km of NHs to be improved along with construction/rehabilitation of 130 bridges and 10 bypasses	₹ 19,600 crore
Special Accelerated Road Development Programme in the North Eastern Region (SARDP-NE) for widening 10,141 km of NHs and other roads in three phases, ensuring connectivity of 88 district headquarters in the North Eastern Region.	₹ 1,600 crore
Development of 5,477 km roads under a special programme for development of roads in Left Wing Extremism (LWE)	₹ 1,200 crore
Improvement of 600 km of state roads in Odisha	₹ 100 crore

*(Source: Ministry of Roads, Transport and Highway)*

**Developing Public-Private**

**Partnership (PPP):** To enhance private investments in the sector, the government embarked on a policy initiative to provide a capital grant of 40% of the project cost to enhance feasibility and a 100% tax exemption in any consecutive 10 years of 20 years. Build, Operate & Transfer (BOT) project entrepreneurs are also allowed to collect and retain amounts from tolls on selected stretches. The private sector is expected to contribute 44 per cent of the total projected spend of US\$ 100 billion on roads and highways over the Twelfth Five Year Plan period *(Source: Ministry of Roads, Transport and Highway)*, which is expected to accelerate road development.

**Build-Operate-Transfer (BOT):** BOT is emerging as a significant opportunity in the country's road sector. To promote the role of the private sector

in road construction and maintenance, the government decided to offer projects on a Build-Operate-Transfer (BOT) basis, outing the onus of road development and maintenance the responsibility of the appointed party across the concession period. There is a significant room for private sector involvement in the BOT segment as the government is experiencing a funds crunch. A greater private sector exposure in the segment will catalyse road construction with significant downstream opportunities. The key government programmes that present a significant BOT opportunity comprise the following:

- Pradhan Mantri Bharat Jodo Pariyojana (PMBJP)
  - North-South and East-West (NSEW) Corridor
  - Golden Quadrilateral (GQ) project
- For NHDP in particular, the private

sector responded enthusiastically. Under this programme, projects valued at over US\$ 1.33 billion are being implemented. The NHDP was extended to a 50,000-km network, and these assignments will be undertaken on a BOT basis (toll or annuity).

**Government initiatives:** The government will bear the cost of the project feasibility study, land for the right of way and way side amenities, shifting of utilities, environment clearance, cutting of trees, among others. Foreign Direct Investment up to 100 per cent was permitted for the country's road sector. Duty-free import of high capacity modern road construction equipment was permitted. The government announced an increase in the overseas borrowing amount of infrastructure sectors from US\$ 100 million to US\$ 500 million.

## Railways

The Indian Railways covers 63,974 km, carrying an average two million tonnes of freight and 21 million passengers daily. It is the fourth-largest in terms of network coverage, largest in terms of number of people employed (1.4 million) and number of passengers carried. The number of passengers grew at a CAGR of 5.55%

in the last five years to 7.88 billion in 2010-11. Passenger earnings grew at a CAGR of 10.84% in five years to ₹ 2,600.79 million in 2010-11.

The total annual outlay for the railways is estimated at ₹ 576.3 billion for 2011-12. This includes an allocation of ₹ 84.33 billion for the construction of new lines, ₹ 54.18 billion for doubling the lines, ₹ 27.76

billion for gauge conversion and ₹ 141.2 billion for rolling stock acquisition. Besides, 1,000 km of route electrification, 200 rail overbridges and 325 rail underbridges/subways projects are likely to be undertaken. It is estimated that 107 new line surveys, four gauge conversion surveys and 16 doubling surveys will be conducted in 2011-12.

### Major developments

Area	2009-10 (achieved)	2010-11 (achieved)	2011-12 (target)
Electrification (Route kms)	1,117	1,000	1,000
Track Renewals (Track kms.)	3841	3150	3000
Construction of New Lines (Route kms.)	258	700	1300
Gauge Conversion (Route kms.)	1516	800	1017
Rolling Stock			
Diesel locos	258	250	300
Electric locos	240	265	280
EMU/MEMU coaches	733	905	825
Other coaches	2761	2795	2961
Wagons	13,068	14,500	18,000

(Source: Indian Infrastructure magazine)

### Public private partnership (PPP)

**initiatives:** The private sector contribution in the railways accounted for a mere 0.65% during the Tenth Plan, and is expected to contribute about 4% in the Eleventh Plan. As of June 2010, six PPP railway projects with an investment of ₹ 14 billion was completed against 139 projects involving an investment of ₹ 257 billion.

The government plans to increase private investments through a widening work scope and opening investments in areas like container train operations, development of freight terminals, investments in wagons, commercial development of railway land, development of adarsh stations/multi-functional complexes, logistics parks and gauge conversion projects for port connectivity. PPP

investments worth ₹ 142 billion are under implementation (Source: Indian Infrastructure).

**Wagons:** The government plans to set up wagon factories under JV/PPP mode at Kolar and Alappuzha, Kerala, and one at Buniadpur. In 2010-11, the Indian Railways made a record procurement of 16,500 wagons and targets to acquire 18,000 wagons in 2011-12.

### Exhibit 3: Capacity addition plans

	2002-07 (BE)	2002-07 (RE)	2007-12 (BE)	Vision 2010 (FY13-20)
Wagon Addition	65,000	86,619	62,000	255,227
Coach Addition	9,160	10,722	17,500	33,855

Source: ICICIdirect.com Research

#### Urban infrastructure

Urban centres contribute about 65% of India's GDP. More than 5,000 urban agglomerations and towns exist today, an increase of over 30% in the last decade. About 31% of India's population is estimated to be living in urban areas; this proportion is likely to rise to 40% by 2030. Enhancing the

productivity of urban areas 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.

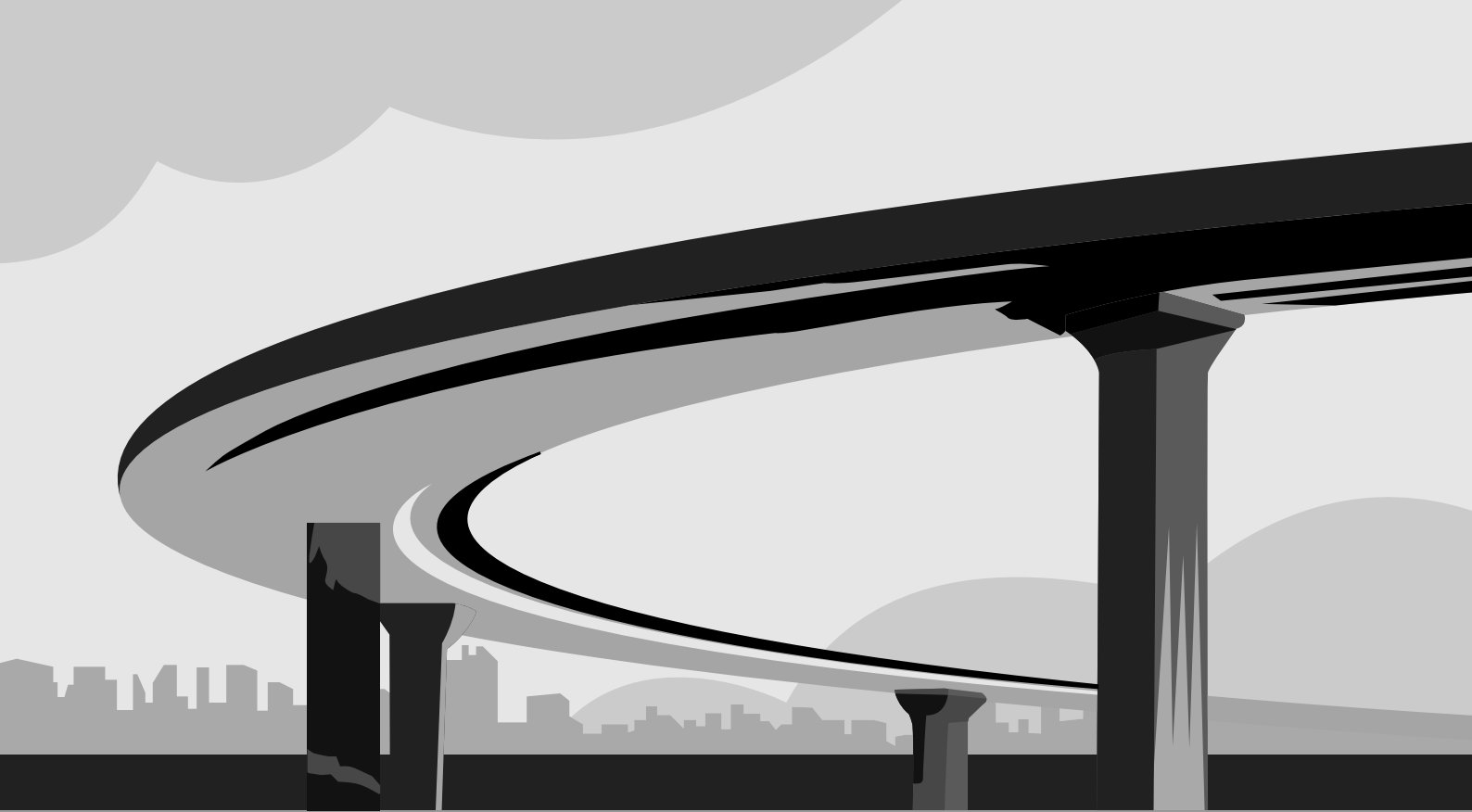
The outlay for the country's urban

infrastructure sector was ₹ 80.54 billion for 2011-12. A major portion of these funds will be diverted towards the development of the National Capital Region, financial assistance for metro rail projects (Delhi, Bengaluru, Kolkata, Chennai, among others) as well as research and development.

#### Related shares of sectors in urban infrastructure investment requirement in India

Sectors	Percent
Urban roads	55.8
Urban transport	14.5
Water supply	10.4
Sewerage	7.8
Storm water drains	6.2
Traffic support infrastructure	3.2
Solid waste management	1.6
Street lights	0.6

(Source: HPEC Report, 2011)



Business segment review

# Transport infrastructure

52 per cent of the Company's revenues, 2010-11

The building of road and rail infrastructure comprises the building of futures and the widening of income options. Because it connects regions. Shrinks distances. Extends cities.

52 per cent of Tantia Constructions' revenues were derived from this segment in 2010-11. Order book as on 31 March 2011 was ₹ 1,925.5 crore

Tantia Constructions enjoys a growing exposure to the country's transport infrastructure segment through the competent construction of roads, highways and bridges. The Company possesses competent project coordination capabilities, leading to timely project completion. As a result, Tantia emerged as a prominent awardee of contracts under the prestigious National Highways Development Programme.

## Roads

The Company constructed over 500 kms of roads in hilly Mizoram, coastal Kerala, Punjab/Haryana and plateaus of Karnataka. The Company possesses a competence in the construction, widening, conversion (multiple-lanes), strengthening and beautification of roads, as well as the construction of bridges and flyovers. The Company's

projects are catalysed by the mechanical, maintenance and supervisory departments. An extensive knowledge of the local terrain and culture, as well as a pan-India experience, translated into complete solutions for the benefit of the client, community and country.

## Highlights, 2010-11

- Increase in the number of road projects from 14 in 2009-10 to 18
- Awarded the Bhabua-Buxar road project (₹113 crores), Rohtas road project (₹ 113 crores) and Jamui road project (₹ 64 crores)

## Bridges, flyovers and tunnels

The Company specialises in building bridges and tunnels which facilitated the smooth functioning of the entire infrastructural cycle.

## Highlights, 2010-11





- The Company bagged the prestigious project of a bridge construction over river Matla in West Bengal worth ₹ 50 crore.
- The Company also bagged a project for the construction of major bridges on the National Highway near Bagnan and the Damodar river worth ₹ 40 crore.

## Railways

Tantia Constructions is among only five Indian companies capable of providing the 'foundation-to-finish' lifecycle of mega railway bridges across diverse terrains for Eastern Railway, North-Eastern Railway, South-Eastern Railway and Northeast Frontier Railway.

The Company ensures timely project execution through its comprehensive project mapping, planning and implementation competencies. At Tantia, quality is given top priority. The Company possesses world-class testing equipment; ensures that all engineering procedures are checked and approved as per customer specifications. The Company's multi-site equipment allocation flexibility ensures on-call equipment availability.

## Highlights, 2010-11

- Constructed the foundation and sub-structures of a bridge spanning the river Matla, of 1,200 mm diameter, and other ancillary works in connection with the extension of the new B G line beyond Canning to Bhangankhali worth ₹ 49 crores
- The Company was awarded a railway tunnel project of 2 km in Udampur, Jammu & Kashmir, worth ₹ 91 crores expected to be completed by December 2012.

## Business opportunities

### Core infrastructure

- Survey, fixing of alignment and designing of track
- Embankment and cuttings
- Bridges and tunnels
- Steel girder fabrication and erection

### Track laying

- Laying of ballast and concrete sleepers
- Laying of rails and fittings and flash butt
- Welding for long rails
- Signalling and electrification
- Maintenance of railroads and rail

- Infrastructure

### Value-addition

- Buildings, railway stations and terminals
- Light rail and mass rapid transport system
- Infrastructure
- BOT/BOOT projects

## Build-operate-transfer (BOT)

As an extension of our rich infrastructure experience, Tantia Constructions entered the BOT space in 2010-11 to enhance revenue visibility.

The Company embarked on two BOT projects in 2010-11:

- ₹ 42-crore parking-cum-commercial project in Shimla (400 car parks and 300,000 sq. ft of commercial space; project to be completed in a year).
- ₹ 375-crore, 70 km road project in Bihar for NHAI leading to Nepal. Project to be completed in three years.



# Utilities

37 per cent of the Company's revenues, 2010-11

Modern nations need modern cities that serve as growth engines. These modern cities will need modern structures and sewerage systems, among other supports.

37 per cent of Tantia Constructions' revenues were derived from this segment in 2010-11. Order book as on 31 March 2011 was ₹ 877.3 cr

## Business opportunities

- Display halls, tram lines, sewerage and drainage projects
- Construction of hospital and college buildings
- Water treatment

Tantia Constructions provides timely, inclusive and non-invasive urban solutions through diverse services (soil re-engineering, mechanised earthwork, hauling for large-scale land development, allied works of roads and pipelines).

The Company is attractively placed to leverage India's robust urban infrastructure growth through the construction of residential, commercial and public utility buildings as well as mass rapid transport system solutions. The Company is respected for commissioning urban projects for municipal corporations with minimal public inconvenience during the construction tenure.

## Water and sewage management

The Company's portfolio comprises the construction of display halls, tramlines, sewerage and drainage projects, hospitals and superstructures. The Company entered the water treatment and micro-

tunneling segments in the year 2000.

## Electricity

The Company is recognised for its competence in fabricating and erecting transmission towers across remote locations through its captive steel fabrication and civil engineering capability. The Company's vendor relationships reinforced its supply chain, leading to timely project delivery.

## Highlights, 2010-11

- The Company bagged a major Metro railway project involving the integration of the airport line with metro railway between Noapara and Dum Dum cantonment, worth ₹ 100-crore.
- The Company also accelerated work on the erection and commissioning of ground water-based piped w/s scheme in the arsenic-affected areas in of West Bengal, Assam and Meghalaya, the value of the projects totaling over ₹ 230 crore.



# Steel and concrete products

8 per cent of the Company's revenues, 2010-11

## Steel fabrication

Tantia Constructions extended into fabrication in 2009, following a 200 MT fabrication project (boiler structures) for two power plants for BHEL. The Company possess a captive capability to fabricate (on-site and off-site) built-up girders, columns, trusses, structural-form work support systems, plate bending, welding, cutting through pug machines, shearing, bolting and riveting facilities. The Company manufactures key parts off-site and assembles them into large steel girders at the project site. Over the years, the Company demonstrated a capability in the construction of bulky girders from considerable heights above road or water surfaces.

### Highlights, 2010-11

- The Company accelerated steel girder fabrication and erection for the prestigious Jubilee Bridge project (will require 5,595 MT fabrication).
- The Company accelerated steel girder fabrication for the

construction of a ramp at the Beckbagan crossing in Kolkata.

## Wagon fabrication

Tantia Constructions is engaged in contract wagon fabrication of various types (open and covered, steel and stainless steel) in Kolkata. The Company entered this vertical on account of the growing potential of the sector in view of the proposed commissioning of two freight corridors — Delhi to Mumbai and Delhi to Howrah — which will enhance the demand for wagons. The Company's product mix comprises stainless steel wagons with a lower tare weight per wagon and higher longevity. The Company invested in stainless steel fabrication equipment and a strong team (40 engineers and 500-person workforce) to accelerate project flow.

The Company expects to fabricate 150-200 wagons per month in 2011-12, increasing turnover to over ₹ 120 crores. The Company expects to

achieve raw material savings through better planning and control, plans to commission a designing team to reduce raw material consumption, start a modified version of Box & HL wagon to Box & HL MBS wagon and enhance order book to ₹ 130 crores by 2011-12 end.

### Types of wagons fabricated

- Box & LW
- Box & HL
- BTPN – a petrol tank wagon
- BCNA – HSM-covered wagon Boby

### Highlights, 2010-11

- Increased turnover 51.51% from ₹ 16.5 crores in 2009-10 to ₹ 25 crores.
- Invested in plasma technology, leading to precise stainless steel cutting and welding, enhancing productivity.
- Increased wagon fabrication capacity from five wagons per month in 2009 to 100 wagons per month.

- Increased order book to ₹ 48 crores (31 March 2011).

#### Business opportunities

- In-house capability to fabricate large-scale structural steel girders for bridges, flyovers and buildings.
- Widening demand and high dependency on railway lines
- Better quality control and sustaining to it

#### Readymix concrete unit

With a rich experience in RMC production at the Company's various construction sites, Tantia established its readymix concrete unit in 2008, with the intention of producing high quality concrete, and supplying them to prestigious clients. Since inception,

the RMC division faced stiff challenges from other major RMC suppliers. The Company, supported by dedicated and competent manpower and modern equipment, is one of Kolkata's largest producers in the RMC market.

The Company's RMC division is one of the few RMC producers of grade M-70 concrete. The Company dedicated itself to complete customer satisfaction and did not compromise on quality or time. With increasing demand and requests from satisfied clients, the Company is looking forward to enhance its operations at various locations in West Bengal and other states, which will cater to growing infrastructure needs.

#### Our RMC works

The Company undertook supply of RMC to some major projects. The Company's RMC clientele comprises almost all government departments, major construction companies and renowned real estate giants in India.

- Kolkata Metro Railway Corporation (Salt Lake – Howrah)
- Metro Railway (Tollygunge-Garia and Dum Dum-Noapara section)
- Upcoming terminal building for Kolkata Airport
- HRBC tram track projects
- Various flyovers in Kolkata
- Real estate projects

## Industrial building and construction

### 3 per cent of the Company's revenues, 2010-11

Tantia Constructions caters to the growing need for residential, commercial and public utility buildings. The Company's competence comprises surveys, soil re-engineering, mechanised earthwork and hauling for large-scale land development, including allied works of roads and

pipelines, electrification and lighting systems.

#### Highlights, 2010-11

- The Company bagged the prestigious modernisation project of the railway workshop at Liluah worth ₹ 25 crore.

- The Company also accelerated work on the petrochemical complex of Brahmaputra Cracker and Polymer at Lepetkata in Assam, worth ₹ 47 crore.

# Business Drivers

## Business driver 1

### Information Technology

In the business of infrastructure constructions, where a company may be engaged across multiple locations using a variety of material for diverse clients, an integrated solution helps enhance operational control and uniformity.

Tantia Constructions was the first infrastructure company of its size to implement SAP ERP in India in 2006. The Company exercises robust budgetary and operational control through online VSAT connectivity across 21 sites.

Over the years, the Company invested in hardware and electronic security, leading to secure real-time communication. A linear tape-open backup provides robust support, which is reinforced by full system backup in separate media in a different location.

#### Initiatives

- The Company implemented Sonic Firewall to enhance data security.
- The Company's Symantic anti-virus solution enhances desktop and server security.

- The Company's virtual private network makes it possible for senior managers to stay connected to the ERP central server via internet while on the move.
- The Company's central monitoring tool helps track user activities - site browsing, request appraising, among others - to enhance data security followed by an audit report.

The Company intends to expand its SAP programme through software upgradation and disaster recovery.

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## Business driver 2

### Human resources

In a business as dynamic as infrastructure construction, sustainable success is derived through distinctive competence.

Tantia Constructions progressively invested in people capabilities through training (technical and on-the-job), general management programmes and behavioural aspects. This approach was backed by performance appraisals, career and succession planning, team rewards and individual recognition.

#### Recruitment policy:

At Tantia, a rigorous recruitment process ensures quality induction. Employees are recruited through internal and external sources – internal sources include inter-departmental transfers and promotions while external sources

comprise engineering campus recruitments from renowned colleges through the TCL Graduate Engineer Trainee Recruitment Process, placement agencies, media advertisements and walk-in interviews.

#### Appraisal policy:

At Tantia, our appraisal system facilitates data-based growth, honest supervisor-subordinate dialogue and performance realities to aid career development and organisational growth. These performance and self-appraisals are conducted annually. Management trainees are assessed half-yearly, following which the appraisals are used for progress assessment.

#### Training and development:

At Tantia, a company succeeds only when its employees perform to their

full potential. In view of this, the Company emphasises employee training and development around relevant programmes, resulting in the continuous upgradation of employee knowledge, skills and attitude. The Company also draws up an annual training calendar, the inputs for which are taken from self-appraisal forms in line with requirements. The Company's training plan includes civil, mechanical, electrical, finance and behavioural programmes, covering a wide cross-section of employees.

#### Retention:

The Company's performance evaluation and reward-cum-recognition system helped enhance people retention.

# Risk management

At Tantia Constructions, risk management is directed at the translation of risk into profit through business knowledge, forward-looking approach to identify where risks might lie and an ability to understand and manage risk.

## 1

### Industry risk

Slow economic growth could stagger construction activity.

### Mitigation

- The country's GDP grew at 8.5% in 2010-11 as against 8.0% in 2009-10.
- The government raised infrastructure investment by 23.31% to ₹ 214,000 crore in the Union Budget 2011-12 (48.5% of gross budgetary support) against ₹ 1,73,552 crore in the previous year's budget.
- Even as the economy is expected to report slower growth in 2010-11, infrastructure companies possess large order books with a minimum 30-month revenue visibility.

## 2

### Competition risk

Increasing competition could affect profitability.

### Mitigation

- The Company diversified its business portfolio across sectors like roads, highways, bridges, railways and urban infrastructure to counter any slowdown in one or few sectors.
- The Company forged alliances with construction companies possessing specific competencies, enabling Tantia Constructions to bid for challenging projects.
- The Company's strong net worth criterion, requisite experience and acknowledged reputation help address stiff pre-qualification norms.



# 3

## Input risk

The availability of the right quality and quantity of resources (raw material and funds) are critical for timely project completion. Cost escalation can affect profitability.

## Mitigation

- The Company's experience translated into an insight into when material will be required, in what quantity and where.
- The Company procures key raw materials (steel and cement) from leading manufacturers, eliminating intermediaries.
- The Company's contracts are largely protected against input escalation.
- The Company's captive steel fabrication unit helps control quality, cost and delivery schedules.

# 4

## Equipmen risk

An inability to mobilise equipment at the right time and at the right site could affect project schedule and profitability.

## Mitigation

- The Company possesses the capability to deploy resources across remote project sites - often inaccessible by road or rail – on account of captive ownership (excavators, crushers, pavers, tippers, automatic batching plants, tower cranes, excavators and concrete pumps, among others).
- The Company is also supported by project documentation and equipment mapping covering operational characteristics, maintenance schedules, cross-site logistical management and equipment upgradation.

# 5

## Human capital risk

People attrition could lead to a loss in competitive advantage.

## Mitigation

- The Company accelerated the recruitment of regional professionals, leading to a better understanding of local terrains.
- The Company strengthened delegation; it grew leaders at every level.
- The Company reinforced training - functional and attitudinal.

# 6

## Safety and health risk

The use of heavy equipment entails safety risks, which could endanger worker well-being and project progress.

### Mitigation

- The Company is committed to worker safety; its disaster management framework incorporates prevention measures and best practices during different construction phases, coupled with prudent crisis management.
- The Company's on-site members are mandated to wear protection equipment while working under the supervision of a safety team.

# 7

## Financial closure risk

An inability of the customer to raise adequate funds could result in project delay or even abandonment.

### Mitigation

- The government is increasingly looking at stake divestments and adopting different infrastructure operation models to enhance private participation that protects project progress.
- Tantia Constructions works only on government-sanctioned projects or those funded by World Bank and Asian Development Bank, resulting in completion certainty.

# 8

## Quality risk

For an infrastructure company, quality failure could invite adverse publicity and client attrition.

### Mitigation

Tantia Constructions responded with a three-layered quality structure:

- Incoming material checks: Tantia Constructions procures raw material from reputed brands (SAIL, TISCO and Ultratech) only. All incoming material is supplemented with laboratory checks. A captive steel fabrication unit enhanced quality control.
- Work-in-progress checks: These checks are carried out across intermediary products (for instance concrete) and phase-wise completion.
- Finished quality checks: These checks following project completion establish structural strength; maintenance activities enhance reinforcement. As a result, all the Company's projects and products inspire dependability.



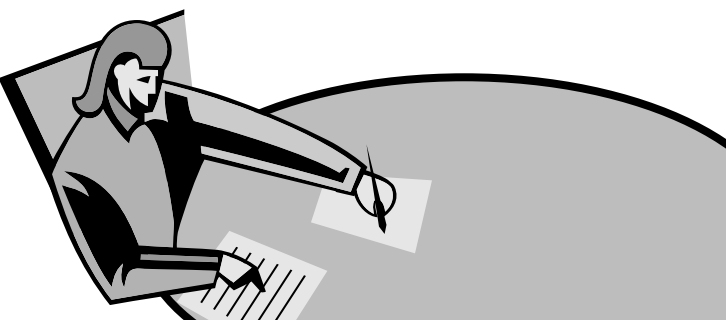


# Corporate social responsibility

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

- Assisted in the construction of a school office and building at the Hualliana High School in Hmuntha, Mizoram
- Donated towards the rehabilitation of Aila victims in the Sunderbans
- Sponsored the Diego Maradona football match in Kolkata
- Sponsored a national seminar on governance in water supply and sanitation management
- Sponsored cultural programmes for a social welfare organisation called Bandhan
- Conserved paper use
- Initiated a students' awareness programme including a site visit for the department of Civil Engineering of George Telegraph Institute
- Supported Hope, the child welfare organisation, by participating in the Airtel Marathon 2010





# Directors' Report

*Dear Shareholders,*

We are pleased to present the 46th Annual Report together with Profit and Loss Account for the year ended 31st March, 2011 and Balance Sheet as at that date including Schedules and Notes forming part thereof and the Reports of Auditors' thereon.

Tantia Constructions Limited ('Tantia') is a world-class Infrastructure Development and Service provider Company, operating across the Infrastructure lifecycle with strong positions in Infrastructure and Construction Industry. As a pre-eminent Indian infrastructure Company, established over four decades ago, Tantia has, over the years, strongly anchored itself to India's development effort.

## Financial Results

The salient features of the Company's Financial Results# for the year ended on 31st March, 2011 on standalone and consolidated basis are as follows;

(₹ in '000)

Performance for the year ended 31st March	Consolidated*	Standalone	
	2011	2011	2010
Income from operations	6,741,499	6,791,499	5,611,729
Operating profit (before interest, depreciation and taxation)	852,095	852,130	715,887
Interest and financial expenses	445,331	445,327	366,950
Profit before depreciation and taxation	406,764	406,803	348,937
Depreciation	72,594	72,594	68,166
Profit before Taxation (PBT)	330,003	334,209	280,771
Provision for taxation	71,661	71,642	98,085
Add:			
Profit of Joint Venture (Net of Tax)	9,892	9,892	2,837
Profit after Taxation(PAT)	268,234	272,459	185,523
Profit brought forward	559,076	559,113	420,996
Profit available for appropriation	827,402	831,572	606,519
Appropriation			
Transfer to General Reserve	30,000	30,000	18,500
Dividend on Cumulative Pref. Shares	147	147	147
Proposed Dividend on Equity Shares	40,933	40,933	24,560
Dividend Tax on Proposed Dividend	6,664	6,664	4,199
Balance Carried Forward	749,658	753,828	559,113

# There has been change in the Accounting Policies in limited respects as detailed in the Schedule 23 at point No. A.4 appended to the Accounts and the impacts thereof on the profits of the Company are also disclosed thereat.

\* Since there were no Subsidiary(ies) during the previous financial year ended on March 31, 2010, corresponding consolidated figures are not available.

## 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.

## Subsidiary Companies

During the year under review, your Company has promoted 3 Subsidiary Companies namely Tantia Sanjauliparkings Private Limited, Tantia Infrastructure Private Limited and Tantia Raxaultollway Private Limited of which first 2 are Wholly Owned Subsidiary (WOS).

In Compliance with General Circular No. 2/2011 dated 8th February, 2011, issued by the Ministry of Corporate Affairs (MCA), Government of India, granting 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), the important information of the Annual Accounts of the Subsidiary Company(ies) is disclosed in other part of the Annual Report. However, Annual Accounts of the Company's Subsidiary Companies will be available for inspection by member/investor with written request with the Company Secretary at the Registered Office of the Company and that of concerned Subsidiary(ies) and a hard copy of same would be provided to any shareholders on request.

## Consolidated Financial Statements

In accordance with Accounting Standard 21 read with General Circular No. 2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs (MCA), Government of India and Clause 32 of the Listing Agreement with Stock Exchange(s), the Audited Financial Statements, duly audited by the Statutory Auditors of the Company M/s. Konar Mustaphi & Associates, Chartered Accountants, together with the Auditors' Report thereon is Annexed with these accounts and forms integral part of the Annual Accounts. The Financial Statements of each of the Subsidiary(ies) has been duly approved by the respective Board of Directors of the Subsidiary(ies).

## Dividend

The Board of Directors at their Meeting held on 20th May, 2011 recommended payment of dividend of ₹1.05 (i.e.10.50%) on the cumulative redeemable preference shares of ₹ 10/- each, and a dividend of ₹ 2.50 per Equity Shares of ₹ 10/- each (i.e. 25% of paid-up Equity Share Capital) for consideration and approval of the Shareholders at the ensuing Annual General Meeting. The distribution tax on the both equity dividend and preference dividend is being borne by the Company and appropriated accordingly.

## Buy-back of Foreign Currency Convertible Bonds (FCCBs)

During the year under review, the Company has opted to Buy-back 5000 Foreign Currency Convertible Bonds (FCCBs) of US\$ 5,000,000 from the bondholder in compliance with the guidelines issued by the Reserve Bank of India (RBI) from time to time. The Buy-back was completed at mutually agreed available discount of 25% on the accredited value of Bonds and the same was funded out of Funds from Internal Accruals of the Company. Consequently, the Foreign Exchange Loan has reduced to that extent from the Company's balance sheet.

## Preferential Allotment of Convertible Warrants

In compliance with the provisions of Section 81 (1A) of the Companies Act, 1956 read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and all other applicable Rules and Regulations, the Board of Directors of the Company, during the year under review has proposed to issue and allot 24,50,000 Convertible Warrants to the Promoters/ Promoter Group Companies on Private Placement/ Preferential Basis which was duly approved by the Shareholders' through Postal Ballot process, result of which was declared on March 9, 2011.

The Company has made applications for In-principle Approval for listing of aforesaid securities to the Stock Exchange(s), where the Equity Shares of the Company are listed, and the same is awaited.

## Fixed Deposit

The Company has not accepted any deposits from the public during the financial year ended March 31, 2011.

## Client Relationship

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

## Order Book position as on 31st March, 2011

The total order book position as on 31st March, 2011 was ₹ 28,771,000 thousands.

## Future Outlook

The development of world level Infrastructure remains the key focal area in the Union Budget 2011-12, with budgeted spending in infrastructure projects is estimated at ₹ 2,14,000 Crore, an hike of over 23% from ₹ 1,73,000 Crore during 2010-11, providing 48.5% of the plan allocation.

In the light of the pivotal role that the Infrastructure Sector plays in enabling future growth, we believe that the government will continue to focus on infrastructure development in the country as is witnessed in the recent past Budgets. Moreover, in the long run, with the economy on a roll (India has annual average 8-9% growth in the last 4-5 years), we expect the Infrastructure Sector to attract more funds not only from the domestic market, but also from the international market.

## Disclosures

### i) 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. However, the Company's core activity being in the area of Civil Construction and not a power-intensive industry, the Company is making every 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.

### ii) Technology Absorption

The Company did not undertake any research and development activity 2010-11, which needed to be absorbed or adapted.

### iii) Foreign Exchange Earnings and Outgo

	<i>(₹ in thousands)</i>
Foreign Exchange Earnings	7.00
Foreign Exchange Outgo	23,280.00

## Directors

During the year under review, in order to broad-base the existing Board and bring more experience, the Board of Directors of the Company at their meeting held on 16th December, 2010 appointed Sri Uday Sankar Roy as an Additional Director of the Company, who is retired Dy. Managing Director of State Bank of India (SBI) and retired Managing Director & CEO of SBI Life Insurance Co. Limited and Sri Murare Lal Agarwala was also appointed as an Additional Director and thereafter appointed as a Whole-time Director, whose terms and conditions of appointment was duly approved by the shareholders through Postal Ballot Process, result of which was declared on 9th March, 2011. Both the directors' terms of office expires at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Sri Uma Shankar Agarwal, Sri Parimal Kumar Chattaraj and Sri Shaleen Khemani, the Non- Executive Independent Directors, retire by rotation and being eligible, offer themselves for re-appointment.

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

## 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

In terms of provisions of 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 set out in the Annexure to 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 ensuing 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.

### **Auditor's 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.

### **Corporate Governance**

Corporate Governance refers to the way a Company is governed. It is the technique by which Companies are directed and managed. It is the set of system, processes, policies and laws affecting the way a Company is directed, administered or controlled.

The fundamental objective of Corporate Governance is to enhance shareholders' value and protect the interests of other stakeholders by improving the corporate performance and accountability in a transparent manner.

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 and Shareholders 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 the Annual Report.

### **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 31st March, 2011, 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) we selected such accounting policies and applied them consistently 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 31st March, 2011, and of the profit or loss of the Company for the year ended on that date;
- c) we took 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 accounts for the year ended 31st March, 2011 were prepared on a going concern basis.

### **Acknowledgements**

The Directors wish to place on record their sincere appreciation for the valuable support received from the Company's bankers, Central and State Government authorities, Clients, consultants, suppliers, Stock Exchange(s) and members of the Company and look forward to receive a greater measure of the same in the coming years.

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 achieving this years' results.

For and on behalf of the Board

**Registered office:**  
25-27, Netaji Subhas Road,  
Kolkata – 700 001  
Date: 20th May, 2011

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

# Management Discussion and Analysis Report

## Economic Overview

The Indian economy grew at a healthy GDP of 8.5% in 2010-11 as against 8.0% in 2009-10. FII inflows increased US\$ 13.7 billion to reach US\$ 36.7 billion as on 31st March 2011 while foreign exchange reserves grew by US\$ 20 billion to about US\$ 305.49 billion (*Source: Prime Minister's Economic Advisory Council*). This rapid economic growth has placed an increasing pressure on the physical infrastructure of the country, reflected in a growing deficit in terms of their existing capacities and the growing demand.

## Business Overview

Tantia Constructions Limited ('Tantia') is a world-class Infrastructure Services Provider Company, operating across the infrastructure lifecycle with strong positions in major markets. As a pre-eminent Indian infrastructure Company, established over four decades ago, Tantia has, over the years, strongly anchored itself to India's development effort. Tantia is a Dividend paying Company for over twenty five years barring financial year 1998-99. It began operations in the railways segment and over the years extended its activities to other infrastructure segments along with production of RMC and Fabrication works.

## Industry Overview

India's infrastructure spending increased 23% over the previous year to reach ₹2,140 bn for 2011-12. The government intends to double infrastructure allocation segment to US\$ 1 (One) trillion in the 12th Five Year Plan.

The government emphasized infrastructure development in the 2011 Union Budget through an allocation of ₹ 214,000 Crores (48.5% of the Gross Budgetary Support to support infrastructure expenditure). Besides, ₹ 58,000 Crores was

allocated towards Bharat Nirman programme (₹ 10,000 Crores in 2010-11) while the Rural Infrastructure Development Fund corpus was raised from ₹ 16,000 Crores to ₹ 18,000 Crores.

To address capacity constraints in key infrastructure such as ports, railways, and highways, the government decided to allow tax free bonds of ₹ 30,000 Crores to be issued by various Government undertakings in 2011-12. This resource mobilization is expected to enhance core infrastructure capacity and generate demand for private sector construction and infrastructure services. The government also proposed to create a Special Purpose Vehicle (SPV) to attract foreign funds for infrastructure development with interest on such borrowings subject to a reduced withholding tax of just 5% and incomes exempt from all other taxes.

Construction accounts for nearly 65% of the total investment in infrastructure and is expected to be the biggest beneficiary of the surge in infrastructure investment over the next five years. Infrastructure investment is likely to rise from 5.15% of Gross Domestic Product (GDP) during the Tenth Five Year Plan period (2002-07) to about 7.55% during the Eleventh Five Year Plan (2007-12). A preliminary assessment suggests that investment in infrastructure during the Twelfth Five Year Plan (2012-17) will need to be of the order of about US\$ 1,025 billion to achieve a share of 9.95% as a proportion of GDP as targeted by the Planning Commission (*Source: IBEF*).

## Roads and Highways

Tantia established its credentials in the field of construction, widening, conversion, maintenance, strengthening and beautification of roadways, bridges, highways and flyovers. The Company's expertise in the maintenance of roads

infrastructure will translate into complete solutions for the benefit of the client, community in general and the country.

India possesses the third largest road network with more than 3.31 million km of road network. Around 85% of passenger traffic and 65% of freight traffic is carried by the country's roads. Since 2005, the number of Indian on-road vehicles increased 10.2% annually resulting in a greater demand for quality roads. India's road density is 2.83 km per 1,000 people and 770 km per 1,000 sq. km. compared to international average of 6.7 km per 1000 people and 841 km per 1,000 sq. km.

National Highways constitute only 1.7% of the total road network in India and; they carry about 40% of total road traffic. Planning Commission provided an outlay of ₹ 1,06,659 Crores for roads in the Eleventh Plan (₹ 27,500 Crores outlay for 2011-12 as against ₹ 25,465 Crores in 2010-11 and ₹ 18,632.75 Crores in 2009-10).

In 2011-12, the Road Transport Ministry plans to award projects covering 10,000 km of highways (7,994 km in BOT / toll mode, 1,000 km in annuity and EPC and the remaining to be executed by state governments (Source: *Ministry of Roads, Transport and Highways*). There is also a growing room for bridge and flyover construction as the country is marked by a number of major rivers that lack bridges (or are legacy), and cities with few flyovers.

### Public-Private Partnership (PPP)

To enhance private investments in the sector, the Government has embarked on a policy initiative to provide a capital grant of 40% of the project cost to enhance feasibility and a 100% tax exemption in any consecutive 10 years of 20 years. Build, Operate & Transfer (BOT) project entrepreneurs are also allowed to collect and retain amounts from tolls on selected

stretches. 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 (Source: *Ministry of Roads, Transport and Highway*), which is expected to accelerate road development.

### Build-Operate-Transfer (BOT)

BOT is emerging as a significant opportunity in the country's road sector. To promote the role of the private sector in road construction and maintenance, the Government has decided to offer projects on a Build-Operate-Transfer (BOT) basis, shifting the onus of road development and maintenance as the responsibility of the appointed Operator across the concession period. There is a significant room for private sector involvement in the BOT segment as the government is having a funds crunch. A greater private sector exposure in the segment will catalyse road construction with significant downstream opportunities. The key Government programs that present a significant BOT opportunity comprise the following:

- Pradhan Mantri Bharat Jodo Pariyojana (PMBJP)
- North-South and East-West (NSEW) Corridor
- Golden Quadrilateral (GQ) project

For NHDP in particular, the private sector has responded enthusiastically. Under this program, projects valued at over US\$ 1.33 billion are under implementation. The NHDP has been extended to a 50,000 km network, and these assignments are undertaken on a BOT basis (toll or annuity).

### Government Initiatives

The government will bear the cost of the project feasibility study, land for the right of way and way side amenities, shifting of utilities, environment clearance, cutting of trees,

etc. Foreign Direct Investment up to 100 per cent has been permitted for the country's road sector. Duty-free import of high capacity modern road construction equipment has been permitted. The government announced an increase in the overseas borrowing amount for infrastructure sectors from US\$ 100 million to US\$ 500 million.

## Railways

Today, Tanta is one of the oldest railway contractors in India with the experience of having completed assignments across diverse terrains for Eastern Railway, North Eastern Railway, South Eastern Railway and North East Frontier Railway. In the past, the Company had also partnered with a reputed international company – Road Builder Sdn, Berhad, Malaysia.

The Indian Railways covers 63,974 km, carrying an average 2 million tonnes of freight and 21 million passengers daily. It is the world's fourth largest in terms of network coverage, largest in terms of number of people employed (1.4 million) and number of passengers carried. The number of passengers grew at a CAGR of 5.55% in the last five years to 7.88 billion in 2010-11. Passenger earnings grew at a CAGR of 10.84% in five years to ₹2,600.79 million in 2010-11.

The total annual outlay for the railways is estimated at ₹ 576.3 billion for 2011-12. This includes an allocation of ₹ 84.33 billion for the construction of new lines, ₹ 54.18 billion for doubling the lines, ₹ 27.76 billion for gauge conversion and ₹ 141.2 billion for rolling stock acquisition. Besides, 1,000 km of route electrification, 200 rail overbridges and 325 rail under-bridges/sub-ways projects are likely to be undertaken. It is estimated that 107 new line surveys, four gauge conversion surveys and 16 doubling surveys will be conducted in 2011-12.

## Public Private Partnership (PPP) Initiatives

The private sector contribution in the railways accounted for a mere 0.65%. During the Tenth Plan it is expected to contribute about 4% in the Eleventh Plan. As of June 2010, six PPP railway projects with an investment of ₹ 14 billion had

been completed against 139 projects in implementation involving an investment of ₹ 257 billion.

The government plans to increase private investments through a widening work scope and opening investments in areas like container train operations, development of freight terminals, investments in wagons, commercial development of railway land, development of Adarsh stations/multi-functional complexes, logistics parks and gauge conversion projects for port connectivity. PPP investments worth ₹ 142 billion are under implementation stage (*Source: Indian Infrastructure*).

## Urban Infrastructure

The Company's Urban Infrastructure Division has established its credentials through its presence in Kolkata improvement projects, its expertise comprising soil, re-engineering, mechanised earthwork, hauling for large-scale land development, allied works of roads and pipelines, electrification and lighting systems. The Company also caters to the robust realty demand for residential, commercial and public utility buildings as well as solutions for mass rapid transport systems.

Urban centres contribute about 65% of India's GDP. More than 5,000 urban agglomerations and towns exist today, an increase of over 30% in the space of the last decade. About 31 % of India's population is estimated to be living in urban areas; this proportion is likely to rise to 40% by 2030. Enhancing the productivity of urban areas 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.

The outlay for the Country's Urban Infrastructure Sector was ₹ 80.54 billion for 2011-12. A major portion of these funds will be diverted towards development of the National Capital Region, financial assistance for Metro Rail Projects (Delhi, Bangalore, Kolkata, Chennai and others) as well as research and development.



## Power

India has taken giant strides in the field of power since independence. Power generation projects, be those coal, gas or hydro, are extremely capital intensive. The Government has laid down targets for the sector – ‘power availability for all’ by 2012 and ‘access to electricity for all households’ by that time. Your Company has already marked its presence in this sector.

As on 31 March 2011, India’s installed capacity (excluding captive plants) was 173,626 MW largely dominated by thermal sources (64.98% share) (Source: Ministry of Power). The Indian power sector added its highest-ever annual generation capacity of 12,160 MW in 2010-11, 27% higher than 2009-10. However, this was still well short of the 21,441 MW target for 2010-11. India’s power generation stood at 811.1 bn units in 2010-11 against 768.4 bn units in 2009-10.

Despite missing its power capacity addition target in the Eleventh Plan, the government outlined a power generation capacity addition in Twelfth Plan of 100,000 MW (comprising Central - 29%, State - 14% and private Sector - 57%) according to Power Grid. Meanwhile, peak power demand is expected to rise from 152 GW in 2012 to 218 GW in 2017 and a projected 437 GW in 2027

## Aviation Infrastructure

‘Tantia’ ventured into the Aviation Infrastructure Sector in 2005 through the Dibrugarh Airport project. The Company is now attractively positioned to service the aviation boom in the Northeast. ‘Tantia’s portfolio of services comprises the construction of terminal buildings, addressal systems and control systems among others. The Company specialises in executing aviation infrastructure projects on a turnkey basis, offering a one-stop, customised and complete solution for the customers in the sector.

India is set to emerge as a hub for global aviation Companies. The Air Traffic is once again on high growth trajectory after

recovering from economic meltdown of 2008-09. The passenger traffic has crossed 140 million mark and has achieved 143.43 million (37.91 million International and 105.52 million Domestic) during 2010-11. Aircraft movement has crossed 1.3 million mark (0.30 million International and 1.09 million Domestic) during 2010-11. North Eastern Region has recorded highest growth of 31.2% in total passenger handling followed by Northern Region 29.2% and Eastern Region 27.5%. Southern Region has recorded the lowest growth rate.

## Marine infrastructure

‘Tantia’ ventured into the Marine Infrastructure Sector in 2003. The Company now possesses proven capabilities in building tunnels, jetties and steel girders along rivers.

The Indian Shipping Industry is the backbone of the country’s international trade. With 12 major and 187 minor ports as well as a 7500 km coastline, ocean freight is an important economy driver for the Country.

## Opportunities and Threats

India’s infrastructure deficiency and rising infrastructure requirements portends rapid growth over the next decade for the Indian Construction Industry. Whilst real estate development and industrial Capital Expenditure are also the drivers for the construction industry, infrastructure will be the key demand driver over the years to come.

During the presence of over 47 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 bad times and improve the same in good times.

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 quality control system, which is the result of the tradition of its founders and the priorities placed by the management evolved to meet day-to-day needs, 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 is further upgraded as ISO 9001:2008 (in 2010).

### **Outlook:**

The development of world level Infrastructure remains the key focal area in the Union Budget 2011-12, with budgeted spending in infrastructure estimated at ₹ 214,000 Crores, a hike of over 23% from ₹ 173,000 Crore during 2010-11, providing 48.5% of the plan allocation.

### **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, etc. These risks are managed through risk management policies that are designed to minimize the potential adverse effects of these risks on financial performance of the Company.

The Risk Management framework of the Company ensures, inter alia, 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 controls risks through a defined framework.

### **Income Accounting Method:**

Tantia 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 (Indian 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 System and their adequacy**

Tantia maintains an appropriate system of Internal Control to safeguard the Company's assets against loss from unauthorised use and ensures proper authorisation for financial transactions. 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. Audit Committee Reviews the Internal Control System on regular basis.

### **Financial Performance:**

The performance of the Company in the financial year under review 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 here-under:

### **Turnover and other Income:**

The turnover of the current year 2010-11 is ₹ 6,791,499 thousand as compared to the previous year's ₹ 5,611,729 thousand.

The increase/decrease in Work in Progress has also increased from ₹ 91,655 thousand to ₹ 144,351 thousand during the same period compared to previous year. The consolidated turnover stands at ₹ 6,791,499 thousand, Increase/decrease in Work in Progress at ₹ 144,351 thousand and other Income at ₹ 55,739 thousand respectively as on 31st March, 2011. *There are no comparative figures available for consolidated turnover, there being no Subsidiary(ies) of the Company till previous year ended on 31st March, 2010.*

#### **Reserve and Surplus:**

The balance of reserve and surplus increased from ₹ 1,165,362 thousand as on 31st March, 2010 to ₹ 1,390,077 thousand as on 31st March, 2011. The consolidated balance of Reserve and Surplus stands at ₹ 1,385,907 thousand as on 31st March, 2011. *(Previous year's figures not available as explained above).*

#### **Margins:**

The Company's Operating Profit increased from ₹ 715,887 thousand in the previous year to ₹ 852,130 thousand as on 31st March, 2011. The consolidated Margin balance stands at ₹ 852,095 thousand as on 31st March, 2011. *(Previous year's figures not available as explained above).*

#### **Interest and Financial Charges:**

The Company's interest and financial expenses increased from ₹ 366,950 thousand as on 31st March, 2010 to ₹ 445,327 thousand as on 31st March, 2011. The consolidated balance of Interest and Financial Charges stands at ₹ 445,331 thousand as on 31st March, 2011. *(Previous year's figures not available as explained above).*

#### **Gross block and net block:**

The Company's gross block of assets increased from ₹ 1,026,874 thousand as on 31st March, 2010 to ₹ 1,348,577 thousand as on 31st March, 2011. Whereas the net block increased from ₹ 684,704 thousand as on 31st March, 2010 to ₹ 938,091 thousand as on 31st March,

2011. The consolidated gross block of assets and the net block of assets balance stands at ₹ 1,348,577 thousand and ₹ 938,091 thousand respectively as on 31st March, 2011. *(Previous year's figures not available as explained above).*

#### **Debtors:**

As a business policy, the Company executes infrastructure assignments mainly commissioned by government bodies. The Company's sundry debtors exceeding six months increased from ₹ 212,682 thousand as on 31st March, 2010 to ₹ 421,086 thousand as on 31st March, 2011 and adequate steps have been initiated for recovery of the same. The consolidated debtors balance stands at ₹ 1,932,729 as on 31st March, 2011. *(Previous year's figures not available as explained above).*

#### **Inventories:**

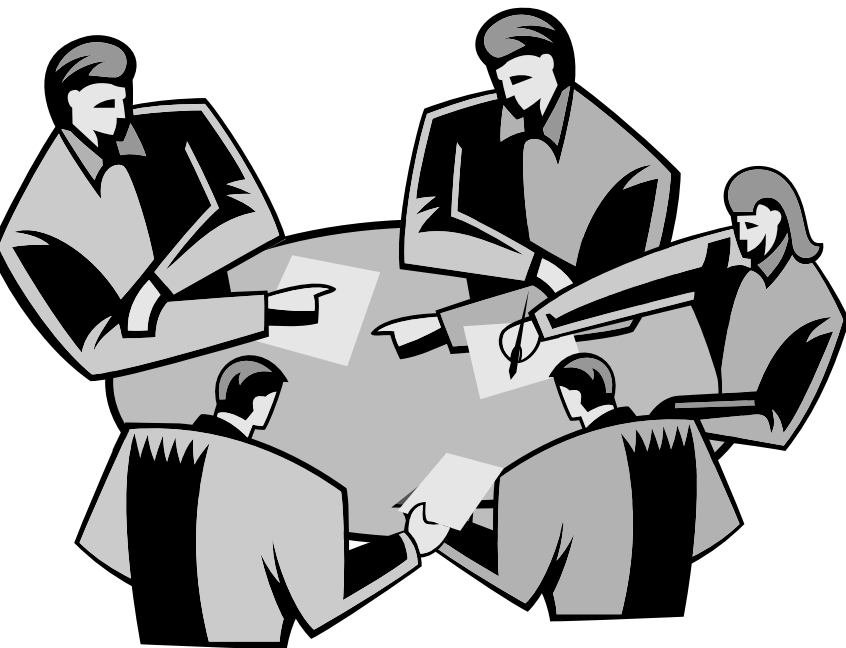
The Company's inventories increased from ₹ 1,618,375 thousand as on 31st March, 2010 to ₹ 1,954,263 thousand as on 31st March, 2011. The consolidated Inventory stands at ₹ 1,954,263 thousand as on 31st March, 2011. *(Previous year's figures not available as explained above).*

#### **Human Capital:**

Our Employees are the biggest and most valuable assets. We have staff strength of about 570 persons which comprises professionals from diverse backgrounds like engineering, finance, accounts, taxation, management, business, supervisors, operators and sub-staff members and 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.



# Corporate Governance Report

## 1. Company's Philosophy on Corporate Governance

**Corporate Governance** is a term that refers broadly to the rules, processes or laws by which businesses are operated, regulated, controlled and managed. Corporate Governance involves a set of relationships between a Company's management, its board, its shareholders and other stakeholders. Corporate Governance also provides the structure through which the objectives of the Company are set, the means of attaining those objectives and monitoring, performance are determined.

Key success of Corporate Governance requires professionals to raise their competency and capability level to meet the expectation of the stakeholders in managing the Company with highest honesty and integrity.

Your Company's Corporate Governance philosophy consists of a system of structuring, operating and controlling the Company in such a way that leads to achieve the following:

- a culture based on a foundation of sound business ethics;
- fulfilling the long-term strategic goal of the owners while taking into account the expectations of all the key stakeholders, and in particular:
  - to consider and care for the interests of employees, past, present and future;
  - to work and maintain excellent relations with customers, suppliers and government authorities;
  - to take account of the needs of the environment and the local community.
- maintaining proper compliance with all the applicable legal and regulatory requirements under which the Company is carrying out its activities.

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

Your Board is 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 31st March, 2011. The necessary disclosures as required under Clause 49 of the Listing Agreement have been provided in other part of the Annual Report.

## 2. Board of Directors

### Composition and size:

The Composition of the Board of Directors of Tania Constructions Limited ('Tania') is governed by the Companies Act, 1956 (the 'Act') read with the provisions of the Listing Agreement with the Stock Exchange(s) where the securities of the Company are listed. The Board consists of eminent persons with considerable professional expertise and experience in Business Management, Engineering, Railways, Banking, Finance & Accounts, Technology and other related fields.

The Board of Directors of the Company as on 20th May, 2011 consists of 11 (eleven) Directors of which 4 (four) are Managing / Whole-time Directors viz. Sri I. P. Tania is the Chairman & Managing Director and Sri Rahul Tania, Director (Operations); Sri B. L. Ajitsaria, Director (Business Development) and Sri Murare Lal Agarwala, Director (Projects) are Whole Time Directors while rest 7 (seven) are Non-Executive Independent Directors. Sri Rahul Tania, Director (Operations) is the son and a relative within the meaning of the Act of Sri I. P. Tania, the Chairman & 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 Act.

Non-Executive Independent Directors do not have any material pecuniary relationship and/or transaction with the Company other than payment of sitting fees for attending meetings of Board/ Committee of Directors which is well within the limit prescribed under the Act read with the Articles of Association of the Company (the 'Articles').

The Directors of the Company met 5 (five) times during the year under review on 29th May, 2010, 30th July, 2010, 29th October, 2010, 16th December, 2010 and 4th February, 2011. Details on the composition of the Board, number of

Board Meetings, attendance of Directors, other Directorships and committee position held by them on 31st March, 2011 are as follows:

Name of the Directors	Category of Directors	No. of Board Meetings Attended	Attendance at the Last AGM held on 15th September, 2010	No of Directorship(s) held outside*	Total No. Committee Membership(s) held outside**	
					As Member	As Chairman
Sri Ishwari Prasad Tantia Chairman & Managing Director	Promoter Director	5	Yes	-	-	-
Sri Banwari Lal Ajitsaria Director (Business Development)	Executive Director	4	No	1	-	-
Sri Rahul Tantia Director (Operations)	Promoter Director	4	Yes	3	-	-
Sri H. S. Sinha Independent Director	Non-Executive Director	3	Yes	3	1	1
Sri Uma Shankar Agarwal Independent Director	Non-Executive Director	5	Yes	2	-	-
Sri Mahabir Prasad Agarwall Independent Director	Non-Executive Director	3	No	21	-	-
Sri Sarit Kumar Bose Independent Director	Non-Executive Director	5	Yes	-	-	-
Sri Parimal Kumar Chattaraj Independent Director	Non-Executive Director	5	Yes	7	2	-
Sri Shaleen Khemani Independent Director	Non-Executive Director	4	No	7	-	-
Sri Uday Sankar Roy*** Independent Director	Non-Executive Director	1	No	2	1	-
Sri Murare Lal Agarwala**** Director (Projects)	Executive Director	1	No	-	-	-

\* 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 Committees. Membership/Chairmanship in Committees of Directors includes Audit Committee and Shareholders/Investor Grievance Committee of Directors only.

\*\*\* Appointed with effect from 16th December, 2010 and attended meeting by Invitation.

\*\*\*\* Appointed with effect from 16th December, 2010.

### 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 Shareholders' 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.

#### Information placed before the Board:

Board Meetings of the Company are governed by the structured agenda and the Board has 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.

#### 4. Committees of the Board

Currently, there are 4 (Four) committees of the Board namely- Audit Committee, Share Transfer and Investor Grievances Committee, Remuneration Committee and Treasury Management Committee. The terms of reference of Committees of 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 meetings are placed at subsequent meetings of the Board of Directors. Recommendations of the committees, 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 members of the committee, whichever is higher.

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

#### A. Audit Committee

##### Composition and size:

The Audit Committee consists of Executive and Non-Executive Directors. All the members of Committee are financially literate and have accounting or related financial management expertise. The Board has constituted the Audit Committee in compliance with all the applicable laws.

The Audit Committee consists of 2 (two) Independent Directors namely Sri U. S. Agarwal, Sri H. S. Sinha along with Sri Rahul Tantia, the Executive Director of the Company. Md. Jamshed Alam, the Company Secretary, is the Secretary to the Committee.

##### Terms of Reference:

The Board of Directors of the Company has constituted an

Audit Committee of Director to exercise powers and discharge functions as stipulated in Section 292A of the Act read with Clause 49 of the Listing Agreement with the Stock Exchange(s) and other relevant statutory/regulatory provisions, as applicable.

#### Meetings held during the year:

The Audit Committee met 4 (four) times during the year on 29th May, 2010, 30th July, 2010, 29th October, 2010, and 4th February, 2011. Details on the composition of the committee and attendance of its members are given below:

Member	Position	Meetings attended
Sri U. S. Agarwal	Chairman	4
Sri Rahul Tantia	Member	3
Sri H. S. Sinha	Member	3
Sri P. K. Chattaraj*	Member	2
Sri Shaleen Khemani**	Member	1

\* Sri P. K. Chattaraj ceased to be Member of Audit Committee after 30th July, 2010.

\*\* Sri Shaleen Khemani was nominated by the Board of Director to attend the Audit Committee Meeting dated 4th February, 2011 only.

*The Chairman of the Audit committee was present at the previous Annual General Meeting held on September 15, 2010.*

#### B. Remuneration Committee

##### Composition and size:

The Remuneration Committee consists of 3 (three) Independent Directors namely Sri P. K. Chattaraj, Sri U. S. Agarwal and Sri Shaleen Khemani. Md. Jamshed Alam, the Company Secretary, is the Secretary to the Committee.

##### Terms of Reference:

The purpose of the Remuneration Committee of the Board of Directors, inter alia, is to discharge the responsibilities on behalf of Board of Directors and Shareholders related to compensation payment to the Managing Director / Executive Directors / Relative of Directors of the Company and/or to recommend remuneration package including perquisites payable by the Company on their appointment and / or re-appointment. The Committee has the overall responsibility of evaluating and approving performance appraisals for the Managing / Executive Directors/ Relative of Directors of the Company.

##### Remuneration Policy:

The Non-Executive Directors are being remunerated by way of sitting fees for the meeting of Board and / or its Committee of Directors attended by them from time to time. Whereas, the

Managing/ Whole-time Directors of the Company are remunerated as per their terms of appointment/re-appointment duly approved by the shareholder's of the Company at the time of their appointment/re-appointment without sitting fees for attending the meeting of Board and/or its Committee.

#### Meeting held during the year:

The Remuneration Committee met once during the year on 16th December, 2010.

Details on the composition of the committee and attendance of its members are given below:

Member	Position	Meetings attended
Sri P K Chattaraj	Chairman	1
Sri U. S. Agarwal*	Member	1
Sri Shaleen Khemani	Member	1

\* Sri U. S. Agarwal was inducted as a Member of Remuneration Committee and Sri Rahul Tantia, Executive Director ceased to be the Members of Remuneration Committee with effect from 30th July, 2010.

The remuneration paid to each of the Directors is given in the table below:

(₹ in '000)

Name of Directors	Salary and other benefits				Sitting Fees	Stock option, if any (No.)
	Salary (including House Rent Allowance)	Commission	Contributions to Provident Fund	Other Perquisites	Board Meeting/ Committee Meetings	
Sri I. P. Tantia	6600	10881	781	-	-	Nil
Sri B. L. Ajitsaria	3600	-	9360	-	-	Nil
Sri Rahul Tantia	3600	-	-	-	-	Nil
Sri H. S. Sinha	-	-	-	-	34	Nil
Sri U. S. Agarwal	-	-	-	-	85	Nil
Sri P. K. Chattaraj	-	-	-	-	37	Nil
Sri S. K. Bose	-	-	-	-	25	Nil
Sri M. P. Agarwall	-	-	-	-	15	Nil
Sri Shaleen Khemani	-	-	-	-	38	Nil
Sri Uday Sankar Roy	-	-	-	-	-	Nil
Sri Murare Lal Agarwala	527	-	-	-	-	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 3 years (Effective from 1st April, 2010 to 31st March, 2013). Whereas, the service contracts of Sri Murare Lal Agarwala, the Executive Director of the Company is for 3 years (Effective from 16th December, 2010 to 15th December, 2013).

ii. **Notice Period:** 6 months Notice by either party.

iii. **Severance Fees:** No fees payable by either party.

## C. Share Transfer and Investors Grievance Committee

### Composition and size:

The Share Transfer and Investor Grievances Committee consists of 3 (three) members of which 2 (two) are Independent 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, Non-Executive Independent

Director of the Company is formed, to specially look into the redressal of shareholder and investors complaints relating to transfer / transmission / consolidation/ split of shares, non-receipt of Annual Report, non-receipt of declared dividend Warrants 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.*

### Meetings held during the year:

The Share Transfer and Investor Grievances Committee met 4 (four) times during the year on 29th May, 2010, 30th July, 2010, 29th October, 2010, and 4th February, 2011. Details on the composition of the committee and attendance of its

members are given below:

Member	Position	Meetings attended
Sri U. S. Agarwal*	Chairman	2
Sri Shaleen Khemani	Member	3
Sri Rahul Tantia	Member	3
Sri H. S. Sinha**	Member	2

\* Sri U. S. Agarwal was inducted as Chairman of Share Transfer and Investor Grievances Committee on 30th July, 2010.

\*\* Sri H. S. Sinha ceased to be Chairman and Member of Share Transfer and Investor Grievances Committee after attending the meeting held on 30th July, 2010.

The Company has a share department under the Company Secretary, who monitors the activities of Registrars and Share Transfer Agents and looks into the matters relating to the grievances of the shareholders. Share transfer / transmission are approved by the Registrars and Share Transfer Agents and ratified by the Share Transfer and Investor Grievances Committee at its subsequent meeting. 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 are as under:

Number of Complaints pending on 1st April, 2010	0
Number of Complaints received during the year	2
Number of Complaints redressed during the year	2
Number of Complaints pending on 31st March, 2011	0

#### D. Treasury Management Committee Composition and size:

The Treasury Management Committee consists of 2 Directors namely Sri U. S. Agarwal, the Non-Executive Independent Director and Sri Rahul Tantia, the 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 Board of Directors relating to;

- Exercise all powers to borrow moneys for the Company's requirements (otherwise than by issue of debenture) and taking necessary actions connected therewith.
- Review entire Banking arrangements from time to time.
- Approve opening / modifications / closure of Bank Accounts from time to time.
- 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.

#### Meetings held during the year:

The Treasury Management Committee met 14 (Fourteen) times during the year ended 31st March, 2011. Details on the composition of the committee and attendance are given below:

Member	Position	Meetings attended
Sri U S Agarwal	Chairman	14
Sri H S Sinha*	Member	4
Sri Rahul Tantia	Member	14

\* Sri H. S. Sinha ceased to be Member of Treasury Management Committee after 30th July, 2010.

### 5. General Body Meetings

i. Location and time of previous 3 (three) Annual General Meetings held are given below :

Financial Year	Venue	Day & Date	Time
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.
2007-08	"Bharatiya Bhasha Parishad", 36A Shakespeare Sarani, Kolkata – 700 017	Wednesday 24.09.2008	3.00 P.M.

ii. Special Resolution(s) passed at last 3 (three) Annual General Meeting(s)

The following Special Resolution(s) were adopted by the members during the past three Annual General Meeting(s):

Financial Year	Special Resolutions
2009-10	To approve the terms of re-appointment of and remuneration payable to Sri I.P. Tantia, as Chairman & Managing Director, Sri Banwari Lal Ajitsaria, as Director (Business Development) and Sri Rahul Tantia, as Director (Operations) of the Company for a period of (3) three years w.e.f. 1st April, 2010, in accordance with the provisions of section 198, 269, 309 read with Schedule XIII.
2008-09	None
2007-08	To issue 8,00,000 Convertible Warrants on Preferential Basis to the Promoters of the Company as per section 81(1A) of the Companies Act, 1956.



### iii. Postal Ballot

During previous financial year ended 31st March, 2011, the following Special Resolutions were passed through the Postal Ballot Results dated 9th March, 2011. The results are based on the Report received from Sri Mohan Ram Goenka, a Practising Company Secretary, the Scrutinizer appointed by the Board, who conducted the entire Postal Ballot process.

SI No.	Subject Matter of Resolutions	No of valid postal ballot forms received	Votes in favour of the resolution	Votes against the resolution	% of votes in favour	No. of invalid postal ballot forms received
1	Alteration in the Main Objects Clause of the Memorandum of Association of the Company.	130	8835603	431	99.99	1
2	Allotment of 24,50,000 Convertible Warrants into Equity Shares to the Promoters/ Promoter Group Companies on Private Placement/Preferential Basis.	130	8834381	1653	99.98	1
3	Ratification of appointment and remuneration paid to Sri Siddhartha Tania as Vice President (Corporate Planning) for holding office or place of profit.	130	8834086	1948	99.98	1
4	Appointment and remuneration payable to Sri Siddhartha Tania as Vice President (Corporate Planning) for holding office or place of profit.	130	8834086	1948	99.98	1
5	Appointment and remuneration payable to Sri Murare Lal Agarwala as Director (Projects).	130	8834236	1798	99.98	1

# 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 Act, Company (Passing of Resolution by Postal Ballot) Rules, 2001 and other circular/notification/clarification issued by Ministry of Corporate Affairs from time to time.

## 6. Means of communication

- |      |   |  |
|------|---|--|
| 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                        | <p><b>English</b><br/>Business Standard (All editions)<br/>Economic Times (Selected Edition)<br/>Business Line (All editions)<br/>Mint (All editions)</p> <p><b>Bengali</b><br/>Arthik Lipi (Kolkata)</p>  |
| iii. | Name of Websites where results are displayed                              | <p>www.tantiagroup.com<br/>www.nseindia.com<br/>www.bseindia.com<br/>www.corpfiling.co.in</p>  |
| iv.  | Whether Website also displays official news releases, if any.             | Yes  |
| v.   | Whether presentations made to institutional investors or to the analysis. | 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. 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 in Notes of Accounts {Note No. B (18)} of Schedule 23 to accounts in the 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 last 3 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 31st March, 2011, 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 as disclosed in Notes of Accounts {Note No. B (18)} of Schedule 23 to accounts in the 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 of the Managing Director/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 by way of separate statement enclosed in other part of the Annual Report in compliance with General Circular No. 2/2011 dated 8th February, 2011 issued by Ministry of Corporate Affairs (MCA).
- 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 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 the procedures to inform the Board Members about the risk assessment and minimisation procedure. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.
- m. Details of Directors seeking appointment / reappointment at the ensuing Annual General Meeting, as required under Clause 49 of the Listing Agreement are annexed to the Notice convening the 46th Annual General Meeting.
- n. A Management Discussion and Analysis Report is given separately which forms part of the Annual Report.
- o. The Company undertakes that the Annual Accounts of the Subsidiary Company(ies) and the related detailed information shall be made available to the Shareholders of the Company including shareholders of the Subsidiary(ies) at any point of time. Further, the Annual Accounts of the Subsidiary Company(ies) shall also be kept for inspection by the Shareholders of the Company including shareholders of the Subsidiary(ies) during business hours at the Registered Office of the Company 25-27, Netaji Subhas Road, Kolkata- 700001 and Physical Copy of same shall be provided on written request.

## 8. Auditors' Certificate on Corporate Governance

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

# General Shareholder Information

## 1. AGM Details

Date	: 16th September, 2011
Time	: 3.00 P.M.
Venue	: Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata – 700 017
Book Closure Dates	: Friday, the 9th September, 2011 to Friday, the 16th September, 2011 (Both days inclusive)
Dividend Payment Date	: Subject to Shareholder's Approval, on or after 16th September, 2011
Financial Year	: 1st April, 2010 to 31st March, 2011

As required under Clause 49(IV)(G)(i) of the Listing Agreement with the Stock Exchange(s), particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting (AGM) are given in the Notice of the AGM.

## 2. Financial Calendar

Financial reporting for the Year 2011-12 (tentative and subject to change)

Particulars	Quarter/Half Year/ Year Ending	Tentative Schedule*
Unaudited Financial Results (1st Quarter)	Q.E. 30.06.2011	Second week of August, 2011
Unaudited Financial Results (2nd Quarter)	Q.E. 30.09.2011	Second week of November, 2011
Unaudited Financial Results (3rd Quarter)	Q.E. 31.12.2011	Second week of February, 2012
Audited Financial Results(Annual)	Y.E. 31.03.2012	Last Week of May, 2012

\*Actual dates may vary.

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

S.N	Name of Stock Exchange(s)	Stock Codes
1	<b>The Bombay Stock Exchange Limited (BSE)</b> 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	<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Ph: +91 22 26598100; Fax: +91 22 26598120 Web: www.nseindia.com	TANTIACONS
3	<b>Singapore Exchange Securities Trading Limited</b> 2 Shentonway, # 19-00 SGX Centre Singapore – 068804 Ph: (65) 62368888; Fax: (65) 65356994 Web: www.sgx.com	Short name: <b>Tantia cb1% 120718S</b> Abbreviated Name: <b>TANTCB12</b> ISIN Code: <b>XS0310744106</b>

The Listing fees for Financial Year 2011-12 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 tables:

Sl. No.	Month	BSE			NSE		
		High (₹)	Low (₹)	Volume (No.)	High (₹)	Low (₹)	Volume (No.)
1	April-2010	135.40	116.30	9,76,939	133.00	116.10	12,76,855
2	May-2010	123.80	90.50	10,42,384	124.00	90.45	13,24,388
3	June-2010	98.70	85.55	3,91,628	99.40	85.15	4,69,279
4	July-2010	98.90	85.45	5,13,802	99.30	85.35	5,29,644
5	August-2010	86.80	79.00	15,29,405	97.00	78.55	20,53,859
6	September-2010	100.30	79.00	16,03,476	100.35	78.90	25,54,958
7	October-2010	98.30	87.50	5,62,220	98.00	85.20	13,26,333
8	November-2010	99.00	73.00	2,15,554	100.65	73.00	3,53,668
9	December-2010	86.70	72.60	1,66,856	86.00	72.20	2,56,190
10	January-2011	94.80	74.10	3,33,480	94.90	73.15	7,75,155
11	February-2011	78.10	62.50	2,18,067	77.80	63.10	1,64,718
12	March-2011	72.00	64.15	5,27,579	71.90	64.05	4,64,045

#### 5. Registrar & Share Transfer Agent (RTA)

M/s. Maheshwari Datamatics Private Limited is Registrar and Share Transfer Agents (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. 17(b) of this Shareholders Information. The Company has a Shareholders'/Investors' Grievance Committee to look into various issues relating to the investors including share transfers.

#### 6. Dematerialisation of Shares and Liquidity

The Shares of the Company are compulsorily traded in dematerialised form on Bombay Stock Exchange 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 at 31st March, 2011 are as follows:

Category	Number of		% of total Equity
	Shareholders	Shares	
Dematerialised Mode			
a) NSDL	7962	14130753	86.3049
b) CDSL	4214	2148654	13.1231
<b>Sub Total</b>	<b>12176</b>	<b>16279407</b>	<b>99.4280</b>
Physical Mode	30	93659	0.5720
<b>Total</b>	<b>12206</b>	<b>16373066</b>	<b>100.00</b>

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

## 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, the share certificates are returned to the transferees within a maximum period of 21 days from the date of lodgment of the same, in case the application is otherwise found in order. There are no pending share transfers as on 31.03.2011.

consultation with the Shareholders/Investors Grievance Committee of the Company. The RTA, to our information has adequate skilled staff with professional qualifications and advanced computer systems for speedy redressal of the investor grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerised to ensure timely settlement. It normally takes 15 days from the date of receipt of the complaint for disposal of investor grievances. There are no pending grievances as on 31.03.2011.

## 8. Investor Grievance Redressal System

The investor grievances are handled by the Company's RTA in

## 9. Distribution of Shareholding as on 31st March, 2011

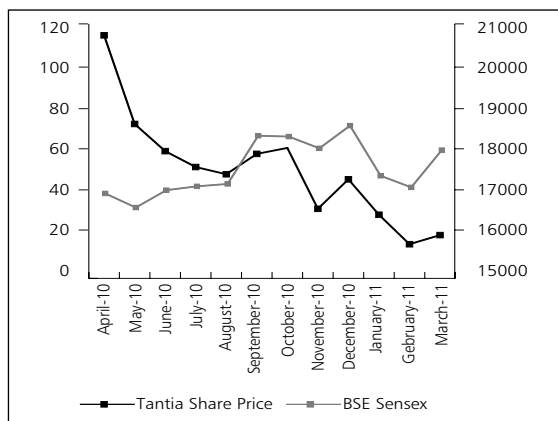
Range of Equity Shares held:

No. of shares (share range)	No. of shareholders	Percentage (%)	Number of shares	Percentage (%)
1 – 500	11173	91.5369	1376132	8.4049
501 – 1000	538	4.4077	444747	2.7163
1001 – 2000	258	2.1137	397842	2.4299
2001 – 3000	69	0.5653	178512	1.0903
3001 – 4000	41	0.3359	143720	0.8778
4001 – 5000	32	0.2622	150953	0.9220
5001 – 10000	41	0.3359	282000	1.7223
10000 – & above	54	0.4424	13399160	81.8366
<b>Total</b>	<b>12206</b>	<b>100.00</b>	<b>16373066</b>	<b>100.00</b>

## Shareholding Pattern as on 31st March, 2011

Shares held by	No. of shares held	Percentage (%)
<b>Indian Promoters</b>	<b>8801498</b>	<b>53.76</b>
Foreign Promoters	0	0
Persons acting in concert	0	0
<b>Total Shareholding of Promoter and Promoter Group</b>	<b>8801498</b>	<b>53.76</b>
<b>Public Shareholding</b>		
Mutual funds and UTI	1018900	6.22
Banks, Financial Institutions, Insurance Companies, Non-Government Institutions	339182	2.07
Foreign Institutional Investors (FIIs)	0	0.00
Private Corporate Bodies	1809575	11.05
Indian Public	4277623	26.13
NRI/OCBs/Foreign National	94837	0.58
Trusts and Clearing Member	31451	0.19
<b>Grand Total</b>	<b>16373066</b>	<b>100.00</b>

## 10. Performance Chart in comparison to BSE Sensex



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

The Company has issued on 17th July, 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 ₹ 140.00 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 17th July 2007 upto 5th July 2012. If at any time during the conversion period, the bondholders exercises the conversion option, the paid up equity share capital of the Company will stand increased accordingly.

However, during the year under review, 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 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 2012.

## 12. Secretarial Audit /Reconciliation of Share Capital Audit Report by Practising Company Secretary

The Company has received Quarterly Secretarial Audit/ Reconciliation of Share Capital Audit Report from Sri Mohan Ram Goenka, a Practising Company Secretary, who has carried out Secretarial Audit / 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 Secretarial Audit / 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 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 7 (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.

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2003-04	24.08.2004	24.08.2011
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

#### Dividend intimation through E-mail:

In order to protect the environment and to participate in "Go-Green" initiative of the Ministry of Corporate Affairs (MCA), Government of India, the intimation of dividend payment for F.Y. 2010-11 will be sent through e-mail. Physical credit intimation will be sent only to those shareholders whose e-mail addresses are not registered with the Depository Participants/Company. Shareholders are requested to register their e-mail addresses with their Depository Participant (for shares held in electronic mode) and to the RTA for shares held in physical mode for receiving credit intimation through e-mail.

#### 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 (01-04-2010)	Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	Number of Shareholders to whom shares were transferred from suspense account during the year	Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the end of the year (31-03-2011)
None	None	None	a. Aggregate No. of Shareholders- 2 b. Outstanding Shares as on March 31, 2011 250 Equity Shares

#### 15. Plant Locations

In view of the nature of the Company's business which is Infrastructure Development and the Construction Sites of the Company are spread across the Country. However, your Company produces Raw Material Concrete (RMC) through its following plants situated in Kolkata. Details are given below:

**a. Tantia Constructions Limited**

Narayanpur, Rajarhat Gopalpur,  
24 Parganas (N), Kolkata – 700 136

**b. Tantia Constructions Limited**

1261, Taratala, Tata Motor Service Centre,  
Rail Gate, Kolkata 700 088

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

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](mailto:cs@tantiagroup.com)

#### 17. 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: +91 33 2230 1896 / 6284  
Fax: +91 33 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](mailto: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 Ltd. ("the Company") for the year ended on 31st March, 2011, 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 the 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 Clause 49 of the Listing Agreement with the Stock Exchange(s).

We state that as per the certificate given by the Registrar and Share Transfer Agent (RTA) of the Company and as per relevant records maintained by the Company, we report that no Investor Grievances was pending against the Company for a period exceeding one month.

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

Place: Kolkata  
Dated: 20th May, 2011

For and on behalf of

*Chartered Accountants*  
FRN-314125E

**S. K. Mustaphi**  
*Partner*  
M. No. 051842



# CEO and CFO Certification to the Board

To,  
The Board of Directors  
Tantia Constructions Limited

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

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 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 31st March, 2011 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 and 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 the year.
  - ii. Significant change in accounting policies during the 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, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Date: 20th May, 2011

I.P.Tantia  
*Chairman & Managing Director*

Rohini Sureka  
*Vice President (Finance & Accounts)*

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## 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 31st March, 2011 in terms of certificates received.

Place: Kolkata  
Date: 20th May, 2011

For and on behalf of the Board  
I.P. Tantia  
*Chairman & Managing Director*

# 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 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report 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 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 31st March, 2011;
    - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Konar Mustaphi and Associates**  
Firm's Registration No. 314125E  
*Chartered Accountants*

**S. K. Mustaphi**  
*Partner*  
Place: Kolkata  
Dated : 20th May, 2011  
Membership No. 051842

# Annexure to Auditors Report

## for the year ended on 31st March, 2011

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

- |   |   |
|---|---|
| <p>i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>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.</p> <p>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.</p> | <p>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</p>   |
| <p>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.</p> <p>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.</p> <p>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.</p>  | <p>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.</p> <p>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.</p> <p>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.</p> |
| <p>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.</p> <p>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</p>   | <p>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.</p> <p>vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>viii) To the best of our knowledge, the Central Government has not prescribed any rules for maintenance of cost records and accounts under Section 209 (1) (d) of the Companies Act, 1956.</p> <p>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-</p>  |

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 as 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

(₹ in Lakhs)

Name of the Statue	Nature of the States	Nature of Dues	Amount in (₹)	Periods to which the amount relates	Forum where dispute is pending
Sales Tax	West Bengal	Appeal demand	301.63	2005-06	Revisionary Board
Sales Tax	West Bengal	Normal assessment demand	517.27	2006-07	Joint Commissioner (Appeal)
Sales Tax	Jharkhand	Normal assessment demand	4.91	2006-07	Asst Commissioner

- 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 Para (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 (xiv) CARO are not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others, from banks or financial institutions.
- 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 not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- 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's Registration No. 314125E  
*Chartered Accountants*

**S. K. Mustaphi**

Place: Kolkata

*Partner*

Dated : 20th May, 2011

Membership No. 051842

# Balance Sheet As at 31st March, 2011

(₹ in Thousands)

	Schedule	31st March, 2011	31st March, 2010
<b>I. SOURCES OF FUNDS</b>			
<b>1) Shareholders' Fund</b>			
Share Capital	1	165,131	165,131
Share Warrant Application Money (Refer Note: B 3(a) of Schedule 23)		100,423	–
Reserves & Surplus	2	1,390,077	1,165,362
		1,655,631	1,330,493
<b>2) Loan Funds</b>			
Secured Loans	3	2,840,888	1,997,930
Unsecured Loans	4	1,562,073	1,073,940
		4,402,961	3,071,870
<b>3) Deferred Tax Liabilities</b> (Refer Note: B(20) of Schedule 23)		62,028	49,707
<b>Total</b>		<b>6,120,620</b>	<b>4,452,070</b>
<b>II APPLICATION OF FUNDS</b>			
<b>1) Fixed Assets</b>			
Gross block	5	1,348,577	1,026,874
Less: Depreciation		410,486	342,170
Net block		938,091	684,704
Capital Work in Progress		874	–
<b>2) Investments</b>	6	45,939	18,380
<b>3) Current Assets, Loans &amp; Advances</b>			
Inventories	7	1,954,263	1,618,375
Sundry Debtors	8	1,932,729	1,427,215
Cash & Bank balances	9	320,611	368,067
Other Current Assets	10	965,467	522,403
Loans and Advances	11	1,659,585	1,421,396
		6,832,655	5,357,456
<b>Less: Current Liabilities and Provisions</b>			
Liabilities	12	1,435,133	1,428,503
Provisions	13	261,806	179,967
		1,696,939	1,608,470
Net Current Assets		5,135,716	3,748,986
<b>Total</b>		<b>6,120,620</b>	<b>4,452,070</b>
Significant Accounting Policies and Notes to Accounts	23		

The Schedules referred to above form an integral part of the Balance Sheet

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. 051842

**I. P. Tantia**

Chairman & Managing Director

**B. L. Ajitsaria**

Director (Business Development)

Place : Kolkata

Dated : 20th May, 2011

**Rahul Tantia**

Director (Operations)

**M. L. Agarwala**

Director (Projects)

**Md. Jamshed Alam**

Company Secretary

# Profit and Loss Account

For the period ended 31st March, 2011

(₹ in Thousands)

	Schedule	31st March, 2011	31st March, 2010
<b>I INCOME</b>			
Income From Operation	14	6,791,499	5,611,729
Increase/Decrease in Work in Progress	15	144,351	91,655
Other Income	16	55,739	23,055
<b>Total</b>		<b>6,991,589</b>	<b>5,726,439</b>
<b>II EXPENDITURE</b>			
Material Consumption	17	2,354,923	2,439,497
Contract Operating Expenses	18	3,299,001	2,187,362
Payments to and Provisions for Employees	19	148,099	133,259
Administrative & Other Expenses	20	337,436	250,434
<b>Total</b>		<b>6,139,459</b>	<b>5,010,552</b>
<b>III PROFIT</b>			
<b>Profit before Interest, Depreciation &amp; Tax</b>		<b>852,130</b>	<b>715,887</b>
Interest & Financial Expenses	21	445,327	366,950
<b>Profit before Depreciation &amp; Tax</b>		<b>406,803</b>	<b>348,937</b>
Depreciation/Amortisation		72,594	68,166
<b>Profit before Taxation</b>		<b>334,209</b>	<b>280,771</b>
Provision for Taxation	22	71,642	98,085
		<b>262,567</b>	<b>182,686</b>
Profit of Joint Venture (Net of Tax)		9,892	2,837
<b>Profit After Tax</b>		<b>272,459</b>	<b>185,523</b>
Profit brought forward		559,113	420,996
<b>Profit for Appropriation</b>		<b>831,572</b>	<b>606,519</b>
<b>IV APPROPRIATION</b>			
General Reserve		30,000	18,500
Dividend on Cumulative Pref. Share		147	147
Proposed Dividend on Equity shares		40,933	24,560
Income Tax on Proposed Dividend		6,664	4,199
Balance Carried Forward		753,828	559,113
		<b>831,572</b>	<b>606,519</b>
<b>V EARNINGS PER SHARE</b>			
Basic (₹)		16.63	11.33
Diluted (₹)		15.67	10.14
<b>Number of shares for calculating EPS</b>			
Basic		16,373,066	16,373,066
Diluted		17,454,673	18,540,352
Significant Accounting Policies and Notes to Accounts	23		

The Schedules referred to above form an integral part of the Profit and Loss Account

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. 051842

**I. P. Tantia**

Chairman & Managing Director

**B. L. Ajitsaria**

Director (Business Development)

Place : Kolkata

Dated : 20th May, 2011

**Rahul Tantia**

Director (Operations)

**M. L. Agarwala**

Director (Projects)

**Md. Jamshed Alam**

Company Secretary

# Cash Flow Statement

For the period ended 31st March, 2011

(₹ in Thousands)

	2010-11		2009-10	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and extra ordinary item		334,209		280,771
<i>Add/(Less) Adjustment for :</i>				
Depreciation	72,594		68,166	
(Profit)/Loss on sales of Fixed Assets (Net)	57		528	
Foreign Exchange Fluctuation	39,565		(820)	
Interest Income	(12,990)		(16,168)	
Interest on Borrowings	445,327	544,553	366,950	418,656
<b>Operating Profit before working Capital changes</b>		<b>878,762</b>		<b>699,427</b>
<i>Add/(Less) (Increase)/decrease in Assets/Liabilities :</i>				
Debtors	(505,514)		(702,660)	
Loans & advances	(238,031)		(358,319)	
Other Current assets	(443,064)		2,571	
Inventories	(335,888)		(171,851)	
Trade payables, Liabilities & Provisions	10,241	(1,512,256)	166,550	(1,063,709)
<b>Cash Generated from Operations</b>		<b>(633,494)</b>		<b>(364,282)</b>
Direct Taxes paid		(183)		(91,595)
<b>Cash Flow before extraordinary items</b>		<b>(633,677)</b>		<b>(455,877)</b>
Extra-Ordinary items		–		–
<b>Net Cash From Operating Activities</b>		<b>(633,677)</b>		<b>(455,877)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
<i>Add/(Less) (Increase)/decrease in Assets/Liabilities :</i>				
Additions of Fixed Assets (net)	(327,105)		(62,566)	
Sale/discard of Fixed Assets	192		1,612	
Interest Income	12,990		16,168	
Investment in Joint Ventures & others	(17,667)	(331,590)	123,518	78,732
<b>Net Cash used in investing Activities.</b>		<b>(331,590)</b>		<b>78,732</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
<i>Add/(Less) (Increase)/decrease in Assets/Liabilities :</i>				
Share Capital issue	(0)		870	
Share Premium Account	(0)		63,296	
Secured Loans	159,740		(3,341)	
Unsecured Loans	488,133		191,683	
Interest Paid	(445,327)		(366,950)	
Advance against Share Warrant	100,423		–	
Dividend Paid	(24,707)		(24,707)	
Tax on Dividend	(4,104)	274,157	(4,199)	(143,348)
<b>Net Cash from financing Activities.</b>		<b>274,157</b>		<b>(143,348)</b>
<b>D Net increase/(Decrease) in Cash and Cash equivalent (A+B+C)</b>		<b>(691,109)</b>		<b>(520,493)</b>



# Cash Flow Statement (Contd...)

(₹ in Thousands)

	31.03.2011		31.03.2010	
<b>E CASH AND CASH EQUIVALENT</b>				
Cash In Hand		17,456		32,653
Cash at Bank		303,155		335,414
Demand Loan from Schedule Banks		(2,623,044)		(1,939,826)
Foreign Exchange Fluctuation A/c		39,565		(820)
		<b>(2,262,868)</b>		<b>(1,572,579)</b>

(₹ in Thousands)

	31.03.2010		31.03.2009	
<b>E CASH AND CASH EQUIVALENT</b>				
Cash In Hand		32,653		41,111
Cash at Bank		335,414		208,431
Demand Loan from Schedule Banks		(1,939,826)		(1,301,628)
		<b>(1,571,759)</b>		<b>(1,052,086)</b>
<b>Difference</b>		<b>(691,109)</b>		<b>(520,493)</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. 051842

**I. P. Tantia**

Chairman & Managing Director

**B. L. Ajitsaria**

Director (Business Development)

Place : Kolkata

Dated : 20th May, 2011

**Rahul Tantia**

Director (Operations)

**M. L. Agarwala**

Director (Projects)

**Md. Jamshed Alam**

Company Secretary

## Schedules forming part of the Balance Sheet

(₹ in Thousands)

	31st March, 2011	31st March, 2010
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
290,00,000 Equity Shares (Prev. Yr. 290,00,000) of ₹ 10/- each	290,000	290,000
10,00,000 10.5% Cumulative Preference Shares (Prev. Yr. 10,00,000) of ₹ 10/- each	10,000	10,000
	<b>300,000</b>	<b>300,000</b>
<b>Issue, Subscribed and paid up</b>		
1,63,73,066 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 capitalisation of accumulated General Reserve)	163,731	163,731
1,40,000 10.5% Cumulative Redeemable Preference Shares (Prev. Yr. 1,40,000) of ₹ 10/- each fully paid up (Refer Note: B(2) of Schedule 23)	1,400	1,400
	<b>165,131</b>	<b>165,131</b>

<b>2 RESERVES &amp; SURPLUS</b>		
Capital Reserve (Refer Note: B3, (b) of Schedule 23)	10,000	10,000
Securities Premium Account	494,749	494,749
<b>General Reserve:</b>		
Balance as per last account	101,500	83,000
Add : Transfer from Profit and Loss Account	30,000	18,500
	131,500	101,500
Balance in Profit and Loss Account	753,828	559,113
	<b>1,390,077</b>	<b>1,165,362</b>

<b>3 SECURED LOANS</b>		
(Refer Note: B (4) of Schedule 23)		
Working Capital Loans in the form of Cash Credit from Scheduled Banks	2,623,044	1,939,826
Equipment and vehicle Loans from Banks and Non-Banking Finance Companies etc.	217,844	58,104
	<b>2,840,888</b>	<b>1,997,930</b>

<b>4 UNSECURED LOANS</b>		
<b>Short Term Loan</b>		
<b>From Bank</b>		
Scheduled Banks (Refer Note: B (5, ii) of Schedule 23)	1,416,527	532,382
<b>From Others</b>		
Bodies Corporates	–	158,558
Non-Banking Finance Companies (Refer Note: B (5, ii) of Schedule 23)	34,546	80,000
<b>Other Loan</b>		
Foreign Currency Convertible Bonds (Refer Note: B (5, i) of Schedule 23)	111,000	303,000
	<b>1,562,073</b>	<b>1,073,940</b>

# Schedules forming part of the Balance Sheet

(₹ in Thousands)

5 FIXED ASSETS										
Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Cost as at 1st April, 2010	Additions during the year	Sales / Adj. during the year	Cost as at 31st March, 2011	Upto 31st March, 2010	For the year	Adjustment during the year	Total upto 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
<b>A) Tangible Assets</b>										
1 Free Hold Land	2,500			2,500	-			-	2,500	2,500
2 Work shop & Office Shed	10,342			10,342	972	340		1,312	9,030	9,370
3 Plant & Machinery	919,522	189,594	3,859	1,105,257	305,736	60,817	3,942	362,611	742,646	613,786
4 Construction Accessories	-	115,665		115,665	-	1,965		1,965	113,700	-
5 Testing & Survey Equipments	12,713	3,045		15,758	3,216	635		3,851	11,907	9,497
6 Air Conditioner	2,735	559		3,294	258	148		406	2,888	2,477
7 Computer	11,247	2,636		13,883	6,079	1,620		7,699	6,184	5,168
8 Office Equipments	3,545	2,429		5,974	494	207		701	5,273	3,051
9 Vehicles	53,553	7,230	669	60,114	19,604	4,904	336	24,172	35,942	33,949
10 Furniture & Fixtures	2,717	5,073		7,790	1,011	358		1,369	6,421	1,706
<b>Sub Total A</b>	<b>1,018,874</b>	<b>326,231</b>	<b>4,528</b>	<b>1,340,577</b>	<b>337,370</b>	<b>70,994</b>	<b>4,278</b>	<b>404,086</b>	<b>936,491</b>	<b>681,504</b>
<b>B) Intangible Assets</b>										
11 Software	8,000	-	-	8,000	4,800	1,600		6,400	1,600	3,200
(Refer Note: B(6) of Schedule 23)										
<b>Sub Total B</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>8,000</b>	<b>4,800</b>	<b>1,600</b>	<b>-</b>	<b>6,400</b>	<b>1,600</b>	<b>3,200</b>
<b>Grand Total (A+ B)</b>	<b>1,026,874</b>	<b>326,231</b>	<b>4,528</b>	<b>1,348,577</b>	<b>342,170</b>	<b>72,594</b>	<b>4,278</b>	<b>410,486</b>	<b>938,091</b>	<b>684,704</b>
Previous Year	967,026	63,053	3,205	1,026,874	275,069	68,166	1,066	342,170	684,704	691,957

	31st March, 2011	31st March, 2010
<b>6 INVESTMENTS</b>		
<b>(Unquoted, Trade, Long Term at Cost)</b>		
<b>In Subsidiaries</b>		
Tantia Sanjauliparkings Private Limited	10,000	-
1000000 Equity Shares (Prev. Yr. - Nil) of ₹ 10/- each, fully paid up		
Tantia Raxaultollway Private Limited	172	-
17238 Equity Shares (Prev. Yr. - Nil) of ₹ 10/- each, fully paid up		
Tantia Infrastructure Private Limited	100	-
10000 Equity Shares (Prev. Yr. - Nil) of ₹ 10/- each, fully paid up		
<b>(Unquoted, Non trade, Long Term at Cost)</b>		
<b>In Other Companies</b>		
Infra vision Developers (P) Ltd		
4,95,000 Equity Shares (Prev. Yr. - 4,95,000) of ₹ 10/- each, fully paid up	4,950	4,950
Universal Realtors (P) Ltd.		
40,000 Equity shares (Prev. Yr. 40,000) of ₹ 10/- each, fully paid up	400	400
Andromeda Communications (P) Ltd.		
7,000 Equity Shares (Prev. Yr. - 7,000) of ₹ 10/- each, fully paid up	2,962	2,962
<b>In Government Securities</b>		
National Saving Certificate (Deposited with Sales tax Authorities, Mizoram)	3	1
<b>In Joint Ventures (Refer Note: B (21) of Schedule 23)</b>		
	27,352	10,067
	<b>45,939</b>	<b>18,380</b>

<b>7 INVENTORIES</b>		
<b>(As taken, valued and certified by the management)</b>		
Contract Work-in-progress	1,052,858	908,507
Raw Materials	743,139	561,767
Stores & Spares	85,563	64,439
Loose Tools	72,703	83,662
	<b>1,954,263</b>	<b>1,618,375</b>

## Schedules forming part of the Balance Sheet

(₹ in Thousands)

	31st March, 2011	31st March, 2010
<b>8 SUNDRY DEBTORS</b>		
(Unsecured, considered good)		
Exceeding Six Months	421,086	212,682
Other Debts	1,511,643	1,214,533
	<b>1,932,729</b>	<b>1,427,215</b>
<b>9 CASH AND BANK BALANCES</b>		
Cash-in-hand	17,456	32,653
Balances with scheduled banks;		
In current Accounts	16,890	70,938
In Deposit Accounts	286,265	264,476
(Pledged with Bank(s) as Margin money for BG and with Client for earnest money deposit)		
	<b>320,611</b>	<b>368,067</b>
<b>10 OTHER CURRENT ASSETS</b>		
Interest accrued but not due on Bank deposits	5,967	6,168
Unbilled Revenue	921,709	516,235
Site Establishment Expenses (Refer Note: A 4(b) of Schedule 23)	35,721	–
Others	2,070	–
(includes ₹ 1500 paid to Tantia Sanjauli Parkings (P) Ltd as Share Application Money)		
	<b>965,467</b>	<b>522,403</b>
<b>11 LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advance to Associate Companies	66,794	56,794
Advance to Subsidiaries	3,589	–
Advances recoverable in cash or in kind or for value to be received	586,505	546,588
Income Tax Advance (including Income Tax Deducted at Source)	369,519	256,630
Security Deposits & Earnest Money Deposit	417,117	383,907
Works Contract Tax receivable	216,061	177,477
	<b>1,659,585</b>	<b>1,421,396</b>
<b>12 CURRENT LIABILITIES</b>		
Sundry Creditors (Refer Note: B (9) of Schedule 23)	578,715	502,056
Advance against materials	102,013	117,391
Advance against contracts	538,471	715,332
Other Liabilities (Refer Note: B (10) of Schedule 23)	214,661	92,651
(Includes ₹ 801 payable to Directors)		
Interest accrued but not due	1,273	1,073
	<b>1,435,133</b>	<b>1,428,503</b>
<b>13 PROVISIONS</b>		
Proposed Dividends on		
Equity Shares	40,933	24,560
Cumulative Preference Shares	147	147
	<b>41,080</b>	<b>24,707</b>
Provision for		
Tax on Dividends	6,664	4,199
Income Tax	198,211	138,821
Retirement Benefits		
Gratuity	10,034	7,741
Leave Encashment	5,817	4,499
	<b>261,806</b>	<b>179,967</b>

## Schedules forming part of the Profit and Loss Account

(₹ in Thousands)

	31st March, 2011	31st March, 2010
<b>14 INCOME FROM OPERATION</b>		
Contract Receipts (Gross)	6,509,872	5,362,590
(TDS - ₹ 1,11,502, Previous Year ₹ 99,766)		
From Others (Net of Excise duty ₹ 414, Previous Year Nil)	279,790	246,547
Misc. Business income	1,837	2,592
	<b>6,791,499</b>	<b>5,611,729</b>

<b>15 INCREASE/DECREASE IN WORK IN PROGRESS</b>		
Closing work in progress	1,052,858	908,507
Less: Opening work in progress	908,507	816,852
	<b>144,351</b>	<b>91,655</b>

<b>16 OTHER INCOME</b>		
Interest on Fixed Deposits (Gross)	12,983	8,428
(TDS - ₹ 1,079, Previous Year ₹ 2,664)		
Miscellaneous Income	19,895	6,067
Gain on Buy Back of FCCB	22,854	-
Interest on Fixed Deposits (US\$) (TDS - Nil)	7	457
Gain from Foreign Exchange Fluctuations	-	820
Interest from others (TDS ₹ Nil , Previous Year ₹ 730)	-	7,283
	<b>55,739</b>	<b>23,055</b>

<b>17 MATERIALS CONSUMPTION</b>		
Raw Materials	2,081,764	2,139,702
Consumable Materials	153,264	132,186
Stores & Spares	45,023	83,646
Carriage Inwards (Including material re-handling)	74,872	83,963
	<b>2,354,923</b>	<b>2,439,497</b>

<b>18 CONTRACT OPERATING EXPENSES</b>		
Contract Execution Expenses	2,810,381	1,816,094
Equipment Hire Expenses	149,215	66,469
Repairs & Maintenance:		
- Plant & Machinery	78,289	98,304
- Others	11,027	12,661
Power & Fuel	160,510	132,481
Site Expenses	18,453	3,399
Consultancy Fees	61,351	47,126
Testing Expenses	7,571	9,583
Survey & Inspection Expenses	2,204	1,245
	<b>3,299,001</b>	<b>2,187,362</b>

<b>19 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
Salary and Bonus	125,283	113,700
Contribution towards Employees Provident Fund, ESIC and other funds	4,431	4,331
Staff Welfare Expenses	13,690	11,541
Employees Retirement Benefits	4,695	3,687
	<b>148,099</b>	<b>133,259</b>

## Schedules forming part of the Profit and Loss Account

(₹ in Thousands)

	31st March, 2011	31st March, 2010
<b>20 ADMINISTRATIVE &amp; OTHER EXPENSES:</b>		
Rent	30,165	15,559
Rates and Taxes	126,186	119,867
Insurance	8,657	6,589
Printing & Stationery	5,231	3,484
Directors' Remuneration (Refer Note: B (11) of Schedule 23)	25,998	20,656
Directors' Fee	234	182
Auditor's Remuneration:		
Audit Fees	200	200
Tax Audit Fees	25	25
Out of Pocket Expenses	15	15
Certificate Fees	111	67
Internal Audit & Other Certificate Fees	713	473
Light Vehicles Running Expenses	3,716	3,290
Travelling & Conveyance	35,396	27,902
Loss on Sale of Fixed Assets	681	528
Advertisement	1,848	4,018
Computer Maintenance	1,098	628
Legal Expenses	2,442	3,909
Security Guard Expenses	11,692	10,492
Telephone Expenses	8,991	6,391
SAP - Maintenance	1,226	1,259
Miscellaneous Expenses	33,121	24,900
Donation	125	–
Foreign Exchange Fluctuation	39,565	–
	<b>337,436</b>	<b>250,434</b>

<b>21 INTEREST &amp; FINANCIAL EXPENSES</b>		
On Working Capital Loan from Banks	216,191	179,002
On Term Loan from Banks	145,659	36,135
On Equipment and Vehicle Loans from Bank/NBFCs	7,859	7,818
On FCCB	1,807	3,651
On Others	25,457	87,384
Bank Commission & Other Charges	48,354	52,960
	<b>445,327</b>	<b>366,950</b>

<b>22 PROVISION FOR TAXATION</b>		
Income tax for the year	101,208	89,763
Income tax for earlier year	(42,037)	1,683
Deferred taxes	12,321	6,489
Wealth tax	150	150
	<b>71,642</b>	<b>98,085</b>

# Schedules forming part of the Account

## 23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. Nature of Operations

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.

#### 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.

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 the Company has capitalised the cost of Construction Accessories which will be depreciated on straight line method over a period of five years (being the useful life as estimated by the management). Previously such accessories were charged to revenue as consumption. However, the impact of the above change on Company's profit is not ascertainable.
- b) During the year the Company has deferred the site establishment expenses i.e. the initial cost it has incurred on setting up the basic infrastructure required to execute the new projects and the same is amortised over the useful life of the projects. Previously such costs were charged to revenue. However, due to this change the profit of the Company has gone up by ₹ 33,453 thousands.
- c) During the year, Company has credited revenue as billed amount net of retention money because the retention money does not arise or accrue in the year in which the job is executed but at a later date depending on the satisfactory completion of the contract. Due to this change there is an impact of reduction of income by ₹ 70,791 thousands.

#### 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.

# Schedules forming part of the Account

## 23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD...)

### 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 recognised in prior accounting period is adjusted if there has been a change in the estimate of recoverable amount.

### 9. Revenue Recognition

#### On Construction Contracts:

- The contract revenue is recognised 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 recognised in the Profit & Loss Account.

### 11. Investment

Long-term investments are stated at cost, provision is made to recognise 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.



# Schedules forming part of the Account

## 23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD...)

### I. Gratuity

Liability on account of Gratuity is:

- Covered through recognised 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 an 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 recognised 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) get 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.

### 13. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised 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 Profit and Loss account.

### 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 recognised, 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 recognised only if there is reasonable certainty that they will be realised.

### 16. Accounting of Joint Venture contracts

- a) In respect of its interest in Jointly Controlled Operations, the Company recognise 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 recognised as an Investment in accordance with Accounting Standard (AS) 13, Accounting for Investment.

### 17. Provision, Contingent Liabilities & Contingent assets

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised nor disclosed in the financial statements.

## Schedules forming part of the Account

### 23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD...)

#### B. NOTES TO ACCOUNTS

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

##### 1. Contingent Liabilities

(₹ in Thousands)

Sl.	Particulars	31.03.2011	31.03.2010
1	Counter guarantees given to Consortium Banks in respect of Contracts in India. ₹ 1,75,943 (Previous year ₹ 1,53,324) 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 ₹ 54,15,000 (Previous Year ₹ 47,83,900).	5,415,000	4,783,900
2	Sale tax liability / works contract tax liability for which the Company has preferred an appeal before the Appellate Authority.	82,381	93,845
3	Bill Discounting	146,902	113,076
4	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
5	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 ₹ 24,622 (Previous year - 59,303) is therefore contingent in nature as the outcome of which depends on uncertain future events and so not provided for.		

2. 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.

##### 3. Issue of Share Warrants

- a) During the year the Company has received application for 24,50,000 Share Warrant of ₹ 84.25 each. The applicants have paid more than 25 % of total value of the warrants and the balance amount is payable within 18 months from the date of allotment, as and when made in one or more tranches at the discretion of allottee. The conversion of these warrants into equity share of the Company, once the entire amount is paid by the subscriber within the stipulated time, is subject to receipt of approval from SEBI and other Competent Authorities.
- b) Capital Reserve  
The Company had received ₹ 10,000 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.

##### 4. Secured Loans

###### For Cash Credit:

###### > From Banks:

The Company has availed various credit facilities, fund and non-fund based, under consortium arrangement with Banks which are secured on pari-passu basis among the consortium members primarily by hypothecation of entire stock, book debts and other current assets of the Company both present & future.

These facilities are collaterally secured:

- By way of charge on the fixed assets (including Land and shed) of the Company excluding the equipments, machinery and vehicles that are hypothecated to various Banks and Non-Banking Finance Companies under exclusive charges for financing thereof.
- Personal Guarantees of the Chairman & Managing Director and the Director (Operations)

###### For Equipment and Vehicles Loan:

Term Loans taken from the Banks and NBFC's towards the purchase of equipments, machineries and vehicles are secured by way of hypothecation of assets financed by them. (Amount due within one year ₹ 1,30,015 (Previous Year: ₹ 50,300))

##### 5. Unsecured Loans:

###### I. FCCB

The Company has issued on 17th July, 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/-

## Schedules forming part of the Account

### 23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD...)

each) with a fixed rate of conversion of ₹ 40.38 per US \$ at any time on or after 17th July, 2007 up-to 5th July, 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 5th July, 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 utilised ₹ 2,81,200 (Pr. Year ₹ 2,81,200) for financing capital expenditure and ₹ 11,513 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 year the Company has 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. The Buy Back was funded by the internal accruals of the Company.

#### II. Short Term Loans from Banks and NBFC:

Short term loan repayable within 1 year, from Bank is ₹ 1,167,135 and from NBFC is ₹ 34,546.

6. Intangible Asset, shown under Fixed Assets (Schedule – 5) represents the ERP Implementation Expenses (SAP) of ₹ 8,000 which has been amortised over a period of five years, being the estimated life.
7. Cash in Hand includes ₹ 43 (Previous Year nil) held in Foreign currency.
8. 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.
9. Based on the information received from the vendors the Company has not come across any vendor who is covered under the Micro, Small and Medium Enterprise Development Act 2006 except one, and the required disclosures are given below:

Sl.	Particulars	31.03.2011	31.03.2010
i)	Principal amount remaining unpaid as on 31st March, 2011	2,290	–
ii)	Interest due thereon as on 31st March, 2011	–	–
iii)	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	–	–
iv)	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	–	–
v)	Interest accrued and remaining unpaid as on 31st March, 2011	–	–
vi)	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.	–	–

10. Current Liabilities (others) includes Unclaimed Dividend and Unclaimed Share Application money amounting to ₹ 516 (Pr. Year ₹ 378) and ₹ 444 (Pr. Year ₹ 144) respectively at the end of the financial year and the corresponding amount are lying in the designated bank accounts.

#### 11. Managerial Remuneration:

(₹ in Thousands)

Sl.	Particulars	2010-11	2009-10
1	Salary paid to Chairman & Managing Director and Whole time Directors	12,527	9,600
2	HRA paid to Chairman & Managing Director and Whole time Directors	1,800	1,800
3	Provident Fund - Chairman & Managing Director and Whole time Directors	790	59
4	Commission to Chairman & Managing Director	10,881	9,197
	<b>Total :</b>	<b>25,998</b>	<b>20,656</b>

## Schedules forming part of the Account

### 23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD...)

Computation of Net Profit in accordance with Section 309(5) and Section 349 of the Companies Act 1956

	2010-11	2009-10
Profit before Taxation and Exceptional Items	334,209	280,771
<b>Add:</b>		
Loss on sale of Fixed assets (Net) under Section 349 of the Companies act 1956	681	528
Depreciation / amortisation provided in books	72,594	68,166
Directors Remuneration	15,117	11,460
Director Sitting Fees	234	182
<b>Less:</b>		
Depreciation as per section 350 of Companies Act 1956 (Including amortisation of Intangibles) (Rate specified in Schedule XIV)	72,594	68,166
Profit on sale of Fixed assets (Net) under Section 349 of the Companies act 1956	624	–
<b>Net Profit as per Section 349 of the Companies Act 1956</b>	<b>349,617</b>	<b>292,941</b>
Managerial Remuneration to MD - Maximum of 5% of Net Profit	17,481	14,647
Remuneration Paid to CMD	6,600	5,450
Commission Payable for the year	10,881	9,197

\* Managerial Remuneration to MD – Maximum of 5% of Net Profit has been considered as per terms of appointment of MD and the overall remuneration is within the limits specified in the Act.

12. Current tax is determined in respect of taxable income for the year based on applicable tax rates and Laws.
13. 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.
14. 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 30th of April, 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.
15. 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	2010-11	2009-10
The amount of contract revenue recognised as revenue in the period	6,509,872	5,362,590
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting period	15,552,663	10,478,338
The amount of advances received	640,484	832,724
The amount of retentions	341,402	344,821

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

Particulars	31.03.2011	31.03.2010
<b>Defined Contribution Plan –</b>		
Company has recognised the following amounts in the Profit & Loss Account for the year.		
Contribution to employees Provident fund -	2,131	2,204
Contribution to Employees State Insurance	493	162

## Schedules forming part of the Account

### 23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD...)

(₹ in Thousands)

	Gratuity (Funded)		Leave encashment (Non Funded)	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
<b>Reconciliation of opening and closing balances of the present value of the Defined benefit obligation</b>				
Obligation at the period beginning (April 1)	10,937	8,617	4,499	3,180
Current Service Cost	1,106	889	1,481	1,381
Interest Cost	875	689	357	233
Actuarial (gain)/loss	1,299	888	(444)	(294)
Benefits paid	(638)	(146)	76	–
Obligation at the year end (March 31)	13,579	10,937	5,817	4,499
<b>Change in Plan Assets</b>				
Plan assets at period beginning, at fair value	3,196	3,070		
Expected return on plan assets	287	272		
Actuarial (gain)/loss	–	–	NA	NA
Contributions	700	–		
Benefits paid	(638)	(146)		
Plan Assets at the year end, at fair value	3,545	3,196	–	–
<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	3,545	3,196	Nil	Nil
Present value of the defined benefit obligations at the end of the year	13,579	10,937	5,817	4,499
Liability/(Assets) recognised in the Balance Sheet	10,034	7,741	5,817	4,499
<b>Cost for the year</b>				
Current service cost	1,106	889	1,481	1,381
Interest cost	875	689	357	233
Expected return on plan assets	(287)	(272)	–	–
Actuarial (gain)/loss	1,299	888	(444)	(294)
Net Cost recognised in the Profit and Loss Account	2,993	2,194	1,394	1,319
<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%	8.94%	NA	NA
Expected rate of increase in Salary	3.00%	4.00%	5.00%	5.00%

17. 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.

18. 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:-

<b>A Associate Companies and Enterprises over which the key management personnel and its relatives are able to exercise significant influence:</b>	Negolice Trading (P) Ltd.
	Beco Industries (P) Ltd.
	Infravision Developers (P) Ltd.
	Monobal Vayapar (P) Ltd.
	Tantia Trust
	Castal Extrusion Private Limited
	Andromeda Communications (P) Ltd
<b>B Subsidiaries</b>	Harsh Leisure (P) Ltd.
	Tantia Sanjauliparkings (P) Ltd.
	Tantia Infrastructure (P) Ltd.
	Tantia Raxaultollway (P) Ltd.

## Schedules forming part of the Account

### 23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (CONTD...)

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)
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 Agarwal (Director - Projects)
	Sri Siddharth Tantia (Vice President - Corporate planning )
	Ms Rohini Sureka (Vice President - Finance & Accounts)
	Mrs Laxmi Tantia (Wife of Siddharth Tantia)

#### Particulars of Transactions during the year:

(₹ in Thousands)

Nature of Transactions	Year	Fellow / Company / trust	Subsidiaries	Joint Venture	Key Management Personnel	Total
Rendering of Services	2010-11	-	-	992,105	-	992,105
	2009-10	30	-	80,992	-	81,022
Rendering of Services	2010-11	-	-	351	-	351
	2009-10	-	-	-	-	-
Remuneration Paid/payable	2010-11	-	-	-	17,976	17,976
	2009-10	-	-	-	12,000	12,000
Rent paid	2010-11	4,235	-	-	4,197	8,432
	2009-10	3,236	-	-	-	3,236
Re-imbursment of expenses	2010-11	3,946	2,378	-	-	6,323
	2009-10	1,918	-	-	-	1,918
Advances given	2010-11	54,900	2,417	-	-	57,317
	2009-10	18,667	-	-	-	18,667
Refund of Advances	2010-11	44,900	-	-	-	44,900
	2009-10	18,667	-	-	-	18,667
MD Commission	2010-11	-	-	-	10,881	10,881
	2009-10	-	-	-	9,197	9,197
Investment in Joint Ventures	2010-11	-	-	7,393	-	7,393
	2009-10	-	-	5,658	-	5,658
Share of Profit/(Loss)	2010-11	-	-	9,892	-	9,892
	2009-10	-	-	2,837	-	2,837
Donation	2010-11	125	-	-	-	125
	2009-10	-	-	-	-	-
Investment in Shares	2010-11	-	10,272	-	-	10,272
	2009-10	-	-	-	-	-
Share Application Money Allotment Pending	2010-11	-	1,500	-	-	1,500
	2009-10	-	-	-	-	-
Outstanding balances receivable	2010-11	83,485	3,588	27,414	2,195	116,682
	2009-10	74,256	-	103,951	1,214	179,421
Outstanding balance payable	2010-11	2,978	-	62	957	3,997
	2009-10	5	-	1,350	734	2,089

## Schedules forming part of the Account

### 23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (CONTD...)

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

Particulars	2010-11	2009-10
<b>BASIC</b>		
Net Profit after tax for the year attributable for equity shareholders	272,313	185,522
Weighted number of shares for EPS computation	16,373,066	16,373,066
Earnings Per Share	16.63	11.33
<b>DILUTED</b>		
Net Profit after tax for the year	272,313	185,522
Expenses on FCCB (net of tax)	1,193	2,410
Adjusted profit after tax for the year available for equity shareholders	273,505	187,932
Weighted average number of shares for EPS computation	17,454,673	18,540,352
Diluted Earnings Per Share	15.67	10.14

20. Disclosure on Deferred tax as per AS 22 on "Accounting for Taxes on Income". (₹ in Thousands)

Particulars	31.03.2011	31.03.2010
<b>Deferred Tax Liability</b>		
Fixed Assets as per Accounts	938,092	684,704
Fixed Assets As Per Income Tax	732,107	519,561
<b>Deferred Tax Liability (Timing Difference)</b>	<b>205,985</b>	<b>165,143</b>
<b>Deferred Tax Asset</b>		
- Provisions for Employee benefits	15,851	12,240
- Bonus Provision	7,644	6,664
<b>Deferred Tax Asset (Timing Difference)</b>	<b>23,945</b>	<b>18,904</b>
<b>Net Deferred Tax Liability</b>	<b>182,490</b>	<b>146,240</b>
Tax Impact On Net Liability @ 33.99%	62,028	49,707
<b>Deferred Tax Liability</b>	<b>62,028</b>	<b>49,707</b>

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

- i. Details of Joint Ventures entered into by the Company

Sl. No.	Name of JV	Description of Interest	% of Profit Share	Investment 31.03.2011	Investment 31.03.2010
1	RBM Tantia (JV)	Jointly Controlled Entity	99.999%	8,498	(1,350)
2	Tantia BSBK (JV)	Jointly Controlled Operation	50%	-	(431)
3	JMC Tantia (JV)	Jointly Controlled Operation	50%	2,453	3,594
4	Tantia DBC (JV)	Jointly Controlled Operation	75%	(62)	321
5	Tantia Simplex (JV)	Jointly Controlled Operation	88.43%	108	106
6	Tantia Soma (JV)	Jointly Controlled Operation	50%	1,757	1,876
7	IVRCL Tantia (JV)	Jointly Controlled Operation	50%	217	206
8	Tantia TBL (JV)	Jointly Controlled Operation	50%	2,351	2,264
9	Tantia Freyssinet Gilcon (JV)	Jointly Controlled Operation	50%	1,276	1,611
10	Tantia SPML (JV)	Jointly Controlled Operation	50%	292	298
11	Tantia Gondwana (JV)	Jointly Controlled Operation	99.80%	9,392	269
12	Tantia CCIL (JV)	Jointly Controlled Operation	74%	671	906
13	Tantia EDCL (JV)	Jointly Controlled Operation	51%	397	397
	<b>Total Investment in Joint Venture</b>			<b>27,352</b>	<b>10,067</b>

- ii. Financial interest in the Jointly controlled Entities

Name of the JV	Year	Assets	Liabilities	Turnover	Other Income	Expenses
RBM Tantia (JV)	2010-11	-	-	-	-	-
	2009-10	271,781	271,781	559,120	346	564,789

Pending finalisation of the JV partners account, current year's figures are not given.

## Schedules forming part of the Account

### 23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (CONTD...)

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

#### Expenditure / Remittance in Foreign Currency

(₹ in Thousands)

	2010-11		2009-10	
<b>A Value of imports calculated on CIF Basis:</b>				
(i) Capital Goods	6,902	–	1,576	–
<b>B Expenditure in foreign currencies:</b>				
(i) Travelling expenses	1,131	–	597	–
(ii) Consultancy Charges	13,422	–	8,688	–
(iii) Tender Application expenses	–	–	9	–
(iv) Books and Periodicals	–	–	6	–
(v) Interest	1,807	–	3,651	–
(vi) Listing Fee	18	–	–	–
<b>C Value of Raw Materials consumed:</b>				
(i) Imported	–	–	–	–
(ii) Indigenous	2,354,923	100.00%	2,402,350	100.00%
<b>D Value of Spare Parts &amp; Components consumed:</b>				
(i) Imported	–	–	–	–
(ii) Indigenous	71,029	100.00%	60,400	100.00%
<b>E Earnings in foreign currency (on accrual basis)</b>	7	–	457	–
Export of goods or services on F.O.B. basis and work bills realised on contracts	–	–	–	–

23. Additional information pursuant to Paragraph 3 and 4 of part II of Schedule VI to the Companies Act, 1956.

#### I. Particulars pertaining to Finished Goods/Trading:

(₹ in Thousands)

Quantitative Information	Unit	Quantity		Value	
		2010-11	2009-10	2010-11	2009-10
Installed Capacity		90 Cubic Meter per hour			
<b>Opening Stock of Finished Goods</b>					
Ready Mix Concrete	Cum	–	–	–	–
<b>Production during the year</b>					
Ready Mix Concrete	Cum	75,207.400	69,192.710	292,556	260,751
<b>Sales during the year</b>					
Ready Mix Concrete	Cum	64,773.450	63,568.180	279,790	246,547
<b>Captive Consumption</b>					
Ready Mix Concrete	Cum	10,433.950	5,624.530	40,511	18,965
<b>Closing Stock of Finished Goods</b>					
Ready Mix Concrete	Cum	–	–	–	–



## Schedules forming part of the Account

### 23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (CONTD...)

II. Raw material and Components Consumed:

(₹ in Thousands)

Quantitative Information	Unit	Quantity		Value	
		2010-11	2009-10	2010-11	2009-10
<b>Opening Stock</b>					
Chips	Cum	434	159	481	176
Cement	Bag	9,052	7,250	2,009	1,532
Sand	Cft	26,563	10,826	403	183
Admixture	Kgs	971	2,600	81	230
<b>Purchase during the year</b>					
Chips	Cum	63,256.63	56,254	81,561	63,529
Cement	Bag	468,262	464,352	100,437	94,899
Sand	Cft	1,461,663	1,283,605	24,538	19,393
Admixture	Kgs	176,500.60	152,913	13,941	14,416
<b>Consumed during the year</b>					
Chips	Cum	61,146	55,979	78,518	63,224
Cement	Bag	447,744	462,550	97,497	94,422
Sand	Cft	1,428,731.27	1,267,868	23,920	19,173
Admixture	Kgs	170,573	154,542	13,575	14,565
<b>Closing Stock</b>					
Chips	Cum	2545	434	3,524	481
Cement	Bag	29,570	9,052	4,949	2,009
Sand	Cft	59,495	26,563	1,021	403
Admixture	Kgs	6,899	971	447	81

24. 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 1.4.2010	28,906	12,240
Balance as on 1.4.2009	27,525	8,727
Add: Provisions made (2010-11)	47,744	4,387
(2009-10)	28,906	3,513
Less: Payments (2010-11)	28,810	776
(2009-10)	27,501	–
Less: Adjustments (2010-11)	96	–
(2009-10 )	24	–
Closing Balance as on 31.03.2011	47,744	15,851
Closing Balance as on 31.03.2010	28,906	12,240

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

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. 051842

I. P. Tantia

Chairman & Managing Director

B. L. Ajitsaria

Director (Business Development)

Place : Kolkata

Dated : 20th May, 2011

Rahul Tantia

Director (Operations)

M. L. Agarwala

Director (Projects)

Md. Jamshed Alam

Company Secretary

# Balance Sheet Abstract

## Balance Sheet Abstract & Company's General Business Profile

### I. Registration Details

Registration No. 

2	6	2	8	4
---	---	---	---	---

 State Code 

2	1
---	---

  
 Balance Sheet as at 

3	1	0	3	2	0	1	1
Date		Month		Year			

 (Refer code list)

### II. Capital raised during the year (Amount in ₹ Thousand)

Public Issue 

						N	I	L
--	--	--	--	--	--	---	---	---

 Rights Issue 

						N	I	L
--	--	--	--	--	--	---	---	---

  
 Bonus Issue 

						N	I	L
--	--	--	--	--	--	---	---	---

 Private Placement 

						N	I	L
--	--	--	--	--	--	---	---	---

### III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)

Total Liabilities 

		7	8	1	7	5	5	9
--	--	---	---	---	---	---	---	---

 Total Assets 

		7	8	1	7	5	5	9
--	--	---	---	---	---	---	---	---

#### Sources of Funds

Paid up Capital 

			1	6	5	1	3	1
--	--	--	---	---	---	---	---	---

 Reserves & Surplus 

			1	3	9	0	0	7	7
--	--	--	---	---	---	---	---	---	---

  
 Secured Loans 

		2	8	4	0	8	8	8
--	--	---	---	---	---	---	---	---

 Unsecured Loans 

			1	5	6	2	0	7	3
--	--	--	---	---	---	---	---	---	---

  
 Share Warrant Pending Allotment 

			1	0	0	4	2	3
--	--	--	---	---	---	---	---	---

 Deferred Tax Liability 

						6	2	0	2	8
--	--	--	--	--	--	---	---	---	---	---

#### Application of Funds

Net Fixed Assets 

			9	3	8	9	6	5
--	--	--	---	---	---	---	---	---

 Investments 

					4	5	9	3	9
--	--	--	--	--	---	---	---	---	---

  
 Net Current Assets 

		5	1	3	5	7	1	6
--	--	---	---	---	---	---	---	---

 Misc.. Expenditure 

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

  
 Accumulated Losses 

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

### IV. Performance of Company (Amount in ₹ Thousand)

Total Income 

		6	8	4	7	2	3	8
--	--	---	---	---	---	---	---	---

 Total Expenditure 

		6	5	1	3	0	2	9
--	--	---	---	---	---	---	---	---

  
 Profit/Loss After Tax 

+	-			3	3	4	2	0	9
---	---	--	--	---	---	---	---	---	---

 Profit/Loss After Tax 

+	-			2	7	2	4	5	9
---	---	--	--	---	---	---	---	---	---

  
 (Please tick Appropriate box+ for Profit, - for Loss)

#### Earning per Share (in ₹)

Basic 

			1	6	.	6	3
--	--	--	---	---	---	---	---

 Dividend Rate % 

								2	5
--	--	--	--	--	--	--	--	---	---

  
 Diluted 

			1	5	.	6	7
--	--	--	---	---	---	---	---

### V. Generic name of three Principal Product/Service of the Company (as per monetary terms)

Item Code no. (ITC Code) 

N	I	L
---	---	---

  
 Service Description 

C	I	V	I	L	C	O	N	S	T	R	U	C	T	I	O	N
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

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. 051842

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

**B. L. Ajitsaria**  
 Director (Business Development)

Place : Kolkata  
 Dated : 20th May, 2011

**Rahul Tantia**  
 Director (Operations)

**M. L. Agarwala**  
 Director (Projects)

**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 ( the Group) as at 31st March 2011, the Consolidated Profit and Loss Account 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 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 and Accounting Standard 23, Accounting for Investments in Associates in

Consolidated Financial Statements. Accounting Standard 27, Financial Reporting of Interest in Joint Ventures as notified under the Companies (Accounting Standards) Rules, 2006 has not been considered for consolidation purpose based on the justification given on Schedule 23 B(1)

4. Based on our audit 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 31st March, 2011,
  - ii) in the case of the Consolidated Profit and Loss Account, 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's Registration No. 314125E  
*Chartered Accountants*

Place: Kolkata  
Dated : 20th May, 2011

**S. K. Mustaphi**  
*Partner*  
Membership No. 051842

# Consolidated Balance Sheet As at 31st March, 2011

(₹ in Thousands)

	Schedule	31st March, 2011
<b>I. SOURCES OF FUNDS</b>		
1) Shareholders' Fund		
Share Capital	1	165,131
Share Warrant Application Money (Refer Note- B4(a) of Schedule 23)		100,423
Reserves & Surplus	2	1,385,907
		<b>1,651,461</b>
2) Minority Interest		91
3) Loan Funds		
Secured Loans	3	2,840,888
Unsecured Loans	4	1,562,228
		<b>4,403,116</b>
4) Deferred Tax Liabilities (Refer Note- B,20 of Schedule 23)		62,028
<b>Total</b>		<b>6,116,697</b>
<b>II APPLICATION OF FUNDS</b>		
1) Fixed Assets :	5	
Gross Block		1,348,577
Less: Depreciation/Amortisation		410,486
Net Block		938,091
Capital Work in Progress		4,394
2) Goodwill on Consolidation		574
3) Investments	6	31,500
4) Current Assets, Loans & Advances :		
Inventories	7	1,954,263
Sundry Debtors	8	1,932,729
Cash & Bank Balances	9	321,196
Other Current Assets	10	963,967
Loans and Advances	11	1,659,288
		<b>6,831,443</b>
Less: Current Liabilities and Provisions :		
Liabilities	12	1,427,768
Provisions	13	261,806
		<b>1,689,574</b>
Net Current Assets		5,141,869
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Preliminary Expenses		269
<b>Total</b>		<b>6,116,697</b>
Significant Accounting Policies and Notes to Accounts	23	

The Schedules referred to above form an integral part of the Balance Sheet

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. 051842

I. P. Tantia

Chairman & Managing Director

B. L. Ajitsaria

Director (Business Development)

Place : Kolkata

Dated : 20th May, 2011

Rahul Tantia

Director (Operations)

M. L. Agarwala

Director (Projects)

Md. Jamshed Alam

Company Secretary

# Consolidated Profit and Loss Account For the period ended 31st March, 2011

(₹ in Thousands)

	Schedule	31st March, 2011
<b>I INCOME</b>		
Income From Operation	14	6,791,499
Increase/Decrease in Work in Progress	15	144,351
Other Income	16	55,739
<b>Total</b>		<b>6,991,589</b>
<b>II EXPENDITURE</b>		
Material Consumption	17	2,354,923
Contract Operating Expenses	18	3,299,002
Payments to and Provisions for Employees	19	148,099
Administrative & Other Expenses	20	337,470
<b>Total</b>		<b>6,139,494</b>
<b>III PROFIT</b>		
<b>Profit before Interest, Depreciation &amp; Tax</b>		<b>852,095</b>
Interest & Financial Expenses	21	445,331
<b>Profit before Depreciation &amp; Tax</b>		<b>406,764</b>
Depreciation/Amortisation		72,594
Adjustment for diminution in Value of Investment		4,167
<b>Profit before Taxation</b>		<b>330,003</b>
Provision for Taxation	22	71,661
		<b>258,342</b>
Profit of Joint Venture(Net of Tax)		9,892
<b>Profit After Tax Before Minority Interest</b>		<b>268,234</b>
Minority Interest		–
<b>Profit After Tax After Minority Interest</b>		<b>268,234</b>
Profit brought forward		559,076
Preacquisition Profit/(Loss)		92
<b>Profit for Appropriation</b>		<b>827,402</b>
<b>IV APPROPRIATION</b>		
General Reserve		30,000
Dividend on Cumulative Pref. Share		147
Proposed Dividend on Equity shares		40,933
Income Tax on Proposed Dividend		6,664
Balance Carried Forward		749,658
		<b>827,402</b>
<b>V EARNINGS PER SHARE</b>		
Basic (₹)		16.37
Diluted (₹)		15.43
<b>Number of shares for calculating EPS</b>		
Basic		16,373,066
Diluted		17,454,673
<b>Significant Accounting Policies and Notes to Accounts</b>	23	

The Schedules referred to above form an integral part of the Profit and Loss Account

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. 051842

**I. P. Tantia**

Chairman & Managing Director

**B. L. Ajitsaria**

Director (Business Development)

Place : Kolkata

Dated : 20th May, 2011

**Rahul Tantia**

Director (Operations)

**M. L. Agarwala**

Director (Projects)

**Md. Jamshed Alam**

Company Secretary

# Consolidated Cash Flow Statement For the period ended 31st March, 2011

(₹ in Thousands)

	2009-11	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and extra ordinary item		330,003
<i>Add/(Less) Adjustment for :</i>		
Depreciation	72,594	
(Profit)/Loss on sales of Fixed Assets	57	
Adjustment for diminution in Value of Investment	4,167	
Preacquisition Loss	(92)	
Foreign Exchange Fluctuation	39,565	
Interest Income	(12,990)	
Interest on Borrowings	445,330	548,631
<b>Operating Profit before working Capital changes</b>		<b>878,634</b>
<i>Add/(Less) (Increase)/decrease in Assets/Liabilities :</i>		
Debtors	(505,514)	
Loans & advances	(246,876)	
Other Current assets	(443,064)	
Inventories	(335,888)	
Trade payables, Liabilities & Provisions	12,095	(1,519,247)
<b>Cash Generated from Operations</b>		<b>(640,613)</b>
Direct Taxes paid		(183)
<b>Cash Flow before extraordinary items</b>		<b>(640,796)</b>
Extra-Ordinary items	–	–
<b>Net Cash From Operating Activities</b>		<b>(640,796)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
<i>Add/(Less) (Increase)/decrease in Assets/Liabilities :</i>		
Additions of Fixed Assets (net)	(330,624)	
Sale/discard of Fixed Assets	192	
Interest Income	12,990	
Goodwill on Consolidation	574	
Preliminary Expenses	(675)	
Investment in Associate Company	(318)	
Investment in Joint Ventures & others	(7,395)	(325,256)
<b>Net Cash used in investing Activities.</b>		<b>(325,256)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
<i>Add/(Less) (Increase)/decrease in Assets/Liabilities :</i>		
Share Capital issue	(0)	
Share Application Money pending allotment	1,500	
Secured Loans	159,740	
Unsecured Loans	488,080	
Interest Paid	(445,330)	
Minority Interest	(91)	
Advance against Share Warrant	100,423	
Dividend Paid	(24,707)	
Tax on Dividend	(4,104)	275,511
<b>Net Cash from financing Activities.</b>		<b>275,511</b>
<b>D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)</b>		<b>(690,541)</b>

# Consolidated Cash Flow Statement (Contd...)

(₹ in Thousands)

	31.03.2011	
<b>E CASH AND CASH EQUIVALENT</b>		
Cash In Hand		17,473
Cash at Bank		303,723
Demand Loan from Schedule Banks		(2,623,044)
Foreign Exchange Fluctuation A/c		39,565
		<b>(2,262,283)</b>

(₹ in Thousands)

	31.03.2010	
<b>E CASH AND CASH EQUIVALENT</b>		
Cash In Hand		32,660
Cash at Bank		335,424
Demand Loan from Schedule Banks		(1,939,826)
		<b>(1,571,742)</b>
<b>Difference</b>		<b>(690,541)</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. 051842

**I. P. Tantia**

Chairman & Managing Director

**B. L. Ajitsaria**

Director (Business Development)

Place : Kolkata

Dated : 20th May, 2011

**Rahul Tantia**

Director (Operations)

**M. L. Agarwala**

Director (Projects)

**Md. Jamshed Alam**

Company Secretary

## Schedules forming part of the Consolidated Balance Sheet

(₹ in Thousands)

		31st March, 2011
<b>1</b>	<b>SHARE CAPITAL</b>	
	Authorised	
	Equity Shares	322,000
	Cumulative Preference Shares	78,000
		<b>400,000</b>
	Issue, Subscribed and paid up :	
	1,63,73,066 Equity Shares of ₹ 10/- each	163,731
	(Note: The above shares include 33,60,000 Equity shares issued as fully paid up Bonus shares by way of capitalisation of accumulated General Reserve)	
	1,40,000 10.5% Cumulative Preference Shares of ₹ 10/- each fully paid up	1,400
		<b>165,131</b>

<b>2</b>	<b>RESERVES &amp; SURPLUS</b>	
	Capital Reserve (Refer Note: B4(b) of Schedule 23)	10,000
	Securities Premium Account	494,749
	General Reserve:	
	Balance as per last account	101,500
	Add : Transfer from Profit and Loss Account	30,000
		<b>131,500</b>
	Balance in Profit & Loss Account	749,658
		<b>1,385,907</b>

<b>3</b>	<b>SECURED LOANS</b>	
	(Refer Note: B(5) of Schedule 23)	
	From Bank	
	Working Capital Loans in the form of Cash Credit from Scheduled Banks	2,623,044
	Equipment and vehicle Loans from Banks and Non-Banking Finance Companies	217,844
		<b>2,840,888</b>

<b>4</b>	<b>UNSECURED LOANS</b>	
	Short Term Loan	
	From Bank	
	Scheduled Banks (Refer Note: B6 (ii) of Schedule 23)	1,416,527
	From Others	
	Non-Banking Finance Companies (Refer Note: B6 (ii) of Schedule 23)	34,546
	Other Loan	
	Foreign Currency Convertible Bonds (Refer Note: B6 (i) of Schedule 23)	111,000
	From Others	155
		<b>1,562,228</b>



## Schedules forming part of the Consolidated Balance Sheet

(₹ in Thousands)

5 FIXED ASSETS										
Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Cost as at 1st April, 2010	Additions during the year	Sales / Adj. during the year	Cost as at 31st March, 2011	Upto 31st March, 2010	For the year	Adjustment during the year	Total upto 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
<b>A) Tangible Assets</b>										
1 Land & Shed	2,500			2,500	-			-	2,500	2,500
2 Work shop & Office Shed	10,342			10,342	972	340		1,312	9,030	9,370
3 Plant & Machinery	919,522	189,594	3,859	1,105,257	305,736	60,817	3,942	362,611	742,646	613,786
4 Testing & Survey Equipments	12,713	3,045		15,758	3,216	635		3,851	11,907	9,497
5 Air Conditioner	2,735	559		3,294	258	148		406	2,888	2,477
6 Computer Equipments	11,247	2,636		13,883	6,079	1,620		7,699	6,184	5,168
7 Office Equipments	3,545	2,429		5,974	494	207		701	5,273	3,051
8 Vehicles	53,553	7,230	669	60,114	19,604	4,904	336	24,172	35,942	33,949
9 Furniture & Fixtures	2,717	5,073		7,790	1,011	358		1,369	6,421	1,706
10 Construction Accessories		115,665		115,665	-	1,965		1,965	113,700	-
<b>Sub Total A</b>	<b>1,018,874</b>	<b>326,231</b>	<b>4,528</b>	<b>1,340,577</b>	<b>337,370</b>	<b>70,994</b>	<b>4,278</b>	<b>404,086</b>	<b>936,491</b>	<b>681,504</b>
<b>B) Intangible Assets</b>										
10 Software	8,000	-	-	8,000	4,800	1,600		6,400	1,600	3,200
<b>Sub Total B</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>8,000</b>	<b>4,800</b>	<b>1,600</b>	<b>-</b>	<b>6,400</b>	<b>1,600</b>	<b>3,200</b>
<b>Grand Total ( A + B )</b>	<b>1,026,874</b>	<b>326,231</b>	<b>4,528</b>	<b>1,348,577</b>	<b>342,170</b>	<b>72,594</b>	<b>4,278</b>	<b>410,486</b>	<b>938,091</b>	<b>684,704</b>

	31st March, 2011
<b>6 INVESTMENTS</b>	
(Unquoted, Non trade, Long Term at Cost)	
<b>In Other Companies</b>	
Infra vision Developers (P) Ltd (which includes Goodwill of ₹ 735)	
4,95,000 Equity Shares of ₹ 10/- each, fully paid up	783
Universal Realtors (P) Ltd.	
40,000 Equity shares of ₹ 10/- each, fully paid up	400
Andromeda Communications (P) Ltd.	
7,000 Equity Shares of ₹ 10/- each, fully paid up	2,962
<b>Investment in Government Securities</b>	
National Saving Certificate, Deposited with Sales tax Authorities, Mizoram	3
<b>Investment in Joint Ventures (Refer Note: B(21) of Schedule 23)</b>	<b>27,352</b>
	<b>31,500</b>

<b>7 INVENTORIES</b>	
(As taken, valued and certified by the management)	
Contract Work-in-progress	1,052,858
Raw Materials	743,139
Stores & Spares	85,563
Loose Tools	72,703
	<b>1,954,263</b>

## Schedules forming part of the Consolidated Balance Sheet

(₹ in Thousands)

		31st March, 2011
<b>8</b>	<b>SUNDRY DEBTORS</b>	
	(Unsecured, considered good)	
	Exceeding Six Months	421,086
	Other Debts	1,511,643
		<b>1,932,729</b>

<b>9</b>	<b>CASH AND BANK BALANCES</b>	
	Cash-in-hand	17,473
	Balances with scheduled banks;	
	In current Accounts	17,458
	In Deposit Accounts	286,265
	(Pledged with Bank as Margin money for BG and with Client for earnest money deposit)	
		<b>321,196</b>

<b>10</b>	<b>OTHER CURRENT ASSETS</b>	
	Interest accrued but not due on Bank deposits	5,967
	Unbilled Revenue	921,709
	Site Establishment Expenses	35,721
	Others	570
		<b>963,967</b>

<b>11</b>	<b>LOANS AND ADVANCES</b>	
	(Unsecured, considered good)	
	Advance to Associate Companies	66,794
	Advances recoverable in cash or in kind or for value to be received	589,797
	Income Tax Advance (including Income Tax Deducted at Source)	369,519
	Security Deposits & Earnest Money	417,117
	Works Contract Tax receivable	216,061
		<b>1,659,288</b>

<b>12</b>	<b>CURRENT LIABILITIES</b>	
	Sundry Creditors	581,142
	Advance against materials	102,013
	Advance against contracts	528,471
	Other Liabilities (Refer Note : B(9) of Schedule 23)	214,869
	(Includes ₹ 801 payable to Directors)	
	Interest accrued but not due	1,273
		<b>1,427,768</b>

<b>13</b>	<b>PROVISIONS</b>	
	Proposed Dividends on	
	Equity Shares	40,933
	Cumulative Preference Shares	147
		<b>41,080</b>
	Provision for	
	Tax on Dividends	6,664
	Income Tax	198,211
	Retirement Benefits	
	Gratuity	10,034
	Leave Encashment	5,817
		<b>261,806</b>

## Schedules forming part of the Consolidated Profit and Loss Account

(₹ in Thousands)

	31st March, 2011
<b>14 INCOME FROM OPERATION</b>	
Contract Receipts (Gross)	6,509,872
(TDS - ₹ 1,11,502)	
Others (Net of Excise duty ₹ 414)	279,790
Misc. Business income	1,837
	<b>6,791,499</b>

<b>15 INCREASE/DECREASE IN WORK IN PROGRESS</b>	
Closing work in progress	1,052,858
Less: Opening work in progress	908,507
	<b>144,351</b>

<b>16 OTHER INCOME</b>	
Interest on Fixed Deposits (Gross)	12,983
(TDS - ₹ 1,079)	
Miscellaneous Income	19,895
Gain on Buy Back of FCCB	22,854
Interest on Fixed Deposits (US\$) (TDS - Nil)	7
	<b>55,739</b>

<b>17 MATERIALS CONSUMPTION</b>	
Raw Materials	2,081,764
Consumable Materials	153,264
Stores & Spares	45,023
Carriage Inwards (Including material re-handling)	74,872
	<b>2,354,923</b>

<b>18 CONTRACT OPERATING EXPENSES</b>	
Contract Execution Expenses	2,810,381
Equipment Hire Expenses	149,215
Repairs & Maintenance	
- Plant & Machinery	78,289
- Others	11,027
Power & Fuel	160,510
Site Expenses	18,453
Consultancy Fees	61,352
Testing Expenses	7,571
Survey & Inspection Expenses	2,204
	<b>3,299,002</b>

<b>19 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>	
Salary and Bonus	125,283
Contribution towards Employees Provident Fund, ESIC and other funds	4,431
Staff Welfare Expenses	13,690
Employees Retirement Benefits	4,695
	<b>148,099</b>

## Schedules forming part of the Consolidated Profit and Loss Account

(₹ in Thousands)

		31st March, 2011
<b>20</b>	<b>ADMINISTRATIVE &amp; OTHER EXPENSES:</b>	
	Rent	30,165
	Rates and Taxes	126,212
	Insurance	8,657
	Printing & Stationery	5,232
	Directors' Remuneration (Refer Note : B(9) of Schedule 23)	25,998
	Directors' Fee	234
	Auditor's Remuneration	
	Audit Fees	206
	Tax Audit Fees	25
	Out of Pocket Expenses	15
	Certificates	111
	Light Vehicles Running Expenses	713
	Internal Audit & Other Certificate Fees	3,716
	Travelling & Conveyance	35,396
	Loss on Sale of Fixed Assets (Net)	681
	Advertisement	1,848
	Computer Maintenance	1,098
	Legal Expenses	2,442
	Security Guard Expenses	11,692
	Telephone Expenses	8,991
	SAP - Maintenance	1,226
	Miscellaneous Expenses	33,122
	Donation	125
	Foreign Exchange Fluctuation	39,565
		<b>337,470</b>

<b>21</b>	<b>INTEREST &amp; FINANCIAL EXPENSES</b>	
	To Banks on Working Capital Loan	216,191
	To Bank on Term Loan	87,523
	To Non-Banking Finance Companies on Equipment Finance Loan	7,859
	On Others	83,593
	Interest on FCCB	1,807
	Bank Commission & Other Charges	48,358
		<b>445,331</b>

<b>22</b>	<b>PROVISION FOR TAXATION</b>	
	Income tax for the year	101,208
	Income tax for earlier year	(42,037)
	Deferred taxes	12,340
	Wealth tax	150
		<b>71,661</b>

# Schedules forming part of the Consolidated Account

## 23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

### A. 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) The financial statements of the subsidiaries and the associates used in the consolidation are drawn up to the same reporting date i.e. 31st March, 2011.
- d) 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.
- e) 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.
- f) 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 of movements in the equity since the date the parent subsidiary relationship came into existence.
- g) Minority interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- h) 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.
- i) 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.

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. 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 is valued at cost (weighted average basis).
- c) Work-in-progress is valued at cost and reflects the work done but not certified.

# Schedules forming part of the Consolidated Account

## 23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD...)

- 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.
- 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 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.  
In respect of "Concessionaire Assets" all costs incurred towards construction are accumulated under capital work in progress till the completion of construction.
- 6. Depreciation / Amortisation**  
Depreciation on fixed assets is provided by applying the rates specified in Schedule-XIV of the Companies Act 1956 and calculated on written down value method/straight line method except for Construction Accessories which 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 best 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 recognised. The impairment loss recognised 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 recognised 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.
- 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 recognised in the Profit & Loss Account.
- 10. Investment**  
Long-term investments are stated at cost, provision is made to recognise a decline, if any, other than temporary, in the value of long term investments. Investments in Joint Ventures are stated at cost.

## Schedules forming part of the Consolidated Account

### 23 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (CONTD...)

Current investments being readily realisable and intended to be held for less than a year are carried at cost or market rate whichever is less, 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 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 recognised 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 recognised 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) get 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 capitalised 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 Profit and Loss account.

#### 13. Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) - 20, “earning per share” 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 potential equity shares outstanding during the year except where the results are anti dilutive.

#### 14. Taxation

Tax expenses comprise of current tax, deferred tax and fringe benefit tax.

Current tax is determined in respect of taxable income for the year based on Income Tax Act, 1961. Deferred tax is recognised, 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 recognised only if there is reasonable certainty that they will be realised.

#### 15. Accounting of Joint Venture contracts

- a) In respect of its interest in Jointly Controlled Operations, the Company recognise 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 recognised as an Investment in accordance with Accounting Standard (AS) 13, Accounting for Investment since the same has not been considered for consolidation.

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

Provisions involving substantial degree of estimation in measurement are recognised 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, Sales Tax 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.

## Schedules forming part of the Consolidated Account

### 23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (CONTD...)

#### B. NOTES TO ACCOUNTS

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

##### 1. The Subsidiaries and Associate companies considered in the consolidated financial statements are:

Name of the Entity	Proportion of Ownership Interest
	Current year
<b>Subsidiaries of the Company</b>	
Tantia Infrastructure Private Limited	100%
Tantia Raxaul Tollway Private Limited (through its subsidiary)	74%
Tantia Sanjauli Parking Private Limited	100%
<b>Associates of the Company</b>	
Infravision Developers Private Limited	49.50%

In respect of jointly controlled entity "RBM Tantia JV", the work has already been completed and the same is under maintenance period which implies that the control is intended to be temporary on the date, hence not considered for consolidation as per Para II (a) of Accounting Standard 21 – Consolidated Financial Statement.

##### 2. Contingent Liabilities

(₹ in Thousands)

Sl.	Particulars	31.03.2011
1	Counter guarantees given to Consortium Banks in respect of Contracts in India. ₹ 1,75,943 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 ₹ 54,15,000.	5,415,000
2	Sale tax liability / works contract tax liability for which the Company has preferred an appeal before the Appellate Authority.	82,381
3	Bill Discounting	146,902
4	The demand, if any, that may arise out of search and seizure proceedings initiated by the Income Tax Authority	Amount not ascertainable
5	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 ₹ 24,622 is therefore contingent in nature as the outcome of which depends on uncertain future events and so not provided for.	

##### 3. 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.

##### 4. Issue of Share Warrants

a) During the year the Company has received application for 24,50,000 Share Warrant of ₹ 84.25 each. The applicants have paid more than 25 % of total value of the warrants and the balance amount is payable within 18 months from the date of allotment, as and when made in one or more tranches at the discretion of allottee. The conversion of these warrants into equity share of the Company, once the entire amount is paid by the subscriber within the stipulated time, is subject to receipt of approval from SEBI and other Competent Authorities.

##### b) Capital Reserve

The Company had received ₹ 10,000 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.

##### 5. Secured Loans

###### For Cash Credit:

###### ➤ From Banks:

The Company has availed various credit facilities, fund and non-fund based, under consortium arrangement with Banks which are secured on pari-passu basis among the consortium members primarily by hypothecation of entire stock, book debts and other current assets of the Company both present & future.

These facilities are collaterally secured:

- By way of charge on the fixed assets (including Land and shed) of the Company excluding the equipments, machinery and vehicles that are hypothecated to various Banks and Non-Banking Finance Companies under exclusive charges for financing thereof.



## Schedules forming part of the Consolidated Account

### 23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (CONTD...)

- Personal Guarantees of the Chairman & Managing Director and the Director (Operations)

#### For Equipment and Vehicles Loan:

Term Loans taken from the Banks and NBFC's towards the purchase of equipments, machineries and vehicles are secured by way of hypothecation of assets financed by them. (Amount due within one year ₹ 1,30,015.

#### 6. Unsecured Loans:

##### I. FCCB

The Company has issued on 17th July, 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 17th July, 2007 up-to 5th July, 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 5th July, 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 utilised ₹ 2,81,200 for financing capital expenditure and ₹ 11,513 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 year the Company has 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. The Buy Back was funded by the internal accruals arising from the Company.

##### II. Short Term Loans from Banks and NBFC:

Short term loan repayable within 1 year, from Bank is ₹ 1,167,135 and from NBFC is ₹ 34,546.

7. Intangible Asset, shown under Fixed Assets (Schedule – 5) represents the ERP Implementation Expenses (SAP) of ₹ 8,000 which is amortised over a period of five years, being the estimated life.

8. Based on the information received from the vendors the Company has not come across any vendor who is covered under the Micro, Small and Medium Enterprise Development Act 2006 except one, and the required disclosures are given below:

Sl.	Particulars	31.03.2011
i)	Principal amount remaining unpaid as on 31st March, 2011	2,290
ii)	Interest due thereon as on 31st March, 2011	–
iii)	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	–
iv)	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	–
v)	Interest accrued and remaining unpaid as on 31st March, 2011	–
vi)	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.	–

9. Current Liabilities (others) includes Unclaimed Dividend and Unclaimed Share Application amounting to ₹ 516 and ₹ 444 respectively at the end of the financial year and the corresponding amount are lying in the designated bank accounts.

#### 10. Managerial Remuneration:

(₹ in Thousands)

Sl.	Particulars	2010-11
1	Salary paid to Chairman & Managing Director and Whole time Directors	12,527
2	HRA paid to Chairman & Managing Director and Whole time Directors	1,800
3	Provident Fund - Chairman & Managing Director and Whole time Directors	790
4	Commission to Chairman & Managing Director	10,881
	<b>Total</b>	<b>25,998</b>

## Schedules forming part of the Consolidated Account

### 23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (CONTD...)

Computation of Net Profit in accordance with Section 309(5) and Section 349 of the Companies Act, 1956

	2010-11
Profit before Taxation and Exceptional Items	334,209
<b>Add:</b>	
Loss on sale of Fixed assets (Net) under Section 349 of the Companies Act, 1956	681
Depreciation / Amortization provided in books	72,594
Directors Remuneration	15,117
Director Sitting Fees	234
<b>Less:</b>	
Depreciation as per section 350 of Companies Act, 1956 (Including amortization of Intangibles) (Rate specified in Schedule XIV)	72,594
Profit on sale of Fixed assets (Net) under Section 349 of the Companies Act, 1956	624
<b>Net Profit as per Section 349 of the Companies Act, 1956</b>	<b>349,617</b>
Managerial Remuneration to MD - Maximum of 5% of Net Profit	17,481
Remuneration Paid to CMD	6,600
Commission Payable for the year	10,881

\* Managerial Remuneration to MD – Maximum of 5% of Net Profit has been considered as per terms of appointment of MD and the overall remuneration is within the limits specified in the Act.

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

#### Expenditure / Remittance in Foreign Currency

(₹ in Thousands)

	2010-11	
<b>A Value of imports calculated on CIF Basis:</b>		
i) Capital Goods	6,902	–
<b>B Expenditure in foreign currencies:</b>		
i) Travelling expenses	1,131	–
ii) Consultancy Charges	13,422	–
iii) Tender Application expenses	–	–
iv) Books and Periodicals	–	–
v) Interest	1,807	–
vi) Listing Fee	18	–
<b>C Value of Raw Materials consumed:</b>		
i) Imported	–	–
ii) Indigenous	2,354,923	100.00%
<b>D Value of Spare Parts &amp; Components consumed:</b>		
i) Imported	–	–
ii) Indigenous	71,029	100.00%
<b>E Earnings in foreign currency (on accrual basis)</b>	7	–
Export of goods or services on F.O.B. basis and work bills realised on contracts	–	–

- Current tax is determined in respect of taxable income for the year based on applicable tax rates and Laws.
- The contract awarded to the Company by the Bihar State Government for development and widening of roads in Patna has been prematurely terminated by the Govt. of Bihar on 30th of April, 2008. The Company has 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.

## Schedules forming part of the Consolidated Account

### 23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (CONTD...)

15. 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	2010-11
The amount of contract revenue recognised as revenue in the period	6,509,872
The aggregate amount of costs incurred and recognised profits (less recognised losses) upto the reporting period	15,552,663
The amount of advances received	640,484
The amount of retentions	341,402

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

Particulars	31.03.2011
<b>Defined Contribution Plan –</b>	
Company has recognised the following amounts in the Profit & Loss Account for the year.	
Contribution to employees Provident fund -	2,131
Contribution to Employees State Insurance	493

(₹ in Thousands)

	Gratuity (Funded)	Leave encashment (Non Funded)
	31.03.2011	31.03.2011
<b>Reconciliation of opening and closing balances of the present value of the Defined benefit obligation</b>		
Obligation at the period beginning (April 1)	10,937	4,499
Current Service Cost	1,106	1,481
Interest Cost	875	357
Actuarial (gain)/loss	1,299	(444)
Benefits paid	(638)	76
Obligation at the year end (March 31)	13,579	5,817
<b>Change in Plan Assets</b>		
Plan assets at period beginning, at fair value	3,196	
Expected return on plan assets	287	
Actuarial (gain)/loss		NA
Contributions	700	
Benefits paid	(638)	
Plan Assets at the year end, at fair value	3,545	–
<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	3,545	Nil
Present value of the defined benefit obligations at the end of the year	13,579	5,817
Liability/(Assets) recognised in the Balance Sheet	10,034	5,817
<b>Cost for the year</b>		
Current service cost	1,106	1,481
Interest cost	875	357
Expected return on plan assets	(287)	–
Actuarial (gain)/loss	1,299	(444)
Net Cost recognised in the Profit and Loss Account	2,993	1,394
<b>Assumptions used to determine the benefit obligations:</b>		
Interest rate	8.00%	8.00%
Estimated rate of return on plan assets	8.9%	NA
Expected rate of increase in Salary	3.00%	5.00%

17. 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.

## Schedules forming part of the Consolidated Account

### 23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (CONTD...)

18. 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 is able to exercise significant influence:	Negolice Trading (P) Ltd.
	Sunap Merchant (P) Ltd.
	Beco Industries (P) Ltd.
	Tantia Financial Services Ltd.
	Infra vision Developers (P) Ltd.
	Monobal Vayapar (P) Ltd.
	Castal Extrusion Private Limited
	Alvary Systems (P) Ltd.
	Andromeda Communications (P) Ltd
	Harsh Leisure (P) Ltd.
B 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)
C 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 Agarwal (Director - Projects)
	Sri Siddharth Tantia (Vice President - Corporate planning )
	Ms Rohini Sureka (Vice President - Finance & Accounts)
	Mrs Laxmi Tantia (Wife of Siddharth Tantia)

Particulars of Transactions during the year:

(₹ in Thousands)

Nature of Transactions	Year	Fellow / Company / trust	Joint Venture	Key Management Personnel and Relatives	Total
Rendering of Services	2010-11	-	992,105	-	992,105
Rendering of Services	2010-11	-	351	-	351
Remuneration Paid/payable	2010-11	-	-	17,976	17,976
Rent paid	2010-11	4,235	-	4,197	8,432
Re-imbursment of expenses	2010-11	3,946	-	-	3,946
Advances given	2010-11	54,900	-	-	54,900
Refund of Advances	2010-11	44,900	-	-	44,900
MD Commission	2010-11	-	-	10,881	10,881
Investment in Joint Ventures	2010-11	-	7,393	-	7,393
Share of Profit/(Loss)	2010-11	-	9,892	-	9,892
Donation	2010-11	125	-	-	125
Investment in Shares	2010-11	-	-	-	10,272
Share Application Money Allotment Pending	2010-11	-	-	-	1,500
Unsecured Loans	2010-11	175	-	-	175
Repayment of Unsecured Loans	2010-11	80	-	-	80
Outstanding balances receivable	2010-11	83,640	27,414	2,195	113,187
Outstanding balance payable	2010-11	2,978	62	957	3,935

## Schedules forming part of the Consolidated Account

### 23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (CONTD...)

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

(₹ in Thousands)

Particulars	2010-11
<b>BASIC</b>	
Net Profit after tax for the year attributable for equity shareholders	272,313
Weighted number of shares for EPS computation	16,373,066
Earnings Per Share	16.63
<b>DILUTED</b>	
Net Profit after tax for the year	272,313
Expenses on FCCB (net of tax)	1,193
Adjusted profit after tax for the year available for equity shareholders	273,505
Weighted average number of shares for EPS computation	17,454,673
Diluted Earnings Per Share	15.67

20. Disclosure on Deferred tax as per AS 22 on "Accounting for Taxes on Income".

(₹ in Thousands)

Particulars	31.03.2011
<b>Deferred Tax Liability</b>	
Fixed Assets as per Accounts	938,092
Fixed Assets As Per Income Tax	732,107
<b>Deferred Tax Liability (Timing Difference)</b>	<b>205,985</b>
<b>Deferred Tax Asset</b>	
- Provisions for Employee benefits	15,851
- Bonus Provision	7,644
<b>Deferred Tax Asset (Timing Difference)</b>	<b>23,945</b>
<b>Net Deferred Tax Liability</b>	<b>182,490</b>
Tax Impact On Net Liability @ 33.99%	62,028
<b>Deferred Tax Liability</b>	<b>62,028</b>

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

i. Details of Joint Ventures entered into by the Company

Sl. No.	Name of JV	Description of Interest	% of Profit Share	Investment 31.03.2011
1	RBM Tantia (JV)	Jointly Controlled Entity	99.999%	8,498
2	Tantia BSBK (JV)	Jointly Controlled Operation	50%	-
3	JMC Tantia (JV)	Jointly Controlled Operation	50%	2,453
4	Tantia DBC (JV)	Jointly Controlled Operation	75%	(62)
5	Tantia Simplex (JV)	Jointly Controlled Operation	88.43%	108
6	Tantia Soma (JV)	Jointly Controlled Operation	50%	1,757
7	IVRCL Tantia (JV)	Jointly Controlled Operation	50%	217
8	Tantia TBL (JV)	Jointly Controlled Operation	50%	2,351
9	Tantia Freyssinet Gilcon (JV)	Jointly Controlled Operation	50%	1,276
10	Tantia Nayak (JV)	Jointly Controlled Operation	51%	-
11	Tantia SPML (JV)	Jointly Controlled Operation	50%	292
12	INDU Tantia (JV)	Jointly Controlled Operation	47.50%	-
13	Satish Tantia (JV)	Jointly Controlled Operation	49%	-
14	Tantia Gondwana (JV)	Jointly Controlled Operation	99.80%	9,392
15	Tantia CCIL (JV)	Jointly Controlled Operation	74%	671
16	Tantia EDCL (JV)	Jointly Controlled Operation	51%	397
	<b>Total Investment in Joint Venture</b>			<b>27,352</b>

ii. Financial interest in the Jointly controlled Entities

Name of the JV	Year	Assets	Liabilities	Turnover	Other Income	Expenses
RBM Tantia (JV)	2010-11	-	-	-	-	-

Pending finalisation of the JV partners account, current year's figures are not given.

## Schedules forming part of the Consolidated Account

### 23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (CONTD...)

22. The Company has reviewed the possibility of any impairment of the fixed assets of the Company in terms of the Accounting Standard AS 28 – “Impairment of Assets as at the balance sheet date and is of the opinion that no such provision for impairment is required.
23. Since this being the first year of consolidation, comparative figures for the previous period are not presented in terms of the transactional provisions of Accounting Standards (AS) 21.

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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. 051842

**I. P. Tantia**

*Chairman & Managing Director*

**B. L. Ajitsaria**

*Director (Business Development)*

Place : Kolkata

Dated : 20th May, 2011

**Rahul Tantia**

*Director (Operations)*

**M. L. Agarwala**

*Director (Projects)*

**Md. Jamshed Alam**

*Company Secretary*

# Consolidated Balance Sheet Abstract

## Balance Sheet Abstract & Company's General Business Profile

### I. Registration Details

Registration No.  State Code   
 Balance Sheet as at     
 Date Month Year (Refer code list)

### II. Capital raised during the year (Amount in ₹ Thousand)

Public Issue   
 Bonus Issue   
 Rights Issue   
 Private Placement

### III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousand)

Total Liabilities   
 Total Assets

#### Sources of Funds

Paid up Capital   
 Secured Loans   
 Share Warrant   
 Pending Allotment   
 Reserves & Surplus   
 Unsecured Loans   
 Deferred Tax Liability

#### Application of Funds

Net Fixed Assets   
 Net Current Assets   
 Accumulated Losses   
 Investments   
 Misc. Expenditure

### IV. Performance of Company (Amount in ₹ Thousand)

Total Income   
 Profit/Loss before Tax   
 Total Expenditure   
 Profit/Loss After Tax   
 (Please tick Appropriate box+ for Profit, - for Loss)

#### Earning per Share (in ₹)

Basic   
 Diluted   
 Dividend Rate %

### V. Generic name of three Principal Product/Service of the Company (as per monetary terms)

Item Code no. (ITC Code)   
 Service Description

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. 051842

I. P. Tantia

Chairman & Managing Director

B. L. Ajitsaria

Director (Business Development)

Place : Kolkata

Dated : 20th May, 2011

Rahul Tantia

Director (Operations)

M. L. Agarwala

Director (Projects)

Md. Jamshed Alam

Company Secretary

# Statement of Subsidiaries

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

(₹ in Thousands)

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	100	(95)	2,586	2,586	-	-	(39)	19	(58)	-
Tantia Raxaultollway Pvt Ltd	663	-	3,951	3,951	-	-	-	-	-	-
Tantia Sanjauliparkings Pvt Ltd	10,000	-	11,507	11,507	-	-	-	-	-	-







# 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 Agarwall, *Independent Director*

Sri Uma Shankar Agarwal, *Independent Director*

Sri Himangsu Sekhar Sinha, *Independent Director*

Sri Parimal Kumar Chattaraj, *Independent Director*

Sri Sarit Kumar Bose, *Independent Director*

Sri Shaleen Khemani, *Independent Director*

## Company Secretary

Md. Jamshed Alam

## Advocates

S.K. Baid & Co.

## Principal Bankers

State Bank of India

Allahabad Bank

Andhra Bank

Axis Bank Ltd.

IDBI Bank Ltd.

Oriental Bank of Commerce

## Statutory Auditors

Konar Mustaphi & Associates

Chartered Accountants

FRN- 314125E

P-113, CIT Road, Kolkata-700014

## Internal Auditors

1. L.B. Jha & Co.

2. Singhi & Co.

3. Ghosh & Associates

4. ARSK & Associates

5. S Guha & Associates

6. Guha and Matilal

## 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

## Registered office

25-27, Netaji Subhas Road, Kolkata- 700001

Tel: +9133 2230 1896/7300/6284

Fax: +9133 2230 7403

E-mail: cs@tantiagroup.com

## Corporate Office

DD-30, Sector-1, Salt Lake City

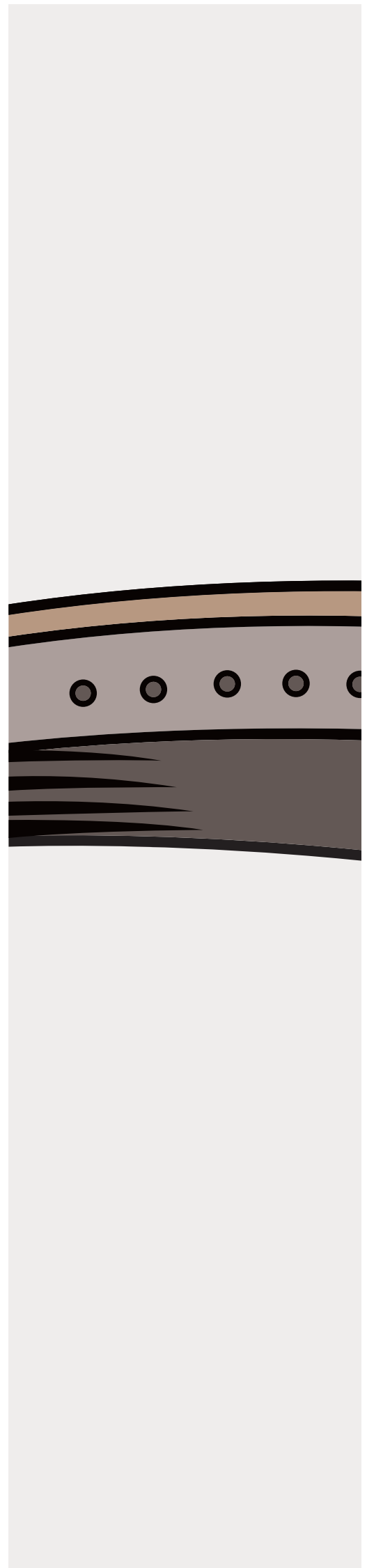
Kolkata-700064

Tel: +91 33 4019 0000

Fax: +91 33 4019 0001



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# NOTICE

NOTICE is hereby given that the Forty Sixth Annual General Meeting of the Members of TANTIA CONSTRUCTIONS LTD will be held at "Bharatiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata- 700017, on Friday, the 16th day of September, 2011 at 3.00 p.m. to transact the following businesses:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2011, Balance Sheet as at that date including Schedules and Notes forming part thereof and the Reports of Auditors' and the Directors' thereon.
2. To declare Dividend on Preference and Equity Shares for financial year ended 31st March, 2011.
3. To appoint Sri Uma Shankar Agarwal, an Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Sri Parimal Kumar Chattaraj, an Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Sri Shaleen Khemani, an Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.
6. **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 until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed by the Board of Directors."

## SPECIAL BUSINESSES

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

**"RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions if any, of the Companies Act, 1956, Sri Uday Sankar Roy, who was appointed by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office as Director on the Board, Sri Uday Sankar Roy be and is hereby appointed as a Director of the Company whose term of office will be liable to retire by rotation."

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

**"RESOLVED THAT** in accordance with the provisions of Section 257 and all other applicable provisions if any, of the Companies Act, 1956, Sri Murare Lal Agarwala, who was appointed by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office as Director on the Board, Sri Murare Lal Agarwala be and is hereby appointed as a Director of the Company whose term of office will be liable to retire by rotation.

**RESOLVED FURTHER THAT** Sri Murare Lal Agarwala Shall continue to act as a Whole-time Director of the Company on same terms and conditions, whose appointment was approved through Postal Ballot Process, result of which was declared on 9th March, 2011."

By Order of the Board of Directors

Place: Kolkata

Date: 20th May, 2011

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 in his stead on a poll. The proxy need not be a Member of the Company. In order to be effective, the Instrument appointing proxy must be received at the Registered Office of the Company not less than 48 hours before the scheduled time of commencement of the AGM.*
2. *An Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 ('the Act') relating to the Special Business sets out all material facts relating to the business at item No. 7 above is annexed hereto and forms part of this Notice.*
3. 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 48 hours before the scheduled time of commencement of the AGM for making necessary arrangement(s).
4. Members who hold shares in dematerialized form are requested to write their Name with Client ID and DP ID and those who hold shares in physical form are requested to write their Name with Folio Number in the attendance slip for attending the AGM to facilitate identification of their membership at the AGM.
5. Members are requested to bring their duly filled in attendance slips alongwith copy of Annual Report at the AGM venue.
6. 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 on a show of hands or at poll.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 9th September, 2011 to Friday, the 16th September, 2011 (both days inclusive).
8. 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 on 8th September, 2011.
  - 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 8th September, 2011.
9. 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
    - d) Account Type, whether Savings Account or Current Account Bank with Account Number
10. 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.
11. 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, bank branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier or intimate changes in the particulars of the Banking Account, if any.
12. Members desirous of obtaining any information/ clarification(s) concerning the accounts and operation of the Company or intending to raise any query at the

Meeting, 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.

13. Members are advised to refer to the General Shareholder Information provided in the Annual Report.
14. The Company's Equity Shares are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).
15. 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.

***Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business at Item No. 7 & 8 of the Notice dated 20th May, 2011 setting out all material facts as required, is annexed hereto and forms part of notice.***

**Item No. 7**

Pursuant to Section 260 of the Companies Act, 1956 (the 'Act') and other applicable provisions, if any, the Board of Directors of the Company has appointed Sri Uday Sankar Roy as an Additional Director on December 16, 2010, to hold office until conclusion of the next Annual General Meeting.

The Company has received a Notice under Section 257 of the Act, from a member, signifying his intention to propose the candidature of Sri Uday Sankar Roy for the office of Director on the Board of the Company.

The appointment of Sri Uday Sankar Roy as Directors will be in the larger interest of the Company.

*None of the Directors but for Sri Uday Sankar Roy himself is either directly or indirectly, concerned or interested in the proposed resolution. Your Directors recommend the resolution for your consideration and adoption.*

**Item No. 8**

Pursuant to Section 260 of the Companies Act, 1956 and other applicable provisions, if any, the Board of Directors of the Company at their meeting held on 16th December, 2010, has

appointed Sri Murare Lal Agarwala as an Additional Director whose tenure of office expires at the conclusion of the ensuing Annual General Meeting. However, his appointment as a Whole-time Director of the Company was approved through Postal Ballot Process, result of which was declared on 9th March, 2011.

Since, the appointment of Sri Murare Lal Agarwala is being ratified now but his tenure of office shall continue to remain effective from the original date of appointment i.e. 16th December, 2010.

The Company has received a Notice under Section 257 of the Companies Act, 1956 from a member, signifying his intention to propose the candidature of Sri Murare Lal Agarwala for the office of Director on the Board of the Company and he shall continue to act as a Whole-time Director.

The appointment of Sri Murare Lal Agarwala as Directors will be in the larger interest of the Company.

*None of the Directors but for Sri Murare Lal Agarwala himself is either directly or indirectly, concerned or interested in the proposed resolution. Your Directors recommend the resolution for your consideration and adoption.*

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

**Brief Profile of Directors**

***SRI UDAY SANKAR ROY, Independent Director***

Sri Uday Sankar Roy aged about 61 years, a Post-Graduate in Physics and Life Member of Indian Institute of Banking and Finance. Sri U. S. Roy retired as Deputy Managing Director of State Bank of India (SBI) and Managing Director & CEO of SBI Life Insurance Co. Limited. Sri U. S. Roy was associated with SBI for over 37 years and led the Bank's Info Tech Team during (2002-05) which designed and implemented the Core Banking Solution (CBS) software across State Bank Group. He is having expertise in Banking, Insurance Sector, information technology implementation and usage in financial sector, raising resources and Corporate Restructuring.

***SRI UMA SHANKAR AGARWAL, Independent Director***

Sri Uma Shankar Agarwal aged about 53 years (FCA, DISA), is a practicing Chartered Accountant since 1983. Sri U. S. Agarwal has a brilliant academic record having secured second

position in Utkal University, Bhubaneswar during his Graduation in 1978. He is an expert in the field of Statutory Audit, Internal Audit, Company Law Matters and Income Tax. He has wide experience in Direct Taxes, Merchant Banking like Project Feasibility Study, Preparation & Evaluation of Project Report, Syndication of Finance, Public Issue, Corporate & Allied Commercial Laws and Investment Advisor. He is currently a member of Ethics Committee - ILS Hospital, Kolkata. He is also a very active social worker and is associated with Rotary since 2003 in different capacities.

**SRI PARIMAL KUMAR CHATTARAJ, Independent Director**

Sri P. K. Chattaraj aged about 65 years, is CEO/proprietor & founder of Vertex Consulting (Organization and HR Solutions). He holds a Bachelor's degree in Science and a Post Graduate Diploma in Management (PGDM) specialized in Organization Behaviour and having a Bachelor's Degree in law. He has over 30 years of experience and has association with Management Institutes and Business Schools including IIM Calcutta, XLRI Jamshedpur and XISS, Ranchi. He is also enrolled as an Advocate with the Bar Council of West Bengal and provides legal advice to selective corporate houses.

**SRI SHALEEN KHEMANI, Independent Director**

Sri Shaleen Khemani aged about 44 years, is having 20 years experience in industrial development along with expertise as realty developers and construction of multi-storied buildings, mega townships and execution of value added high-tech engineering projects. He is renowned real estate developer in Eastern India with in-depth sectoral knowledge.

**SRI MURARE LAL AGARWALA, Whole-time Director**

Sri Murare Lal Agarwala aged about 40 years, is a Bachelor of Science from Arya Vidyapeeth College, Guwahati and a member of Tanta since 1995. He joined the Company as a site supervisor and Management Trainee. During his tenure, he handled series of projects in Eastern and other parts of India. He has been handling group of projects in multi location in different states including Metro Rail Projects in Kolkata. He provided leadership to timely executed projects in terms of quality and cost. He has established his credibility having potential and commitment to improve business growth of the Company.

Name of the Director	Sri Uday Sankar Roy	Sri Uma Shankar Agarwal	Sri Parimal Kumar Chattaraj	Sri Shaleen Khemani	Sri Murare Lal Agarwala
Date of Birth	24.07.1949	09.01.1958	29.09.1945	19.05.1966	21.07.1970
Expertise in specific functional area	Banking, Insurance Sector, Raising resources and Corporate Restructure	Accounts, Taxation and Finance	Human Resource Management	Real Estate	Execution of Contracts
Shareholding in the Company	Nil	Nil	Nil	Nil	Nil
Name of the Companies in which directorship held	India First Life Insurance Co. Ltd Quest Profin Advisory Pvt Ltd	Shivaji Engineering Ind. Pvt Ltd Andhra Concrete Engineering Ind. Pvt Ltd	BMW Industries Ltd Microsec Capital Ltd Microsec Commerze Ltd Microsec Insurance Brokers Ltd Microsec Resources Private Ltd Microsec Technologies Ltd Microsec Financial Services Ltd	Park Chambers Ltd Kayee project Equipments Pvt Ltd Black Diamond Vyapaar Pvt Ltd Multi Agro Pvt Ltd H.M. Tie up Pvt Ltd Allied Properties & Developers Pvt Ltd Parag Comb Ltd	None
Name of the Company(ies) in which Chairman / Membership of the Committees of the Board of Directors of the Company	India First Life Insurance Co. Ltd	None	Microsec Financial Services Limited	None	None
a) Audit Committee	Member	-	Member	-	-
b) Shareholders'/ Investor Grievance Committee	-	-	Member	-	-



## 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 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 .....

.....

.....

I hereby record my presence at the 46th ANNUAL GENERAL MEETING of the Company being held on Friday, 16th September, 2011 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 46th ANNUAL GENERAL MEETING of the Company to be held on Friday, 16th September, 2011 at 3.00 p.m. at "Bharatiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata – 700 017 or at any adjournment thereof.

Signed this ..... day of ..... 2011

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.

