



# TARMAT

Infra Engineering Empire

\*Construction of Heavy Duty Parking Bays at Bangalore International Airport

## 27<sup>TH</sup> ANNUAL REPORT 2011-2012

**Runways**

**Aprons/Parking Bays**

**National Highways**

**Express Ways**

**Test Tracks**

**Superior Quality Ready Mix Concrete**



**Bangalore International Airport**



**Cochin International Airport**

## COMPANY INFORMATION

### Board of Directors

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Mr. Jerry Varghese	Chairman cum Managing Director
Mrs. Saramma Varghese	Executive Director
Mr. Dilip Varghese	Executive Director
Mr. Anil Gopal Joshi	Independent Director
Mr. Ramesh Chander Gupta	Independent Director

### Chief Financial Officer

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Mr. Anindya Mitra

### Company Secretary

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Mr. Sreekumar K

### Statutory Auditors

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M/s Hegde and Associates  
Chartered Accountants  
61/2695, Gandhi Nagar  
Bandra (E), Mumbai 400 051

### Bankers

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Vijaya Bank  
Kotak Mahindra Bank Ltd.

### Registered Office

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Tank Road, Off Gen Vaidya Marg,  
Goregaon (East), Mumbai 400 063  
Tel: +91-22-2840 2130/ 1180  
Website: [www.tarmat.in](http://www.tarmat.in)

### Corporate Office

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Tarmat Chambers, Sector 24,  
Plot No. 19, Sanpada  
Navi Mumbai 400705  
Tel: +91-22-27831328/1334  
Fax: +91-22-27833872  
Email: [contact@tarmat.in](mailto:contact@tarmat.in)

### Registrars & Transfer Agents

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Bigshare Services Private Limited  
E/2, Ansa Industrial Estate, Saki Vihar Road,  
Andheri (E), Mumbai- 400 072  
Phones +91-22-28470652/0653  
Fax: +91-22-28475207  
Email: [bigshare@sify.com](mailto:bigshare@sify.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

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## NOTICE

Notice is hereby given that 27th Annual General Meeting of the Members of Tarmat Limited will be held on Thursday, 27th September 2012 at 10.00 AM at Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai 400 049 to transact the following business:

### Ordinary business:

- 1 To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March 2012, Balance Sheet as on that date, Auditors' Report, and the Director's report thereon
- 2 To appoint director in place of Mr. Ramesh Gupta, who retires by rotation and being eligible, offers himself for reappointment.
- 3 To appoint director in place of Mr. Dilip Varghese, who retires by rotation and being eligible, offers himself for reappointment.
- 4 To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

## NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorising their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
4. Member who hold shares in dematerialised form are requested to write their client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. Members seeking any further information about the accounts are requested to send their queries to the Company at its registered office at least ten days in advance so as to enable the Company to collect the relevant information.
6. Members are requested to notify immediately any change in their address/bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Bigshare Services Private Limited, E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 076 ,Maharashtra in respect of their physical share folios, if any.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 21.09.2012 to 27.09.2012 (both days inclusive.)

By Order of the Board of Directors  
For **Tarmat Limited**

Date : 13.08.2012

Place : Mumbai

**SREEKUMAR K**  
COMPANY SECRETARY

### Brief profile of Directors seeking reappointment at the Annual General Meeting:

Particulars	Mr. Ramesh Chander Gupta	Mr. Dilip Varghese
Date of Birth	01.01.1945	12.2.1984
Date of Appointment	31.07.2006	17.06.2006
Qualification and Experience	B E (Civil Engg.) Over 38 years experience. Retd. As Executive Director (Engineering) from Airport Authority of India	Bachelor of Science (Management) & Bachelor of Science (Marketing), SAP Certification Exp. 6years
Directorships in other public companies	Nil	NIL
Director's shareholdings	Nil	1062463
Relationship with other directors	Nil	Mr. Dilip Varghese is the son of Mr. Jerry Varghese, Chairman & Managing Director & Mrs. Saramma Varghese, Director

## Directors' Report

To,  
The Members  
Tarmat Limited

Your directors are pleased to present the 27th Annual Report of the Company and the audited accounts for the year ended 31st March, 2012

### Financial Results :

(₹ in Lacs)

Particulars	31st March, 2012	31st March, 2011
Total Income	19,514.44	9,234.80
Total Expenditure	19,080.48	9,209.74
<b>Profit Before Tax &amp; Exceptional items</b>	<b>433.96</b>	<b>25.06</b>
Exceptional items	(500.97)	-
Provision for Taxation	(388.24)	(78.59)
Provision for Deferred Tax	72.77	78.47
<b>Profit/(Loss) for the year after Tax and exceptional items</b>	<b>(382.48)</b>	<b>24.95</b>
Balance Brought Forward	3,228.27	3,203.32
<b>Balance Carried Forward</b>	<b>2,845.79</b>	<b>3,228.27</b>

### Performance of the Company:

After three years of slowdown, your Company started the turnaround in 2011-12. The turnover during the year shot up to ₹ 19,514.44 lacs as compared to ₹ 9,234.80 lacs for the year ended 31st March 2011.

The profit did not go up as expected because of high interest and fixed overheads. The Profit before tax went up to ₹ 433.96 lacs from ₹ 25.07 lacs for the year ended 31st March 2011. However, there was an exceptional loss by way of invocation of bank guarantee payments aggregating to ₹ 500.97 lacs of some projects in Chennai. The Company has filed appeal and the matter is under arbitration. However, the management decided to write it off on principles of conservatism. Such write-off will be reversed and income booked if the arbitration award is favourable.

Like last year, the work with Shirdi Sai Sansthan Trust did not progress at the scheduled pace since all the roads have not been handed over till date.

### Future prospects

The management expects to sustain the growth achieved during 2011-12. Based on the new works started and orders received, your directors are optimistic about the performance in the coming year. The Company has adequate orders to be executed for the next twenty four months.

### Capital and Finance:

The Company retained the borrowing facilities with our lead bankers, i.e. Vijaya Bank. Apart from this, facilities have been availed from Kotak Mahindra Bank Limited and equipment finance loan from Srei Equipment Finance Ltd.

The company's shares are being traded in the Bombay Stock Exchange (BSE) and National Stock Exchange of India Ltd. (NSE).

### Dividend:

As you are aware, during the year 2010-11, the performance did not match expectation. Even though there has been increase in turnover in 2011-12, cash flow has not substantially improved as the Company did not received disbursement from customers on timely basis. To regularise the funds flow, your directors decided to retain the resources and hence do not recommend any dividend for this year too.

### Directors:

In terms of the provisions of section 255 and 256 of the Companies Act, 1956, and Articles of Association of the company, Mr. R C Gupta, and Mr. Dilip Varghese, retire at the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment.

**Fixed Deposit:**

During the year under review, the Company has not accepted any deposit under section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposit) Rules, 1975.

**Particulars of Employees:**

There are no employees in the Company who are drawing prescribed salary under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

**Auditors & Their Report:**

M/s Hegde & Associates, Chartered Accountants, Mumbai, the auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. They have furnished a certificate to the effect that their proposed appointment, if made will be in accordance with the limit prescribed under Section 224 (1-B) of the Companies Act, 1956 and they are not disqualified for such appointment, within the meaning of subsections (3) and (4) of section 226 of the Companies Act, 1956. Your directors recommend their reappointment.

The Auditors' Report to the shareholders does not contain any qualification. The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any comments.

**Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and outgo:**

Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (disclosure of the particulars in the report of the Board of Directors) Rules, 1988 is given by way of Annexure to this report.

**Corporate Governance**

A report on corporate governance is attached to this report as Annexure. Certificate from the Auditors of the Company regarding compliance of clause 49 of Listing Agreement is also annexed herewith.

The Management Discussion and Analysis Report as required under the code of Corporate Governance are given in the Annexure attached to the Directors' Report.

**Social responsibility**

Your Company has been in the forefront in assisting the poor financially and provide medical aid to the ailing. Rupees Ten Lacs was donated during the year to the Navjeevan Centre, Kalyan, a Non Government Organisation initiated in 1994 with the aim of reaching out to commercially sexually exploited women and their children, to motivate and support them to give up their demeaning occupation and work towards integrating them in society.

The construction activities of Tarmat Ltd. are spread all over India, many of them in rural areas. The pollution arising from construction sites is strictly kept under control. Help is always provided to the locals in times of need by way of finance or by vehicles for transportation. Cordial relation is always maintained with the locals, wherever Tarmat is working, hard core support of the locals is available.

**Directors Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the directors based on the representations received from the operating management confirm that:

1. In the preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards have been followed and that there are no material departures from the same.
2. The Directors have, selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the profit of the company for the year ended on that date:
3. The Director have taken proper and sufficient care, to the best of their knowledge and ability, for maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. They have prepared the annual accounts on a going concern basis.

**Personnel and Industrial Relations:**

The Company enjoyed cordial relations with the employees during the year under review and the Management appreciates the employees of all cadres for their dedicated services to the Company.

### **Acknowledgements:**

The Board of Directors wishes to express its appreciation for the outstanding contribution made by the employees of the Company to the operations of the Company during the year. The Board of Directors would like to place on record their appreciation of the assistance, guidance and support extended by the Government at the Centre, States, Banks and other Financial Institutions. Your directors also place on record their sincere appreciation of the total commitment and hard work put in by all the sub contractors, consultants and clients of the Company.

**For and on behalf of the Board of Directors:**

Sd/-  
**CHAIRMAN**

Date: 13.08.2012

Place: Mumbai

## **Annexure to the Directors' Report**

Statement Pursuant to Section 217(1) (e) of The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

### **(a) Conservation of Energy**

The Company is taking all steps necessary to minimize energy consumption.

### **(b) Technology Absorption**

Efforts are made towards technology up gradation with constant efforts made to improve quality services offered by the Company.

### **(c) Foreign Exchange Earning and Outgo**

Foreign Exchange earnings: ₹ 51.51 lacs (previous year ₹ 58.54 lacs)

Foreign Exchange outgo: ₹ Nil (previous year ₹ Nil)

**For and on behalf of the Board of Directors**

Sd/-  
**CHAIRMAN**

### **REGISTERED OFFICE**

Tank Road, Off Gen Vaidya Marg,

Goregaon (East),

Mumbai 400 063.

Date: 13.08.2012



# Management Discussion and Analysis Report

## 1. Industry Structure and Development and Outlook

The Indian economy is characterised by strong macro fundamentals and good performance over the 11th Five year plan period though clouded by some slowdown in growth in the last year with concern about inflation and uncertainty in the global economy. The objective of the 11th plan was faster and inclusive growth and substantial progress in these directions have been made, but areas of weakness have to be addressed and challenges faced. Some of the challenges emanate from the economy's transition to a higher growth path, the structural changes and the expectations generated. The global economic environment was much less favourable than it was at the start of the 11th plan. The 11th Plan had targeted a GDP growth of 9% p.a, but the actual average for the first four years was 8.2% and in 2011-12, the economy slowed down to about 6.5% with the last quarter achieving a meagre 5.3%.

Inadequate infrastructure was recognised in the Eleventh Plan as a major constraint on economic growth. The plan had emphasised the need for expansion in investment in infrastructure based on the PPP model. The total investment in infrastructure is estimated to have raised from 5.7% of GDP in 2006-07 to 8% in 2011-12. Investment in telecommunications, oil and pipelines boomed whereas roads, railways, ports and power fell short of target. A large number of PPP projects have taken off.

India has 4.2 million km roads which is the second largest road network in the world, but the quality is poor. Half the network is not paved. National Highways form only 2% of the total length, of these 20,000km is single lane. Bulk of the NHDP-I(Golden quadrilateral) and NHDP – II (North-South & East West links) were built during the Eleventh plan, but portions remain to be completed. NHDP III, IV & V will ensure connectivity of the districts whereas NHDP VI will envisage conversion of heavy traffic networks to six lane roads.

The Eleventh Plan saw the modernisation of airport infrastructure. Air connectivity is vital for bringing mid sized towns to the business network.

Projects which are not viable to be taken up on PPP basis, is being proposed to be taken up on EPC (turnkey) mode.

## 2. Opportunities & Threats

The activities our Company mainly concentrates are:

Airside works and work associated with runways etc.

Highways and roads

Requirement of transport services are likely to grow at a faster rate than the GDP. Civil aviation has grown by around 20% during the last five years. Appropriate linkages between ports, railway and road network has to be completed. The resources needed for this are much larger than the public sector can provide and hence has to be in the PPP mode. Over 1000 PPP projects accounting for an investment of about ₹ 5 lac crores has been initiated. PPP model had been successfully implemented in Delhi, Mumbai, Hyderabad, Bengaluru, Cochin airports and in about 300 National and State Highway projects. Institutional changes like corporatisation of ports, restructuring of NHAI and setting up the National Expressway Authority are envisaged.

The global economic scenario specifically the Eurozone crisis, is not conducive to a healthy growth environment. The bank rates already on the higher side does not show much signs of downside. Cost of borrowed funds has reached an unbearable proportion. Rupee exchange rate has reached an all time high This coupled with the reduction in oil import from Iran will naturally raise the petroleum prices to an all time high.

## 3. Internal Control

The Company has a proper and adequate system of internal controls covering all operational and financial functions commensurate with the size of the Company. The Company's internal control is designed in such a way that it ensures corporate strategy is implemented, achieve effective and efficient corporate processes, safeguard the value of corporate assets, reliability and integrity of accounting and management data, and operations comply with all existing rules and regulations.

All the financial and audit control systems are also reviewed by the Audit Committee of the board of Directors of the Company.

**4. Operations**

Company's operational income has increased to ₹ 19,514.44 lacs as against ₹ 9,234.80 lacs in 2010-11. The Company continued its focus on cost reduction and cost control at all levels.

**5. Human Resources and Industrial Relations**

The Company understands the value of acquiring the highly intellectual human capital which the Company believes is a crucial asset of the Company. For this purpose, Company follows the strategy "to attract, to retain and to motivate" the personnel through providing the framework for helping employees develop their personal and organizational skills, knowledge, and abilities. We have focused on to build positive attitude in the employees while working with Tarmat Limited. Tarmat Limited follows the principle - "good performance should be appreciated by good rewarding."

**For and on behalf of the Board Of Directors:**

Sd/-  
**CHAIRMAN**

Date: 13.08.2012

Place: Mumbai.

## Report on Corporate Governance

### I Listing of Company's shares in stock exchange

The shares of your Company are listed with Bombay Stock Exchange and National Stock Exchange. Accordingly, the Corporate Governance Report for the year 2011-2012 has been prepared pursuant to the provisions of clause 49 of the Listing Agreement.

### II Company's Philosophy on Corporate Governance

Corporate governance represents the value framework, the ethical framework and the moral framework under which business decisions are taken. Corporate governance therefore calls for three factors:

- Transparency in decision-making
- Accountability which follows from transparency because responsibilities could be fixed easily for actions taken or not taken, and
- The accountability is for the safeguarding the interests of the stakeholders and the investors in the organisation.

Effective corporate governance depends upon the commitment of the people in the organisation. Your company has a strong legacy for fair, transparent and ethical governance policies. The Company has adopted a code of conduct for members of Board of Directors and senior management who have affirmed in writing their adherence to the code.

### III. Board of Directors (Board)

#### (A) Composition and size of the Board

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business, finance, human resources and management. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors, complies with the requirements of Clause 49 (I) (A) of the Listing Agreements. The present strength of the Board of Directors is five, out of which three are Promoters & Executive Directors, and the other two are Non-Promoter, Independent Directors. Mr. A B Karweer, non-promoter independent director expired in November 2011 and this vacancy is being filled up making the non-promoter independent directors to three. None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in Clause 49 of the Listing Agreements) across all companies in which they are Directors. The Board does not have any Nominee Director representing any institution. The names and categories of Directors, the number of Directorships and Committee positions held by them in other companies are given below:

Name of the Director and category	No. of directorship in other public companies	No. of committee Memberships / Chairmanship held in the Board Committees of other Public Limited Companies as on 31.3.2012	
		Member	Chairman
Mr. Jerry Varghese (Managing Director) Executive and non- independent	NIL	NIL	NIL
Mrs. Saramma Varghese Executive and Non Independent	NIL	NIL	NIL
Mr.R.C Gupta Non Executive and Independent	NIL	NIL	NIL
Mr. Anil Gopal Joshi Non Executive and independent	12	2	4
Mr. Dilip Varghese Executive and Non- Independent	NIL	NIL	NIL

None of the directors are disqualified under Section 274 (1) (g) of the Companies Act, 1956 read with (Disqualification of Directors under Section 274 (1)(g) of the Companies Act, 1956) Rules, 2003.

**(B) Details of Board and Annual General Meetings and attendance record of Directors thereat.**

During the financial year 2011-2012 the Board of Tarmat Limited met 4 times on 14.06.2011, 11.08.2011, 14.11.2011 and 25.02.2012

A table depicting the attendance of each Director at Board Meetings and the last Annual General Meeting (AGM) is as under

Name of the Director	No. of the Board meetings held during the year 2011-2012	No. of the Board meetings attended during the year 2011-2012	Whether attended AGM held on 29th September, 2011
Mr. Jerry Varghese	4	4	Yes
Mrs. Saramma Varghese	4	4	Yes
Mr. R C Gupta	4	4	Yes
Mr. Anil Gopal Joshi	4	4	Yes
Mr. Dilip Varghese	4	3	Yes
Mr. A B Karweer	4	3	Yes

**(C) Code of Conduct**

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company [www.romantarmat.com](http://www.romantarmat.com). All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct A declaration signed by the Managing Director of the Company to this effect is enclosed at the end of this Report.

The code of conduct seeks to ensure that the Directors and the Senior Management Personnel observe a total commitment to their duties and responsibilities while ensuring a complete adherence with the applicable statutes on one hand and values and ethics on the other.

**IV. Committees of the Board**

The Board constituted committees namely, Audit Committee, Remuneration Committee and Share Transfer cum Shareholders'/Investors' Grievance Committee are in accordance with the terms of reference determined by the Board. Meetings of each of these Committees are convened by the respective Chairmen. Matters requiring Board's attention/approval are placed before the Board. The role, the composition of these Committees including the number of meetings held during the financial year and the related attendance detail are provided below.

**(A) Audit Committee****Composition**

The Audit Committee comprises of four members: Mr. A.G. Joshi, Chairman, Mr. A. B. Karweer and Mr. R.C. Gupta, independent directors & Mrs. Saramma Varghese, Executed Director. Mr. A B Karweer expired in November 2011. Mr. Sreekumar K, Company Secretary also acts as the Secretary to the Audit Committee.

**Terms of reference of the Audit Committee**

The terms of reference of the Audit Committee, inter-alia, include :

- to oversee the financial reporting process and disclosure of financial information;
- to review with management, quarterly, half yearly and annual financial statements and ensure their accuracy and correctness before submission to the Board;
- to review with management and internal auditors, the adequacy of internal control systems, approving the internal audit plans and reviewing the efficacy of their function, discussion and review of periodic audit reports including findings of internal investigations;
- to recommend the appointment of the internal and statutory auditors and fixing their remuneration;
- to hold discussions with the Statutory and Internal Auditors.

**Meetings and Attendance during the year**

During the year 2011-2012, the Audit committee met four times and the attendance record of committee members to the meetings so held is depicted in the table given below:

Name of the Member	Meetings held	Meeting Attended
Mr. A G Joshi	4	4
Mr. R.C. Gupta	4	4
Mr. A B Karweer	4	3
Mrs. Saramma Varghese	4	1

**(B) Remuneration Committee****Composition**

The Company has in place a Remuneration Committee comprising of two Independent Non-Executive Directors namely, Mr. A.G. Joshi, as its Chairman and Mr. R.C. Gupta.

**Terms of reference**

The terms of reference of Remuneration Committee, inter-alia, include :

- to recommend to the Board compensation terms of the Executive Directors;
- to assist the Board in determining and implementing the Company's Policy on the remuneration of Executive Directors.

**Meetings**

During the year, the Committee met once on 25.2.2012 and it was attended by both the members.

**Remuneration Policy**

The Company's Remuneration Policy is market-led taking into account the competitive circumstance of the business so as to attract and retain quality talent.

**Remuneration of Directors**

The table given below specifies the details of remuneration package of Directors and their relationships with other Directors on the Board

Name of Director	Salary ₹	Sitting Fees ₹	Total ₹
Mr Jerry Varghese	24,00,000	NIL	24,00,000
Mrs. Saramma Varghese	12,00,000	NIL	12,00,000
Mr. Dilip Varghese	7,20,000	NIL	7,20,000
Mr. R.C. Gupta	NIL	60,000	60,000
Mr. Anil Gopal Joshi	NIL	60,000	60,000
Mr. A B Karweer	NIL	45,000	45,000

**(C). Share Transfer cum Shareholders' / Investors' Grievance Committee**

The Share Transfer cum Shareholders' / Investors' Grievance Committee constituted by the Board comprises of three directors, namely Mr. A G Joshi, Mr. Jerry Varghese and Mrs. Saramma Varghese.

Mr. A G Joshi, an Independent, Non-Executive Director, is the Chairman of the Committee.

**Terms of Reference**

The scope, terms of reference and functioning of the Committee is as per areas prescribed by Clause 49 of the Listing Agreement. One of the primary functions carried out by the Committee is to approve requests for share transfers and transmissions and those pertaining to re-mat of shares/sub-division/consolidation/issue of renewed and duplicate share certificates etc. For this purpose, the required authority has been delegated to Mrs. Saramma Varghese.

The Committee oversees all matters encompassing the shareholders' / investors' related issues.

**Meetings and Attendance during the year**

Name of the Member	No. of meetings held	No. of meetings attended
Mr. A G Joshi	4	4
Mr. Jerry Varghese	4	4
Mrs. Saramma Varghese	4	4

**a) Name and designation of compliance officer**

Mr. Sreekumar K, Company Secretary, is the Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with Stock Exchanges.

**V General Body Meetings**

**Annual General Meeting:** Details of last three Annual General Meetings held are as follows

Year	Location	Date	Time
Twenty Sixth AGM 2010-11	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	29.09.2011	4 P.M.
Twenty Fifth AGM 2009-10	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	27.09.2010	3 P.M.
Twenty Fourth AGM 2008-09	Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.	22.09.2009	3 P.M.

## VI. Disclosures

### (i) Details on materially significant related party transactions

Details of materially significant related party transactions made during the year 2011-2012, are contained in the notes to the annual accounts which form a part of the Annual Report.

### (ii) Details of non-compliance, penalties etc imposed by Stock Exchange, SEBI etc. on any matter related to capital markets, during the last three years.

There has been no instance of any non-compliance by the Company on any matter related to capital markets and, hence, no penalties or strictures being imposed on the Company by SEBI or the Stock Exchanges or any other statutory authority on any such matter.

### (iii) Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.

The Company has in place a highly effective Whistle blower policy which sets out the process and mechanism whereby employees at various levels in the organization can bring to the notice of the management any violations of the applicable laws regulations as also any unethical or unprofessional conduct.

All such reports are taken up for consideration at appropriate intervals depending upon the gravity of the matter reported so that adequate remedial measures can be initiated in the right earnest, at the appropriate levels.

In order to encourage the employees to freely air their views and voice their concerns on various matters and to prevent any victimization of the employees, identity of the employees is kept strictly confidential.

It would be important to mention here that the Audit committee set up by the Board constitutes a vital component of the whistle blower mechanism and instances of financial misconduct, if any, are reported to the Audit committee. No employee is denied access to the Audit Committee.

### (iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The details of these compliances have been given in the relevant sections of this Report. The status on compliance with the non-mandatory requirements are given at the end of the Report.

## VII. Means of Communication

**Publication of Results :** The quarterly / annual results of the Company are published in the leading newspapers viz Navashakti (Marathi) and Free Press Journal (English).

## VIII. General Shareholder Information

### (A) Date of AGM

The forthcoming Annual General Meeting of the Company will be held on Thursday, 27th September 2012 at 10 A.M. at Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai.

### (B) Date of Book Closure

The Register of members and share transfer books of the Company will remain closed from 21.09.2012 to 27.09.2012 (both days inclusive) for the purpose of the AGM.

### (C) (i) Distribution of shareholding as on 31st March 2012

Sl.No.	Shareholding of nominal value (in ₹)		No. of holders	% to total holders	Value in ₹	% to nominal value
	From	To				
1	1	5,000	9,082	90.84	9516620	8.68
2	5,001	10,000	457	4.57	3727020	3.40
3	10,001	20,000	238	2.38	3640030	3.32
4	20,001	30,000	57	0.57	1438420	1.31
5	30,001	40,000	36	0.36	1278870	1.17
6	40,001	50,000	28	0.28	1301010	1.19
7	50,001	1,00,000	46	0.46	3358870	3.06
8	1,00,001	and above	54	0.54	85346230	77.87
	<b>TOTAL</b>		<b>9998</b>	<b>100.00</b>	<b>109607070</b>	<b>100.00</b>

**(ii) Shareholding pattern as on 31st March 2012**

Sr. No.	Category	No. of Shares	% holding
1.	Promoters	68,93,490	62.89
2.	Private Bodies Corporate	10,09,989	9.21
3.	Indian Resident	29,37,603	26.81
4.	NRIs / OCBs	1,18,408	1.08
5.	Clearing Member	1,217	0.01
	<b>Total</b>	<b>1,09,60,707</b>	<b>100.00</b>

**(D) Dematerialization of shares and liquidity**

Shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the depositories i.e. NSDL and CDSL.

As on 31st March 2012, 98.40% Equity shares of the Company representing 1,07,83,988 shares out of a total of 1,09,60,707 equity shares were held in dematerialized form, and the balance 1,76,719 shares were held in physical form.

**(E) Listing on Stock Exchanges**

The Company's Equity Shares are listed on the following stock exchanges as of March 31, 2012:

**Bombay Stock Exchange Limited (BSE)**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

**National Stock Exchange of India Limited (NSE)**

“Exchange Plaza”, Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400 051

Annual listing fee for the year 2011-12 has been paid by the Company to BSE and NSE

**(F) Stock Code**

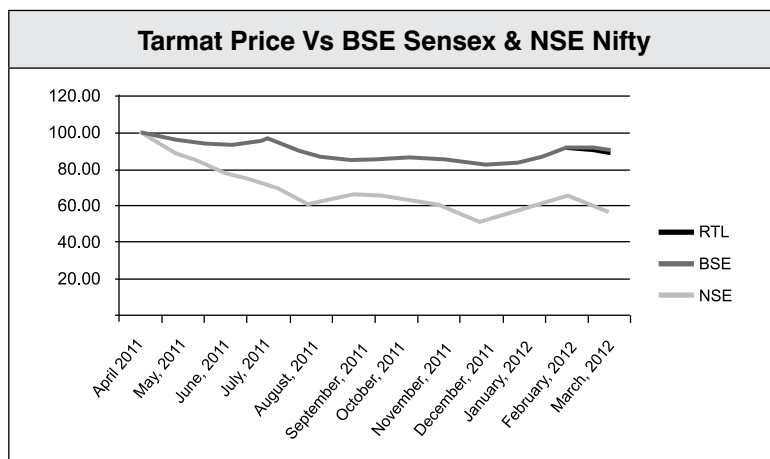
Bombay Stock Exchange Ltd.- 532869

National Stock Exchange of India Ltd- ROMAN/EQ

ISIN for Dematerialisation – INE924H01018

**(G) Stock Market Price at National Stock Exchange and Bombay Stock Exchange (BSE) for the period from April 2011 to March 2012**

	BSE			NSE		
	HIGH	LOW	AVERAGE	HIGH	LOW	AVERAGE
April, 2011	41.50	28.95	35.23	41.70	28.30	35.00
May, 2011	34.00	27.85	30.93	32.45	27.75	30.10
June, 2011	31.00	24.45	27.73	30.95	23.60	27.28
July, 2011	28.00	23.05	25.53	28.05	22.60	25.33
August, 2011	25.00	18.45	21.73	25.10	18.50	21.80
September, 2011	26.45	20.30	23.38	25.85	20.40	23.13
October, 2011	24.45	21.00	22.73	23.85	21.05	22.45
November, 2011	25.70	16.30	21.00	24.90	18.00	21.45
December, 2011	21.60	14.85	18.23	21.45	15.05	18.25
January, 2012	24.95	16.60	20.78	24.80	17.55	21.18
February, 2012	25.00	20.95	22.98	25.00	21.05	23.03
March, 2012	23.50	16.50	20.00	22.95	17.10	20.03

**(H) Comparison of daily closing prices of the Company's share with the broad-based indices viz NSE Nifty & BSE Sensex.****(I) Registrar and Transfer Agent**

Bigshare Services Private Limited is the Registrar and Transfer Agent (RTA) of the Company, handling the shareholders and the share related matters, both in physical and the dematerialized segment.

The contact details of the RTA are as under:

**BIGSHARE SERVICES PRIVATE LIMITED**

(Unit : Roman Tarmat Limited)

E/2, Ansa Industrial Estate, Saki Vihar Road,  
Andheri (E), Mumbai- 400 072

Phones +91-22-28470652/0653

Fax: +91-22-28475207

Email: bigshare@sify.com

Website: www.bigshareonline.com

**J) Share Transfer System**

As of date, 99.997% of the Equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories without any involvement of the Company.

For speedy processing of share transfers, the Board has delegated powers to approve share transfers to the Shareholders' / Investors' Grievance Committee. Transfers of shares in physical form are normally processed within 15 days of receipt, provided the documents are complete in all respect. All transfers are first processed by the Transfer Agent and are submitted to the Company for approval thereof. Thereafter, authorised officers of the Company approve the transfer and shares are returned to the shareholders.

Pursuant to Clause 47(c) of the Listing Agreement, certificates from a practicing Company Secretary on half yearly basis to the effect that all the transfers are completed in the statutorily stipulated time period have been obtained. Copy of the certificate so received is submitted to both the stock exchanges where shares of the Company are listed.

**(K) Address for Correspondence****Registered Office**

Tank Road, Off Gen Vaidya Marg, Goregaon (East) Mumbai 400 0063

Tel: +91-22-2840 2130/ 1180

Website: www.romantarmat.com

**Corporate Office**

Tarmat Chambers, Sector 24,  
Plot No. 19, Sanpada, Navi Mumbai 400705

Tel: +91-22-27831328/1334, 6714 5800

Email: contact@romantarmat.com

**(L) Compliance Certificate from the Auditors of the Company**

A Certificate from the Auditors of the Company, M/s Hegde and Associates, certifying the Company's compliance with the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to and forms a part of this Report.

The certificate is also being forwarded to the Stock Exchanges in India where the Securities of the Company are listed.



**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE**

I, Jerry Varghese, Managing Director and Anindya Mitra, Chief Financial Officer (CFO) of Tarmat Limited, to the best of our knowledge and belief hereby certify that:

- a) We have received financial statements and the Cash Flow Statement for the year ended 31st March 2012 and:
  - 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) 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 no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for the establishing and maintaining internal control systems of the Company pertaining to the auditors and the Audit Committee, deficiencies in the design and operations 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:
  - 1) Significant changes in the internal control over financial reporting during the year;
  - 2) Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of the significant fraud of which we have become aware and the involvement therein, if any; of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**JERRY VARGHESE**  
MANAGING DIRECTOR

Sd/-  
**ANINDYA MITRA**  
CHIEF FINANCIAL OFFICER

Date: 13.08.2012

Place: Mumbai

**ANNUAL DECLARATION BY THE CEO PURSUANT TO CLAUSE 49(I)(D)(ii) OF THE LISTING AGREEMENT**

As the Managing Director of Tarmat Limited and as required by Clause 49(I)(D)(ii) of the Listing Agreement, I hereby declare that all Board members and Senior Management personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics, for the financial year 2011-2012.

Sd/-  
**JERRY VARGHESE**  
MANAGING DIRECTOR

Date: 13.08.2012

Place: Mumbai

## **CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of Tarmat Limited

We have examined the compliance of conditions of Corporate Governance by Tarmat Limited (“the Company”), for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

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 on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

We state that there was no investor grievance pending as on March 31, 2012 as per the records maintained by the Company.

We further state that such compliance 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 **HEGDE & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Registration No. 103610W

Sd/-  
**MANOJ V SHETTY**  
**(PARTNER)**  
Membership No. -138593

Date: 13.08.2012

Place: Mumbai

## AUDITORS' REPORT

Auditors' Report to the Members of the **ROMAN TARMAT LTD.**

We have audited the attached Balance Sheet of Tarmat Ltd., as at 31st March, 2012 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. 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.
2. Without qualifying our opinion, we draw attention to Note 33 regarding the value of investments in Joint Ventures.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors Report) (Amendment) Order, 2004 (the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii) In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of those books.
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v) On the basis of the written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act 1956.
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2012.
    - b) In the case of the Profit and Loss Account, of the loss for the year ended on that date: and
    - c) In the case of Cash Flow Statement, of the Cash Flows for the Year ended on that date.

**For HEGDE & ASSOCIATES  
CHARTERED ACCOUNTANTS**  
Registration No. 103610W

Sd/-

**MANOJ V SHETTY**  
**(PARTNER)**  
Membership No. 138593

Place : Mumbai  
Date : 11.06.2012

## ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- b) The fixed assets of the Company have been physically verified by the management for certain items in respect of its quantity and value at its various project sites. In accordance with the phased programme for verification of fixed assets, the management during the year physically verified certain items of fixed assets and no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed by the Company during the year.
2. a) The inventories of the Company have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
3. a) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register to be maintained under Section 301 of the Companies Act 1956
- b) Since the Company has not granted any loans and advances to the parties covered in the register maintained under section 301 of the Companies, Act 1956, disclosure under b, c & d are not applicable.
- c) The Company has not taken any unsecured loans from parties covered in the register maintained under section 301 of the Companies Act, 1956.
- d) Since the Company has not accepted any loans and advances from the parties covered in the register maintained under section 301 of the Companies Act, 1956, disclosure under this clause is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5. To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and Sec 58AA.
7. In our opinion, the Company has an internal audit system, commensurate with the size of the Company and the nature of its business.
8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under the clause (d) of Sub-Section (1) of section 209 of the companies Act, 1956.
9. a) According to the information and explanations given to us, *barring non payments of undisputed liability of service tax of ₹ 54,05,303/-, and delays in payment of Tax Deducted At Source and Provident Fund*, the Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, cess and other statutory dues as applicable with appropriate authorities. *According to the information and explanations given to us, except payment of Service Tax of ₹ 54,05,303/ - no undisputed amount in respect of other statutory dues were in arrears as at 31st March, 2012, for a period of more than six months from the date they become payable.*
- b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Income Tax, Sales Tax , Wealth Tax, Service Tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute.

- 10) The company has neither accumulated losses at the end of the financial year nor it has not incurred any cash losses in the current and immediately preceding financial year
- 11) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks. The Company does not have any outstanding debenture.
- 12) According to the information and explanation given to us and based on the documents and records produced to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 15) According to the Information and explanation given to us, the Company has not given any guarantee for loan taken by others, from Banks / Financial Institutions.
- 16) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment and no long-term funds have been used to finance short-term assets.
- 18) According to the information and explanation given 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 during the year.
- 19) According to the information the Company has not raised any money during the year by of issue of debentures.
- 20) During the year the Company has not raised any money from the public and therefore the disclosure of the deployment of the same does not arise.
- 21) Based on the audit procedure formed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of audit.

**For HEGDE & ASSOCIATES  
CHARTERED ACCOUNTANTS**  
Registration No. 103610W

**Sd/-**

**MANOJ V SHETTY  
(PARTNER)**  
Membership No. 138593

Place : Mumbai  
Date : 11.06.2012

## Balance Sheet as at 31st March, 2012

(₹ in lacs)

Particulars	Note No.	As on 31st March 2012	As on 31st March 2011
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,096.07	1,096.07
(b) Reserves and surplus	4	9,581.66	9,964.14
		<b>10,677.73</b>	<b>11,060.21</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	278.69	-
(b) Deferred tax liabilities (Net)	6	120.67	193.43
(c) Long-term provisions	7	43.91	49.25
		<b>443.27</b>	<b>242.68</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	8	5,124.16	5,366.16
(b) Trade payables	9	1,464.04	981.57
(c) Other current liabilities	10	1,590.46	1,809.14
		<b>8,178.66</b>	<b>8,156.87</b>
<b>TOTAL</b>		<b>19,299.66</b>	<b>19,459.76</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	2,986.94	3,348.90
(ii) Intangible assets		14.63	14.63
		<b>3,001.57</b>	<b>3,363.53</b>
(b) Non-current investments	12	366.20	364.90
(c) Long-term loans and advances	13	1,252.36	1,162.58
(d) Long Term Trade Receivables	14	1,081.17	1,162.61
		<b>2,699.73</b>	<b>2,690.09</b>
<b>2 Current assets</b>			
(a) Inventories	15	5,097.60	5,408.88
(b) Trade receivables	16	2,110.10	1,760.67
(c) Cash and cash equivalents	17	674.27	701.72
(d) Short-term loans and advances	18	5,716.39	5,534.87
		<b>13,598.36</b>	<b>13,406.14</b>
<b>TOTAL</b>		<b>19,299.66</b>	<b>19,459.76</b>

Summary of Significant Accounting Policies

2

As per our report of even date

**For HEGDE & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Registration No. 103610W

For and on behalf of the Board of Directors

Sd/-  
**MANOJ V SHETTY**  
(PARTNER)  
Membership No.138593

Sd/-  
**JERRY VARGHESE**  
MANAGING DIRECTOR

Sd/-  
**SARAMMA VARGHESE**  
DIRECTOR

Dated: 11.06.2012  
Place: MUMBAI

Sd/-  
**SREEKUMAR K**  
COMPANY SECRETARY

**Profit and Loss Account for the year ended 31st March, 2012**

(₹ in lacs)

Particulars	Note No.	Year Ended 31.3.2012	Year Ended 31.03.2011
<b>I INCOME</b>			
Revenue from operations (Gross)	19	19,226.38	8,840.82
Less : Excise Duty		-	-
<b>II Revenue from operations (Net)</b>		<u>19,226.38</u>	<u>8,840.82</u>
Other income	20	288.06	393.98
<b>III Total Revenue (I + II)</b>		<u><b>19,514.44</b></u>	<u><b>9,234.80</b></u>
<b>EXPENSES:</b>			
Cost of materials consumed	21	4,770.11	2,267.42
Construction expenses	22	10,843.88	4,420.72
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress		-	-
Employee benefits expense	23	871.18	605.84
Finance costs	24	964.14	725.63
Depreciation and amortization expense	11	502.43	515.95
Other expenses	25	1,128.74	674.17
<b>IV Total expenses</b>		<u><b>19,080.48</b></u>	<u><b>9,209.73</b></u>
<b>V Profit before exceptional and extraordinary items and tax (III-IV)</b>		<u>433.96</u>	<u>25.07</u>
VI Exceptional items		-	-
<b>VII Profit before extraordinary items and tax (V - VI)</b>		<u>433.96</u>	<u>25.07</u>
VIII Extraordinary Items	26	<u>(500.97)</u>	<u>0.00</u>
<b>IX Profit before tax (VII- VIII)</b>		<u>(67.01)</u>	<u>25.07</u>
X Tax expense:			
(1) Current tax		(49.04)	(71.02)
(2) Current tax relating to prior years		(339.20)	(6.07)
(3) Deferred tax		72.77	78.47
		<u>(315.47)</u>	<u>(0.12)</u>
XI Profit (Loss) for the period (IX - X)		<u><b>(382.48)</b></u>	<u><b>24.95</b></u>
<b>XII Earnings per equity share:</b>			
<b>Basic</b>			
Computed on the basis of profit from continuing operation		-3.48	0.23
Computed on the basis of total profit for the year		-3.48	0.23
<b>Diluted</b>			
Computed on the basis of profit from continuing operation		-3.48	0.23
Computed on the basis of total profit for the year		-3.48	0.23

As per our report of even date

**For HEGDE & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 Registration No. 103610W

For and on behalf of the Board of Directors

Sd/-  
**MANOJ V SHETTY**  
 (PARTNER)  
 Membership No.138593

Sd/-  
**JERRY VARGHESE**  
 MANAGING DIRECTOR

Sd/-  
**SARAMMA VARGHESE**  
 DIRECTOR

Dated: 11.06.2012  
 Place: MUMBAI

Sd/-  
**SREEKUMAR K**  
 COMPANY SECRETARY

## Cash Flow Statement for the year ended 31st March 2012

		(₹ in lacs)			
		2011-12		2010-11	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	<b>Net Profit/(Loss) before Tax</b>		<b>(67.01)</b>		<b>25.07</b>
	<b>Adjustments for:</b>				
	Interest Expense	964.14		725.63	
	Interest Income	(169.30)		(62.05)	
	Depreciation	502.43		515.95	
	Dividend received	(0.49)		(0.49)	
	Provision for Doubtful Debts	17.50		38.01	
	Gratuity provision	(5.34)		13.02	
	Preliminary Expenses w/off	97.25		97.99	
	Bad Debts w/o	144.68		6.73	
	Sundry Credit Balance W/off	-		(92.75)	
	Income Tax/FBT (payments) refunds	-		78.58	
	<b>Operating Profit/(loss) Before Working Capital Changes</b>		<b>1,483.86</b>		<b>1,345.70</b>
	<b>Changes in Working Capital</b>				
	Decrease / (Increase) in Trade & Other Receivables	(430.17)		(492.84)	
	Decrease / (Increase) in Long Term Loans & Advances	(89.78)		(86.47)	
	Decrease / (Increase) in Inventories	311.28		(1,434.71)	
	Decrease / (Increase) in Short Term Loans & Advances	(350.51)		(723.08)	
	(Decrease) / Increase in trade payables and other liabilities	263.79		933.34	
	Less : taxes paid	(316.50)		(73.92)	
	<b>Cash Generated from Operations</b>		<b>(611.89)</b>		<b>(1,877.68)</b>
	<b>Net Cash from Operating Activities [A]</b>		<b>871.97</b>		<b>(531.98)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of fixed assets	(140.47)		(182.29)	
	Purchase of Non current investments	(1.30)		0.00	
	Interest received	169.30		62.05	
	Dividend received	0.49		0.49	
	<b>Net Cash from Investing Activities [B]</b>		<b>28.02</b>		<b>(119.75)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Dividend and Distribution tax paid	-		(110.07)	
	Interest paid	(964.14)		(725.63)	
	Increase/(Decrease) in Long Term Borrowings	278.70		1,729.48	
	Increase/(Decrease) in Long/Short Term Borrowings	(242.00)		-	
	<b>Net Cash from Financing Activities [C]</b>		<b>(927.44)</b>		<b>893.79</b>
	Net increase in Cash and Cash equivalents [A+B+C]		(27.45)		242.06
	Cash & Cash equivalents at the beginning of the year		701.72		459.66
	<b>Cash &amp; Cash equivalents at the end of the year</b>		<b>674.27</b>		<b>701.72</b>

**Note:**

- Cash Flow Statement has been prepared under the indirect method as set in accounting standard (AS) 3 : " Cash Flow Statements issued by the Institute of Chartered Accountants of India
- Cash and Cash equivalents at the end of the year represent Cash and Bank Balances.
- Previous Year's figures have been regrouped/reclassified whenever applicable

As per our report of even date

**For HEGDE & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**For and on behalf of the Board of Directors**

Sd/-  
**MANOJ V SHETTY**  
(PARTNER)  
Membership No.138593  
Dated: 11.06.2012  
Place: MUMBAI

Sd/-  
**JERRY VARGHESE**  
MANAGING DIRECTOR

Sd/-  
**SARAMMA VARGHESE**  
DIRECTOR

Sd/-  
**SREEKUMAR K**  
COMPANY SECRETARY



## Notes to financial statements for the year ended 31st March 2012.

### 1. Corporate Information :

Roman Tarmat Ltd. (RTL) was established in the year 1986 by Mr. Jerry Varghese. RTL is specialized in the construction of Airfield and National/State Highways all over India. The present works include parking bays for the Airbus A-380 at Bangalore International Airport, Airports at Gulbarga & Shimoga, recarpeting of Main Runway at Agra Airport, four laning project on Nagpur-Hyderabad National Highway.

The company had its IPO in 2007 and got listed in BSE/NSE. The present paid up capital of the company is ₹ 10.96Cr, of which 63% is held by the promoters.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS -

- (i) The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- (ii) Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- (iii) Accounting policies have been consistently applied by the Company and except for the changes in accounting policies referred below, are consistent with those used in the previous year.
- (iv) During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial Statements. However it has significant impact on presentation and disclosures made in the financial statements. The company has reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### 2.2 Use of Estimate -

The preparation of financial statements requires estimates and assumptions to be made that affects the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### 2.3 Revenue Recognition -

- (i) Income from construction contracts is recognized on the basis of work certified in accordance with percentage completion method. All other income and expenditure are recognized and accounted for on an accrual basis. Losses on contracts are fully accounted for as and when incurred.
- (ii) Hire Charges is accounted for as per terms of the lease agreement.
- (iii) Dividend Income is accounted for when the right to receive is established.
- (iv) Interest income on deposits is recognized on accrual basis.

#### 2.4 Fixed Assets -

Fixed Assets are stated at cost net of tax/duty credits availed, wherever applicable less accumulated depreciation/ impairment losses, if any. The cost of an asset comprises of purchase price and any directly attributable cost of bringing the assets to its present condition for intended use and incremental amount of revaluation.

#### 2.5 Depreciation -

Depreciation is charged as per straight-line method at the rate and in the manner specified in Schedule XIV to the Companies Act, 1956.

#### 2.6 Inventories -

The stock of stores, spares and embedded goods and fuel is valued at cost (weighted average basis), or net realizable value whichever is lower.

Work in Progress is valued at the contract rates and site mobilization expenditure of incomplete contracts is stated at cost.

#### 2.7 Investment -

Investments which are readily realizable and intended to be held for not more than one year from the date on

which such investments are made, are classified as current investments. All other investments are classified as Long Term Investments. Current Investment are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long Term Investments are measured at Cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment.

## **2.8 Borrowing Costs -**

Borrowing cost which are directly attributable to the acquisition/construction of Qualifying Assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing cost is charged to revenue.

## **2.9 Current Tax and Deferred Tax -**

- i. Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961.
- ii. Current Tax is calculated in accordance with the tax laws applicable to the current financial year.
- iii. Deferred tax expense of benefit is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.
- iv. Advance tax and provision for current income are presented in the Balance Sheet after setting off advance tax paid and income tax provision arising in the same tax jurisdiction.

## **2.10 Foreign Exchange Transaction -**

- (i) Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currency as at the Balance Sheet date are translated at the year-end exchange rate.
- (iii) Premium on forward cover contracts in respect of import of raw material is charged to Profit & Loss Account over the period of contracts except in respect of liability for acquiring fixed assets, in which case the difference are adjusted in carrying cost of the same.

## **2.11 Employee Retirement Benefits -**

The company provides for gratuity in accordance with the rules of the company based on an actuarial valuation carried out at the Balance Sheet date, by an independent actuary. Contribution payable to Employees benefits is charged to Profit & Loss Account as and when incurred. Leave wages is not applicable to this Company. The Company has provided for gratuity during the current year as per the actuarial valuation of liability.

## **2.12 Impairment of Assets -**

The Company assesses at each Balance Sheet date whether there is any indication that an assets may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belong is less than its carrying amount, the carrying amount is reduced to its recoverable amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

## **2.13 Earning per share -**

Basic EPS is computed using the weighted average number of equity shares outstanding during the year.

## **2.14 Provision, Contingent Liabilities and contingent assets -**

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

	<b>31st March 2012</b>	<b>31st March 2011</b>
	₹ In Lacs	₹ In Lacs
<b>Note 3.</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
12000000 Equity Shares of ₹10/- each	1,200.00	1,200.00
<b>Issued, Subscribed &amp; fully paid up shares</b>		
10960707 Equity Shares of ₹ 10/- each	1,096.07	1,096.07
<b>Total Issued, subscribed and fully paid up share capital</b>	<b>1,096.07</b>	<b>1,096.07</b>

- a. Reconciliation of the shares outstanding at the beginning and at the end of the year

<b>Equity Shares</b>	<b>31st March 2012</b>		<b>31st March 2011</b>	
	No. (Lacs)	₹ In Lacs	No. (Lacs)	₹ In Lacs
At the beginning of the year	109.06	1096.07	109.06	1096.07
Issued during the period- Bonus Issue	-	-	-	-
Issued during the period- ESOP	-	-	-	-
Outstanding at the end of the period	109.06	1096.07	109.06	1096.07

**b. Terms / Rights attached to equity shares**

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

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

**c. Shares held by holding /ultimate holding company**

Roman Tarmat Ltd. has no holding company. Hence the number of shares held by Holding/ultimate company is NIL

**d. Details of shareholders holding more than 5% shares in the Company**

<b>Name of the Shareholder</b>	<b>As at 31st March 2012</b>		<b>As at 31st March 2011</b>	
	<b>No. of Shares Held</b>	<b>% of Holding</b>	<b>No. of Shares Held</b>	<b>% of Holding</b>
Mr. Jerry Varghese	3241820	29.58%	3141192	28.66%
Mr. Dilip Varghese	1062463	9.69%	918900	8.38%
Mrs. Saramma Varghese	1051161	9.59%	1051161	9.59%
M/s. Tarmat Holdings Pvt. Ltd	1361328	12.42%	1361328	12.42%

**e. Aggregate number of Bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :**

	<b>31st March 2012</b>	<b>31st March 2011</b>
	No. In Lacs	No. In Lacs
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	Nil	Nil
Equity Shares allotted as fully paid - up pursuant to contracts for consideration other than cash	Nil	Nil
Equity shares bought back by the Company	Nil	Nil

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
<b>Note 4.</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Securities Premium Account</b>		
Balance As per Last Balance Sheet	6,206.89	6,206.89
Add : Transferred from surplus balance in the Profit & Loss Statement	-	-
Closing Balance	<u>6,206.89</u>	<u>6,206.89</u>
<b>Revaluation Reserve</b>		
As per Last Balance Sheet	8.50	8.50
Transfer/write back during the year	-	-
Closing Balance	<u>8.50</u>	<u>8.50</u>
<b>General Reserve</b>		
Opening Balance	520.48	520.48
Add : Transferred from surplus balance in the Profit & Loss Statement	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<u>520.48</u>	<u>520.48</u>
Surplus/ (deficit) in the Statement of Profit & Loss		
Balance as per Last financial statements	3,228.27	3,203.32
Profit for the year	-382.48	24.95
Less : Appropriations		
(-) Proposed Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<u>2,845.79</u>	<u>3,228.27</u>
<b>Total</b>	<b><u>9,581.66</u></b>	<b><u>9,964.14</u></b>

	Non Current Portion		Current Portion	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	₹ (Lakhs)	₹ (Lakhs)	₹ (Lakhs)	₹ (Lakhs)
<b>Note 5.</b>				
<b>LONG TERM BORROWINGS</b>				
Secured				
Term Loans				
From Other Parties				
SREI Equipment Finance Pvt Ltd (NBFC)	278.69	-	148.00	-
	<u>278.69</u>	<u>-</u>	<u>148.00</u>	<u>-</u>

## 5.1 Additional Information to Secured Long Term Borrowings

The long term portion of term loans are shown under long term borrowing and the current maturities of the long term borrowings are shown under the current liabilities as per the disclosure of the Revised Schedule VI.

## 5.2 Details of Securities and Terms of Repayment

### Secured (Term Loans)

SREI Equipment Finance Private Limited

Secured by first charge by way of hypothecation of specific movable assets as described in the Annexure to Schedule of the loan agreement executed on August 8, 2011 (for Disbursement of ₹ 72 lacs), on August 15, 2011 (For Disbursement of ₹ 28 lacs), on October 15, 2011 (for Disbursement of ₹ 250 lacs), on December 5, 2011 (For Disbursement of ₹ 60 lacs), on March 15, 2012 (for Disbursement of ₹ 20.68 lacs), and on March 15, 2012 (For Disbursement of ₹ 40 lacs)

Amount of Loan ₹ in lacs	Interest Rate	Instalment Amount Payable (₹ in lacs)	No. of Outstanding Instalment	Period of maturity from Balance Sheet Date.		
28.00	14.00%	0.98	30 monthly	2 yrs 6 months		
72.00	14.00%	2.52	29 monthly	2 yrs 5 months		
250.00	14.00%	8.74	32 monthly	2 yrs 8 months		
60.00	14.75%	2.12	33 monthly	2 yrs 9 months		
20.68	14.75%	0.73	36 monthly	3 yrs		
40.00	14.75%	1.41	36 monthly	3 yrs		
					<b>31st March 2012</b>	<b>31st March 2011</b>
					<b>₹ in lacs</b>	<b>₹ in lacs</b>

### Note 6.

#### DEFERRED TAX LIABILITIES (Net)

##### Deferred Tax Liability

Related to Fixed Assets

184.76

240.02

##### Deferred Tax Assets

Related to Tax Disallowances

18.37

18.37

Related to Preliminary expenses written off

45.72

28.22

Deferred Tax Assets

64.09

46.59

##### Deferred Tax Liability (Net)

**120.67**

**193.43**

**As at  
31.03.2012**

**As at  
31.03.2011**

**₹ in lacs**

**₹ in lacs**

### Note 7.

#### LONG TERM PROVISIONS

Provision for Employee Benefits

43.91

49.25

#### TOTAL

**43.91**

**49.25**

### Note 8.

#### SHORT TERM BORROWINGS

##### Secured

##### (A) Loans repayable on demand

a) From Banks

Cash Credit

5,124.16

5,366.16

##### Total

**5,124.16**

**5,366.16**

1. Cash Credit Limits - Note 8(a)

Secured by hypothecation of specific assets covered under hypothecation loan agreements.

The Company has defaulted in the repayment of interest dues during the period January 2012 to March 2012

The details of default of interest is as follows:

Name of Bank	Interest	Jan-12	Feb-12	Mar-12	₹ Lacs
Vijaya Bank		52.07	29.48	57.31	

**Note 9 :****TRADE PAYABLES**

Trade Payables	1464.04	981.57
<b>TOTAL</b>	<b>1464.04</b>	<b>981.57</b>

## Note on SME

The Company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to the amount unpaid as at year end together with interest paid/payable under this act has not been given.

	As at 31.03.2012 ₹ in lacs	As at 31.03.2011 ₹ in lacs
--	----------------------------------	----------------------------------

**Note 10 :****OTHER CURRENT LIABILITIES**

a) Current Maturities of Long Term Borrowings	148.00	-
b) Advance from Contractees	905.95	1,462.57
c) Others	230.45	112.09
d) Unpaid Dividend	4.81	4.94
e) Due To Employees	71.29	92.06
f) Statutory Dues Payable	228.19	135.71
g) Application money received for Allotment of securities and due for refund	1.77	1.77
<b>TOTAL</b>	<b>1,590.46</b>	<b>1809.14</b>

## Note on Application money due

The amount relates to share application money received but not refunded as the addressees are not traceable. The amount is kept in a separate bank account pending transfer to Investor Education & Protection Fund when due.

## Note 11

₹ Lacs

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	As at 01st April 2011	Additions/ (Disposals)	As at 31st March 2012	As at 01st April 2011	Depreciation for the year	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011
<b>a</b>								
<b>Tangible Assets</b>								
Land	461.25	-	461.25	-	-	-	461.25	461.25
Buildings	339.51	0.51	340.02	92.28	9.83	102.11	237.91	247.23
Plant and Equipment	4,896.02	130.97	5,026.99	2,491.39	446.91	2,938.30	2,088.69	2,404.62
Furniture and Fixtures	109.65	3.95	113.60	56.89	7.70	64.59	49.01	52.75
Vehicles	274.75	-	274.75	127.16	25.07	152.23	122.52	147.59
Office equipment	77.92	5.02	82.94	42.46	12.92	55.38	27.56	35.46
<b>Total</b>	<b>6,159.10</b>	<b>140.45</b>	<b>6,299.55</b>	<b>2,810.18</b>	<b>502.43</b>	<b>3,312.61</b>	<b>2,986.94</b>	<b>3,348.90</b>
<b>b</b>								
<b>Intangible Assets</b>								
Goodwill	14.63	-	14.63	-	-	-	14.63	14.63
Computer software								
<b>Total</b>	<b>14.63</b>	<b>-</b>	<b>14.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.63</b>	<b>14.63</b>
<b>Total</b>	<b>6,173.73</b>	<b>140.45</b>	<b>6,314.18</b>	<b>2,810.18</b>	<b>502.43</b>	<b>3,312.61</b>	<b>3,001.57</b>	<b>3,363.53</b>

## Note 2: Disclosure pursuant to Note no. I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Year				
	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Asset details:</b>					
Balance as at 1 April	6,173.72	5,991.43	5,839.53	4,805.90	3,823.62
Impairment/ Revaluation	-	-	-	-	-
Balance as at 31 March	6,314.18	6,173.72	5,991.43	5,839.53	4,805.90

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Quoted ₹ in lacs	Unquoted ₹ in lacs	Quoted ₹ in lacs	Unquoted ₹ in lacs
<b>Note 12 Non-current investments</b>				
<b>Investments (At cost unless otherwise specified):</b>				
<b>Trade investments</b>				
<b>Investment in Equity shares ( Others)</b>				
Concast Jawasa Road Project Ltd				
2600 Equity Shares of ₹ 10/- each fully paid up	-	0.26	-	-
Concast Amba Road Project Ltd				
2600 Equity Shares of ₹ 10/- each fully paid up	-	0.26	-	-
Concast Damoha Road Project Ltd				
2600 Equity Shares of ₹ 10/- each fully paid up	-	0.26	-	-
Concast Dhaneta Road Project Ltd				
2600 Equity Shares of ₹ 10/- each fully paid up	-	0.26	-	-
Concast Phatan Road Project Ltd				
2600 Equity Shares of ₹ 10/- each fully paid up	-	0.26	-	-
<b>Investment in Joint Ventures</b>				
KCEL BML-ROMAN TARMAT JV	-	74.98	-	74.98
TARMAT BEL JV	-	100.00	-	100.00
TARMAT JP ENTERPRISES JV	-	187.98	-	187.98
<b>Other investments (Non Trade)</b>				
<b>a) Quoted Investment</b>				
19400 Equity shares of Vijaya Bank Ltd of ₹ 10/- each fully paid up	1.94	-	1.94	-
<b>Total</b>	<b>1.94</b>	<b>364.26</b>	<b>1.94</b>	<b>362.96</b>
<b>Details</b>				
<b>Aggregate of Investments</b>				
	<b>Cost</b>	<b>Market Value</b>	<b>Cost</b>	<b>Market Value</b>
	<b>₹ in lacs</b>	<b>₹ in lacs</b>	<b>₹ in lacs</b>	<b>₹ in lacs</b>
a) Quoted Investment	1.94	11.33	1.94	15.39
b) Unquoted Investment	364.26	-	362.96	-
<b>Total</b>	<b>366.20</b>	<b>11.33</b>	<b>364.90</b>	<b>15.39</b>
			<b>31st March 2012</b>	<b>31st March 2011</b>
			<b>₹ in lacs</b>	<b>₹ in lacs</b>
<b>Note 13 Long Term Loans and Advances</b>				
<b>Unsecured, considered good</b>				
a. Capital Advances			-	-
b. Security and Other Deposits			1,188.28	1,111.99
c. Loans and Advances to Employees			64.08	50.59
<b>Total</b>			<b>1,252.36</b>	<b>1,162.58</b>



	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
<b>Note 14 Long Term Trade Receivables</b>		
<b>Unsecured, Considered good</b>		
a) Trade Receivables	1,119.11	1,183.05
Less : Provision for Doubtful Debts	-37.94	-20.44
<b>Total</b>	<b>1,081.17</b>	<b>1,162.61</b>
<b>Note 15 : Inventories</b>		
(As technically valued and certified by the Management)		
a) Material At Site, At Cost	1,878.58	1,798.30
b) Work In Progress	3,219.02	3,610.58
<b>Total</b>	<b>5,097.60</b>	<b>5,408.88</b>
<b>Note 16 : Trade Receivables</b>		
<b>Unsecured and Considered Good</b>		
a) Trade Receivables outstanding for more than 6 months	398.51	204.07
Less : Provision for Doubtful Debts	-	-
	398.51	204.07
b) Other Trade receivables	1,711.59	1,556.60
<b>Total</b>	<b>2,110.10</b>	<b>1,760.67</b>
<b>Note 17 : Cash and Cash Equivalents</b>		
a) Cash on Hand	54.16	64.23
b) Balance with Banks		
i) In Current Accounts	237.77	99.71
ii) In earmarked Accounts		
1) Unpaid Dividend Accounts	4.81	4.94
2) Share Application money received for allotment of securities and due for refund	1.77	1.77
3) Balances held as Margin Money or security against borrowings, guarantees and other Commitments	375.76	531.07
<b>Total</b>	<b>674.27</b>	<b>701.72</b>
<b>Note 18 : Short term Loans and Advances</b>		
<b>Unsecured, Considered Good</b>		
a) Others		
i) Advances Recoverable in cash or in kind or for value to be received	3,537.67	3,470.85
ii) Advance payment of Taxes (Net of Provision)	459.18	530.92
Advance tax ₹ 582.99lacs (Previous Year ₹ 1655.93 lacs)		
Provision for Tax ₹ 168.32 lacs (Previous Year ₹ 1125.01lacs)		

	<b>31st March 2012 ₹ in lacs</b>	<b>31st March 2011 ₹ in lacs</b>
iii) Earnest Money and Other Deposits	1,676.47	1,483.89
b) Loan to Employees	43.07	49.21
<b>Total</b>	<b>5,716.39</b>	<b>5,534.87</b>
Prepaid expenses:		
Commission on Bank Guarantee: ₹ 89.00lacs (Previous year ₹ 154.40lacs)		
Insurance expenses: ₹ 7.28lacs ( Previous Year ₹ 0.30lacs)		
<b>Note 19 Revenue from Operations</b>		
Work Bill Receipts - Gross	19,617.94	7,547.74
Add : Work in Progress, at close	3,219.02	3,610.58
	22,836.96	11,158.32
Less : Work in progress, at commencement	3,610.58	2,317.50
<b>Total</b>	<b>19,226.38</b>	<b>8,840.82</b>
<b>Note 20 Other Income</b>		
a) Hire and Royalty Charges received	50.40	147.50
b) Dividend	0.49	0.49
c) Interest from Banks	169.30	62.05
d) Sales tax Refund	11.44	72.98
e) Duty Drawback	48.03	-
f) Other Non Operating Income		
i) Misc Receipts	8.34	110.96
ii) Exchange Gain (Net)	0.06	-
<b>Total</b>	<b>288.06</b>	<b>393.98</b>
<b>Note 21 Cost of construction material consumed</b>		
Stock at Commencement	1,798.30	1,656.68
Add : Purchases	4,850.43	2,413.08
	6,648.73	4,069.76
Less : Scrap sold	0.04	4.04
	6,648.69	4,065.72
Less : Stock at Close	1,878.58	1,798.30
	<b>4,770.11</b>	<b>2,267.42</b>
<b>Note 22 Construction expenses</b>		
Subcontract , Transportation, Hire etc	9,092.26	3,536.47
Labour Charges	704.39	682.79
Power & Fuel	59.15	56.45
Repairs to Machinery	112.04	81.11
Other repairs	46.07	30.68
Laboratory charges and Water charges	14.46	20.05

	<b>31st March 2012 ₹ in lacs</b>	<b>31st March 2011 ₹ in lacs</b>
Contract Expenses from RA bills	815.51	13.17
<b>Total</b>	<b>10,843.88</b>	<b>4,420.72</b>
Subcontract , Transportation etc include subcontract charges ₹ 8937.50lacs (Previous year ₹ 3392.76lacs), Transportation charges ₹ 127.72lacs (Previous Year ₹ 84.51lacs)		
<b>Note 23 Employee Benefit Expenses</b>		
(a) Salaries and incentives	721.57	495.70
(b) Contributions to -		
(i) Provident fund	5.22	0.95
(ii) ESIC	0.16	0.17
(c) Gratuity fund contributions	6.53	13.02
(d) Staff welfare expenses	137.70	96.00
<b>Total</b>	<b>871.18</b>	<b>605.84</b>
<b>Note 24 Finance Cost</b>		
a) Interest expense	858.19	544.10
b) Other borrowing costs	105.95	178.81
c) Applicable net gain/loss on foreign currency transactions and translation	-	2.72
<b>Total</b>	<b>964.14</b>	<b>725.63</b>
<b>Note 25 Other Expenses</b>		
a) Stationery, Postage, Telephone & Advertisement	28.55	39.57
b) Travelling & Conveyance	29.89	45.50
c) Rent	36.37	36.24
d) Rates & Taxes - excluding taxes on income	11.99	26.10
e) Insurance	22.12	26.49
f) Repairs to building	9.14	5.95
g) Legal & Professional Fees	72.84	46.66
h) Office Maintenance	6.61	3.18
i) Security charges	18.30	16.64
j) Donations	10.20	-
k) Business Promotion	21.33	8.43
l) Vehicle Tax	23.58	18.71
m) Works Contract Tax/ VAT	505.78	177.19
n) Director's remuneration	44.85	47.78
o) Payment to Auditors as		
i) Audit Fees	2.50	2.50
ii) for taxation matters,	0.25	0.25
iii) for management services,	0.35	0.35
iv) for reimbursement of expenses;	0.32	0.32
p) Preliminary expenses written off	97.25	97.99

	31st March 2012 ₹ in lacs	31st March 2011 ₹ in lacs
q) Provision for doubtful debts	17.50	38.01
r) Bad Debts	144.68	6.73
s) Miscellaneous Expense	24.34	29.58
<b>Total</b>	<b>1,128.74</b>	<b>674.17</b>

**Note No. 26 Extra Ordinary Item**

During the year the company has paid a sum of ₹ 500.97 lacs towards performance bank guarantee invoked by client at Chennai. The expense has been disclosed as an extraordinary item.

**Note No.27 : CONTINGENT LIABILITIES**

	(₹ in lacs)	
Particulars	2011 – 2012	2010 – 2011
Estimated amount of claims against the Company not acknowledged as debts:		
Sales Tax	0.00	0.00
Bank Guarantee	6336.51	8735.12
<b>Total</b>	<b>6336.51</b>	<b>8735.12</b>

**Note No. 28 Earning per share****1) Disclosures as required by Accounting Standard (AS) 20 Earning per Share (EPS) –**

Sr. No.	Particulars	2011 – 2012	2010 – 2011
i)	Profit attributable to Equity Shareholders for Basic Earning per Share	(382.48)	24.95
ii)	Weighted average number of equity shares	109.61	109.61
iii)	Face Value of equity share	₹ 10/-	₹ 10/-
iv)	Earnings per share (Basic and diluted)	(₹ 3.48)	₹ 0.23

**Note No. 29 Related Party Transactions**

Information on Related Party Disclosures as per Accounting Standard 18 (AS-18) on Related Party Disclosures is given below:

**For the year ended 31st March 2012****a) List of related parties with whom the company entered into transactions-**

S.No.	Name of Related Party	Nature of Relationship
<b>A)</b>	<b>Key Management personnel and their relatives -</b>	
1	Mr. Jerry Varghese	Managing Director
2	Mrs. Saramma Varghese	Director
3	Mr. Dilip Varghese	Director

B)	Enterprise owned/controlled by key management personnel or their relatives -	
1	M/s Tarmat Construction Pvt. Ltd.	Company controlled by Mr. Jerry Varghese
2	M/s Tarmat Holding Pvt. Ltd.	Company controlled by Mr. Jerry Varghese
3	M/s Tarmat Quarries Pvt. Ltd.	Company controlled by Mr. Jerry Varghese
4	M/s Tarmat Motels Pvt. Ltd.	Company controlled by Mr. Jerry Varghese

## b) Nature of Transactions -

Nature of Transaction	Amount	Nature of Relationship
Managerial Remuneration	₹ 43.20 lacs	Key Management personnel
Directors sitting fees	₹ 1.65 lacs	Non Executive Directors

**Note No.30 Disclosure in accordance with Accounting Standard -7 (Revised)- Construction Contracts**

₹ In lacs

Particulars	2011 – 2012	2010 – 2011
Amount of Contract revenue recognized as revenue in the period	19345.68	5954.97
Contract cost incurred and recognized profits (less recognized losses) upto the reporting date	17562.71	5683.17
Recognised Profit	1782.97	271.80
Advances received from customers for contract work	905.95	1260.94
Retention money	1437.54	778.13
Gross amount due from customer for contract work	2860.98	1943.64
Gross amount due to customer for contract work	905.95	1334.27

**Note No. 31****1) Segment information -****a) Primary Segment**

The business segment has been considered as the primary segment. The company is engaged in only one reportable segments viz Construction.

**b) Secondary Segment**

The company operates in India and hence there are no geographical segments.

2) Since the principal business of the company is construction activities, quantitative data as required by part II Para ii, 4c, 4d of Schedule VI to the Companies Act, 1956 is not furnished.

3) Additional information pursuant to the provision of part II of Schedule VI to the Companies Act, 1956 (wherever applicable)

₹ In lacs

Sr. No	Particulars	2011-12	2010-11
A	Amount received in Foreign Currency		
	1) Rent Received	51.51	58.54

## Note No.32 Disclosure relating to Employee Benefits – As per AS- 15

₹ In lacs

<b>A</b>	<b>Expenses recognized in the Statement of Profit &amp; Loss Account for the year ended</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
1	Current Service Cost	-	2.96
2	Interest Cost	-	3.23
3	Actuarial (Gain)/Loss	1.19	6.82
4	Past Service Cost-Vested Benefit recognized during the Period		
5	Transitional Liability Recognized during the Period	-	-
6	Expenses Recognized in P & L	6.53	13.02
<b>B</b>	<b>Net Asset/(Liability) recognized In the Balance Sheet</b>		
1	Fair Value of Plan Assets At the End of the Period	-	-
2	Present Value of Benefit Obligation at the end of the Period	(43.91)	49.25
3	Difference	-	-
4	Unrecognized Past Service Cost at the end of the Period	-	-
5	Unrecognized Transitional Liability at the end of the Period	-	-
	<b>(Net Liability Recognized in the Balance sheet)</b>	<b>(43.91)</b>	<b>(49.24)</b>
<b>C</b>	<b>Change in Present Value of Obligation</b>		
1	Present Value of Benefit Obligation at the beginning of the current Period	49.25	36.23
2	Interest Cost	-	3.23
3	Current Service Cost	-	2.96
4	Past Service cost-Non Vested Benefit	-	-
5	Past Service Cost-Vested Benefit	-	-
6	Liability Transferred in	-	-
7	(Liability Transferred Out)	-	-
8	(Benefit Paid)	11.86	-
9	Actuarial (Gain/Loss on Obligations)	1.19	6.82
10	Present value of benefit obligation at the end of the Current Period	43.91	49.25
<b>D.</b>	<b>Actuarial Assumptions:-</b>		
1	Discount Rate-Previous	8.25%	8.25%
2	Salary Escalation-Previous	6.00%	6.00%
3	Attrition Rate-Previous	2.00%	2.00%
4	Discount Rate-Current	8.25%	8.25%
5	Salary Escalation-Current	6.00%	6.00%
6	Attrition Rate-Current	8.50%	2.00%

**Note No.33 Joint ventures: AS-27, Para 51 to 54**

The company has made investments in Joint ventures amounting to ₹ 1.30 lacs (previous year ₹ 362.96 lac) during the year. During the financial year no business activity was undertaken in the joint ventures. The management is of the opinion that the investments made in joint ventures are fully recoverable and in view of the above, no diminution in the value of investment is required.

Name of Joint Venture	Share of Interest in JV	Nature of JV	Assets ₹ Lacs	Liabilities ₹ lacs	Income ₹ Lacs	Expenditure ₹ Lacs
KCL/BEL/TARMAT JV	25:50:25	Jointly controlled entity	74.98	Nil	Nil	Nil
TARMAT/BEL JV	75:25	Jointly controlled entity	100.00	Nil	Nil	Nil
TAMAT/ JP ENTERPRISES)	50:50	Jointly controlled entity	187.98	Nil	Nil	Nil

**Note No.34 Additional Comments**

- 1) On assessment of the impairment of fixed assets of the company as at the Balance Sheet date as required by Accounting Standard 28 "Impairment of Assets" issued by the ICAI, the company is of the view that no provision for impairment of fixed assets is required.
- 2) In accordance with Accounting Standard 11 (revised), the net exchange gain credited to profit & Loss account is ₹ 6412/- (Previous year debit ₹ 272,101/-)
- 3) The income tax assessment of the company has been completed up to Asst. Year 2009-10.
- 4) In the opinion of the Board the current assets and advances if realized in the ordinary course of business have value on realization at least to the amount at which these are stated in the Balance Sheet. The provision for all known liabilities are adequate and not in excess of the amount reasonable necessary. The Balances shown under Investment in Joint Venture are subject to balance confirmation receivable from parties to Joint Venture.
- 5) The previous year's figure have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date

**For HEGDE & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Registration No. 103610W

Sd/-  
**MANOJ V SHETTY**  
(PARTNER)  
Membership No.138593

Dated: 11.06.2012  
Place:MUMBAI

**For and on behalf of the Board of Directors**

Sd/-  
**JERRY VARGHESE**  
MANAGING DIRECTOR

Sd/-  
**SARAMMA VARGHESE**  
DIRECTOR

Sd/-  
**SREEKUMAR K**  
COMPANY SECRETARY





**TARMAT LIMITED**

**Regd. Office:** Tank Road, Off. Gen Vaidya Marg, Goregaon (East), Mumbai – 400 063  
**Corporate Office:** Tarmat Chambers, Sector –24, Plot No. 19, Sanpada, Navi Mumbai –400 705

**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall. Only Members or their Proxies are entitled to be present at the Meeting.

Name and address \_\_\_\_\_  
 \_\_\_\_\_ I hereby  
 record my presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING at 10.00 A.M on 27.09.2012 at Hotel Sea Princess, Juhu Tara Road, Juhu Beach, Mumbai 400 049

Signature of the Shareholder/ Proxy

Member's Folio Number:

DP ID No.

Client ID No.

\*Strike out whichever is not applicable

\*\*To be signed at the time of handing over this slip

**TARMAT LIMITED**

**Regd. Office:** Tank Road, Off. Gen Vaidya Marg, Goregaon (East), Mumbai – 400 063  
**Corporate Office:** Tarmat Chambers, Sector –24, Plot No. 19, Sanpada, Navi Mumbai –400 705

**PROXY FORM**

Regd. Folio No. DP ID No.

Client ID No.

No. of Shares Held:

I/We \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ in the district of \_\_\_\_\_  
 \_\_\_\_\_ being a member/ members of the above-named Company hereby appoint  
 \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_  
 \_\_\_\_\_ or failing him \_\_\_\_\_  
 \_\_\_\_\_ as my/ our proxy to vote for me/us on my/our behalf at the Twenty Seventh Annual General Meeting of the Company to be held on 27th September, 2012 at 10.00 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day \_\_\_\_\_ 2012

Signature

Revenue  
Stamp

Note: This form 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 meeting.



## Our Clients

### DEPARMENT

PIU, KSHIP, Bangalore (W B)  
PIU, PWD, Mizoram (World Bank)

MES (Navy), Vishakhapatnam

AAI, Mumbai

AAI, Chennai

Jet Airways, Mumbai

MCGM, Mumbai

MMRDA, Mumbai

KSTP, Kerala

Mitusui & Co Ltd, Navi Mumbai

Hyundai Corpn. Vashi, N. Mumbai

PWD Mumbai NH Div, Pen.Raigad

PWD- Mumbai Multi. Bldg. Cosnt.

PWD Mumbai RDD III Panvel

CIDCOCBD, Navi Mumbai.

MES, Colaba, Mumbai

National Airport Authr.,New Delhi

NBCC, Lodhi Road, New Delhi

PWD, Mumbai TCB, Chembur

AAI, Sahar, Mumbai

MCGM, Mumbai

MIDC, Chiplun

MES (Airlorce) Ahmedabad

AAI, New Delhi

GSHP- Vadodara, Gujarat

Engineer in Chief (R&B), Hyderabad

M/s Ennore Foundries Ltd , Chennai

Hiranandani Realtors Pvt Ltd, Chennai

Sri Sivasubramaniya Nadar College of Engineering,  
kelavakkam

Ashok Leyland Ltd, Ennore, Chennai

M/s Hitech Carbon, Chennai

M/s SRF Ltd, Chennai

Ahmedabad Municipal Corp. BRTS

MIDC, Nanded

New Mangalore Port Trust

Cochin International Airport Ltd

Mumbai International Airport Ltd

TNRIDC, Chennai - 2

Mahindra & Mahindra, Mumbai

Chief Engineer (H) Metro, Alandur, Chennai - 16

Maharashtra Airport Dvptment Company Ltd.

Bangalore International Airport

Shri Saibaba SansthanTrust, Shirdi

National Highways Authority of India

### NAME OF WORK

Rehab. & Up-grade in State Highways Road Project M3 & U6

State Highways Project M-9, M -4, M -5 Total 125 KM

Special Repairs to Runway & Taxi Tack at NAS Arakkonam

Construction of Link Taxi Track & 8 domestic/remote parking bays

Construction Shoulders & Turn Pad & 4 Bays.

Construction of Taxi Track Apron for Hi-Tech Hanger

Improvement of Goregaon-Mulund Link Road & A K Vaidya Marg

Widening & improvement of Western Exp Highway

Maintenance work of various roads total 70 KM

Const. of roads Bituminous pavement at JNPT, Nhava Sheva

Const. Container Yard, laying sub-base & rigid pavement at JNPT

Widening & strengthening of PMP Road NH 17

Widening of Sion Panvel Road Sec V.

Rehab. Of Mumbai-Pune Rd. NH 4 15.20 Km

Const bituminous road at Khankdeswar, & Road connector to  
Vashi Rly. Station & Pavement in forecourt area of Vashi Rly Stn.

Resurfacing of Runway at Vadodara Airport.

Recarpeting Runway, Taxiway & Apron at CA Belgaum

Resurfacing of Runway at Vadodara Airport.

Const. of approach to Bridge across Thane Creek on Sion-Panvel Rd

Construction of Taxi track & Taxi link along with the main runway.

Up-gradation of main Runway at Mumbai Airport. Concreting of  
TT Parallel to Main Runway

Concreting of B D Sawant Marg, Cardinal Gracious Marg upto Chakala

D C Work(Sec I) Improvement to Chiplun-Shringartali Rd.

Resurfacing of Runway at Air-force station, Jamnagar

Strengthening of Runway & Parallel Taxi way at Indira Gandhi Int. Airport

Periodical renewal of Borsad-Padra-Jambusar Road 27 KM

Widen. & Strength, of Anantpur- Tardipatri-Bhogasamudrum Rd 272Km

Land development, Road work, compound wall & fencing.

Filling, Retaining wall, Construction and Laying of concrete road.

Land development, Formation of new roads, repairs & resurfacing of  
existing Kelavakkam roads and road to bus park area.

Strom water drain, road work, spare parts warehouse

New Road and Old Road Patch work at Sipcot Industrial Complex

New Formation of Approach Road

From RTO to Pirana complete Road construction

Upgradation of Airstrip at Nanded Airport Includ. Apron & Allied works

Concretisation of existing Road Part 1

Construction of additional concrete parking base for Aircrafts

Development of plot near Jet Airways & taxi track bituminous & Roads etc

Improvements Singaperumalkoil to Sriperumbudur road 4 lane Package I  
Improvements Vandalur to Walajabad road 4 lane Package IV

Const. of box culvert& Asphaltting at yellow gate, Kandivali

Widening to six lanes and Strenghtening of Taramani Link road Km 0/0-3/650  
(six lane)

Design and Construction of Apron adjoining to existing apron on Airside to  
new Terminal Building at existing Airport at Nagpur

Design and Construction of Apron adjoining to existing apron on Airside to  
new Terminal Building at existing Airport at Bangalore

Construction of flexible and rigid payment on DP & Ring Road

Four laning of part of Nagpur-Hyderabad National Highway NH7

# **TARMAT**

Infra Engineering Empire

## **Tarmat Limited**

(Formerly known as Roman Tarmat Limited)

General A. K. Vaidya Marg

Near Wageshwari Mandir Stop

Off Film City Road

Goregaon (E)

Mumbai-400063

Tel.: +91-22-2840 2130 / 1180 Fax : +91-22-2840 0322

Website : [www.tarmat.in](http://www.tarmat.in)

Email : [contact@tarmat.in](mailto:contact@tarmat.in)