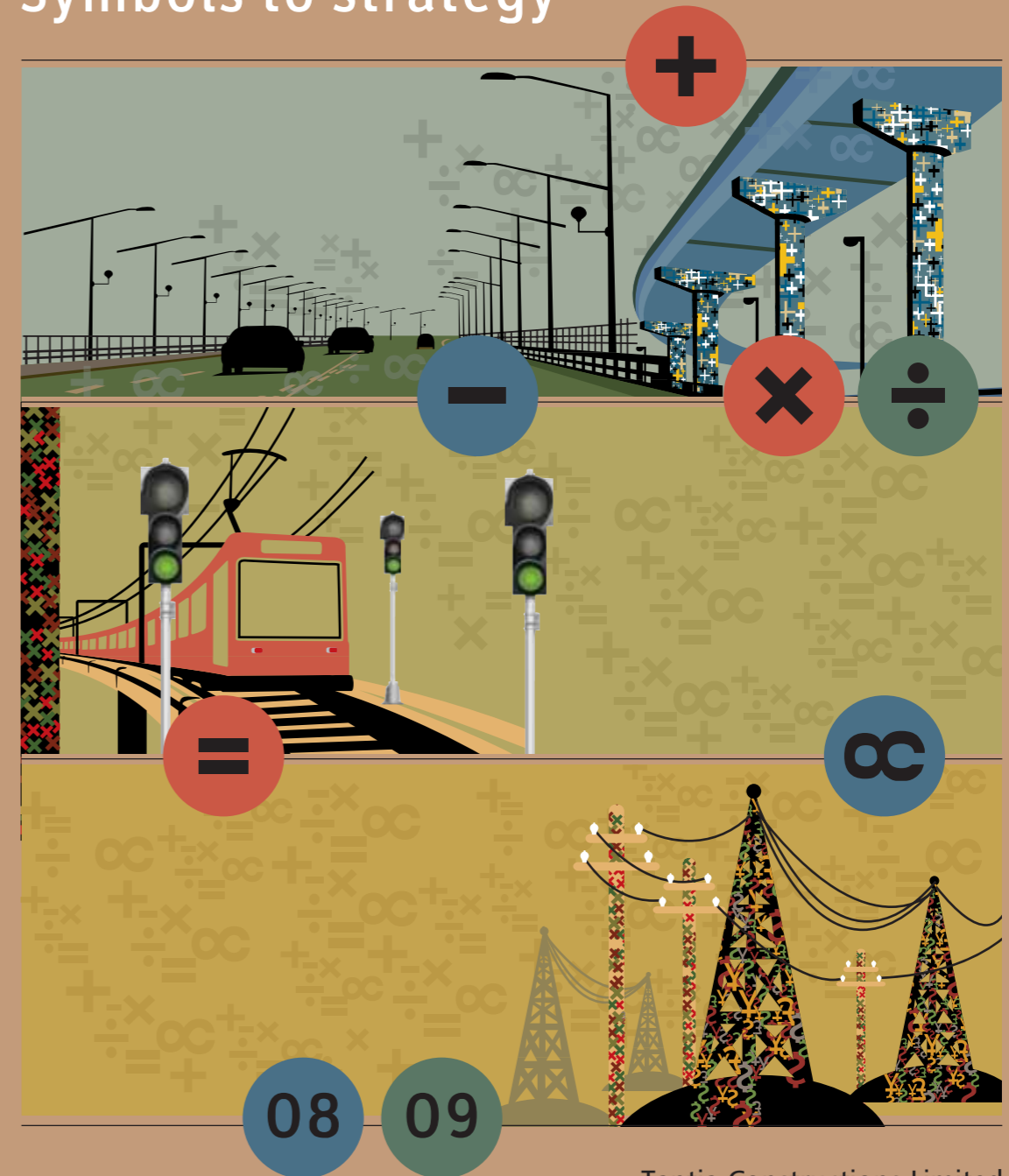


Symbols to strategy



Tantia Constructions Limited
Annual Report 2008-09

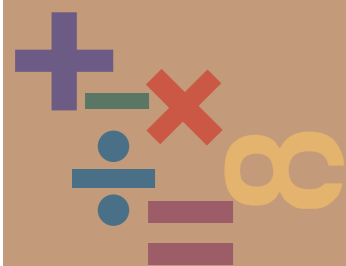


Creating core infrastructure

www.tantiagroup.com

Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Inside the report

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Corporate information

Board of Directors

Sri I.P. Tantia, *Chairman and Managing Director*
Sri B.L. Ajitsaria, *Director (Business Development)*
Sri Rahul Tantia, *Director (Operations)*
Sri M.P. Agarwalla, *Independent Director*
Sri H.S. Sinha, *Independent Director*
Sri U.S. Agarwal, *Independent Director*
Sri P.K. Chattaraj, *Independent Director*
Sri S.K. Bose, *Independent Director*
Sri Shaleen Khemani, *Independent Director*

Company Secretary

Md Jamshed Alam

Principal bankers

Allahabad Bank
Andhra Bank
Axis Bank Ltd.
IDBI Bank Ltd.
Oriental Bank of Commerce
State Bank of India

Statutory auditors

S.M. Bengani & Co.
Chartered Accountants
187 Rabindra Sarani
Kolkata 700 007

Internal auditors

Mookherjee Biswas & Pathak
Chartered Accountants
5 & 6 Fancy Lane, 5th floor
Kolkata 700 001

L. B. Jha & Co.
Chartered Accountants
GF-1 Gillander House
8 Netaji Subhas Road, Kolkata 700 001

Singhi & Co.
Chartered Accountants
1B, Old Post Office Street, Kolkata 700 001

Konar Mustaphi & Associates
Chartered Accountants
P-113, CIT Road, Kolkata 700 014

Registrar and share transfer agents

Maheshwari Datamatics Private Limited
6 Mangoe Lane, Kolkata 700 001

Registered office

25-27, Netaji Subhas Road
Kolkata 700 001

Corporate office

Block EP, Plot Y-6
Sector V, Salt Lake City
Kolkata 700 091

Tantia Constructions Limited.

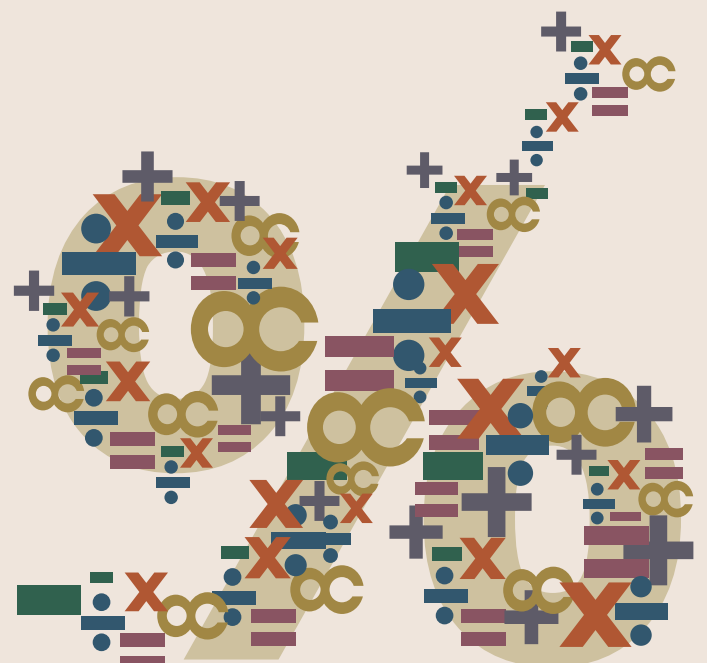
Added value.

Subtracted costs.

Multiplied respect.

Divided prosperity.

Infinite possibilities.



Richer with over **45** years
of industry experience.

Surer with the completion of over
600 projects.

Firmer with
more than **50**
customers.

Faster with
over **1200**
members.

Stronger with **20** alliance/
joint ventures
partners.

Vision

- To become the leading contractor in eastern India
- To achieve long-term goodwill through:
 - Profit for shareholders
 - Satisfaction to customers
 - Enthusiasm without ego
 - Training colleagues and co-workers
 - Clarity with vendors and sub-contractors

Mission

- To excel in the core infrastructure segments of railways, roads, urban development, power transmission, marine and aviation infrastructure
- To rise over competitors
- To grow to a Rs. 8-bn company by 2011
- To contribute 0.25% of profit towards free vocational and construction training for the unskilled and unemployed

Profile

Established by the late G.P. Tantia in 1964 to strengthen India's railway infrastructure. Reputed for providing comprehensive infrastructural services across various sectors like railways, bridges, roads and highways, power transmission, pipelines, aviation, marine and urban development, among others. Enjoys the rare distinction of being one of the first Indian companies to be certified for ISO 9001:2000 from DNV, the Netherlands, in 2001.

Clientele



Railways: Eastern Railway, East Central Railway, Western Railway, North Eastern Railway, South Eastern Railway, North East Frontier Railway, Kolkata Metro Railway, Delhi Metro Railway, IRCON International Ltd and RITES, among others



Roads and highways: National Highway Authority of India (NHAI) and Punjab, Mizoram, Bihar, Karnataka, Uttar Pradesh and West Bengal state PWDs, among others



Urban development: Hooghly River Bridge Commissioners (HRBC), Housing Infrastructure Development Corporation (HIDCO), Kolkata Municipal Corporation (KMC), Kolkata Municipal Development Association (KMDA), Kolkata Environmental Improvement Project (KEIP), Delhi State Industrial Development Corporation (DSIDC) and Delhi Development Authority (DDA), Delhi Municipal Corporation (DMC) among others.



Others: North Eastern Electric Power Corporation (NEEPCO), National Thermal Power Corporation (NTPC), Assam State Electricity Board (ASEB), Central Public Works Department (CPWD), Indian Oil Corporation (IOC) and Airports Authority of India (AAI), among others.

59.88

Operating profit
(Rs. cr)

23.81

Cash profit
(Rs. cr)

13.22

EBIDTA margin
(%)

15.69

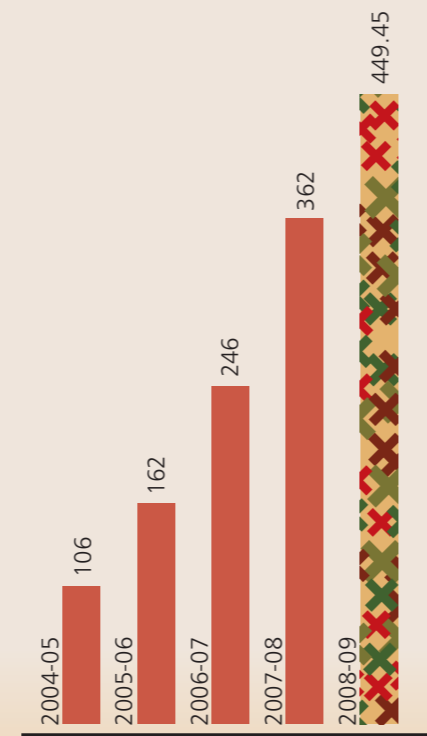
ROCE
(%)

1.50

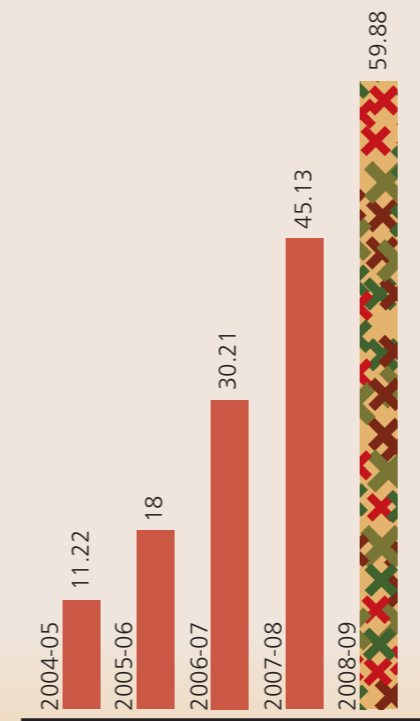
Dividend/ share
(Rs.)

Arithmetic progression.

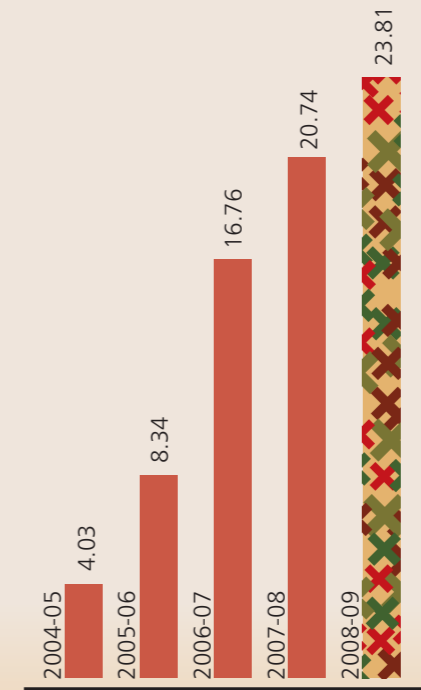
Geometric growth.



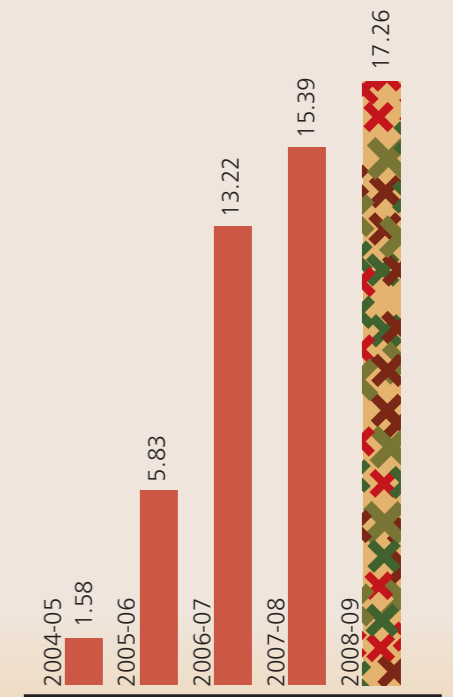
Income from operations
(Rs. in cr)



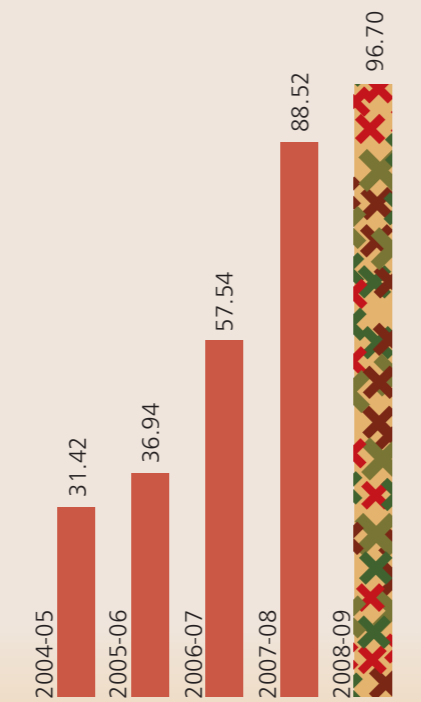
EBITDA
(Rs. in cr)



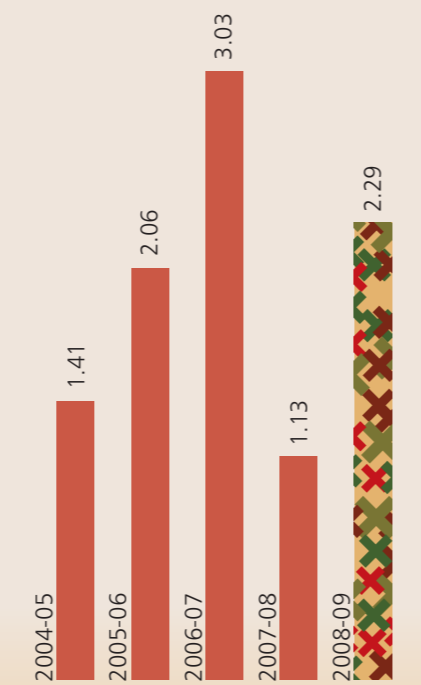
Cash profit
(Rs. in cr)



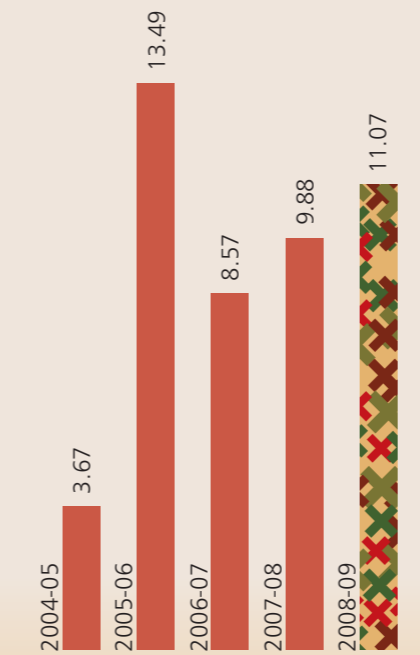
Post-tax profit
(Rs. in cr)



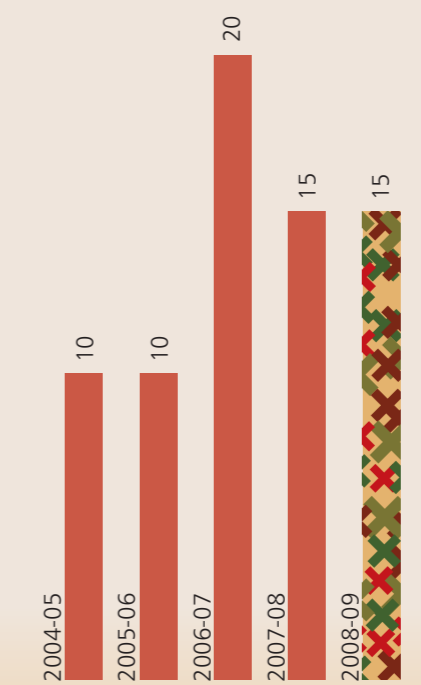
Gross block
(Rs. in cr)



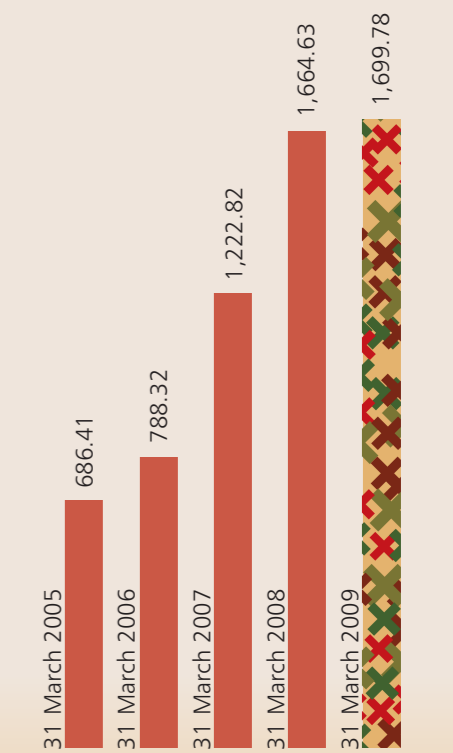
Interest cover
(Times)



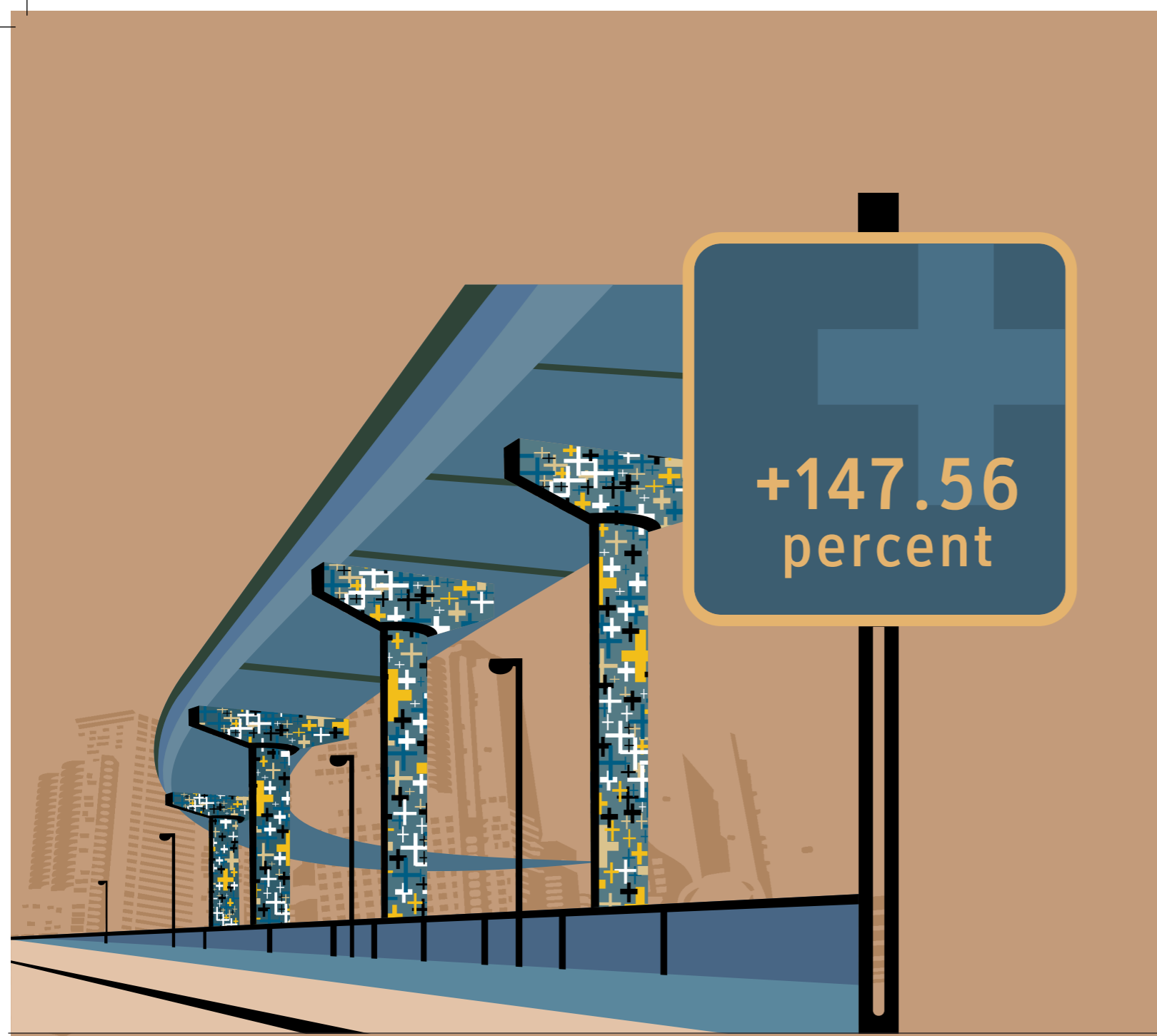
Earnings per share (basic)
(Rs.)



Dividend payout
(Percent)



Order backlog
(Rs. in cr)



+147.56
percent

Growth in order book over the last five years leading to 2008-09



At Tantia, we believe that our principal strategy is to enhance our exposure to high-growth sectors and ride their growth. This strategy helped strengthen our order book year-on-year across the last decade. Besides, a focus on high-value assignments ensured attractive profitability. So while our topline grew 32.67% CAGR in the five years leading to 2008-09, our post-tax profit grew at 53.13% CAGR. +



Decline in raw material cost, as a proportion of turnover in 2008-09, compared with the corresponding figure in 2003-04

At Tantia, we recognise that we are in business to strengthen the businesses of our customers. We have consistently done so through design excellence, technology investments, project innovation, strong application and competent material procurement. The result has inevitably been a competitive cost structure, enhanced price-value and enduring customer partnerships. This was reflected in nearly 78% of our order book (as on 31 March 2009) being derived as repeat business from longstanding customers.

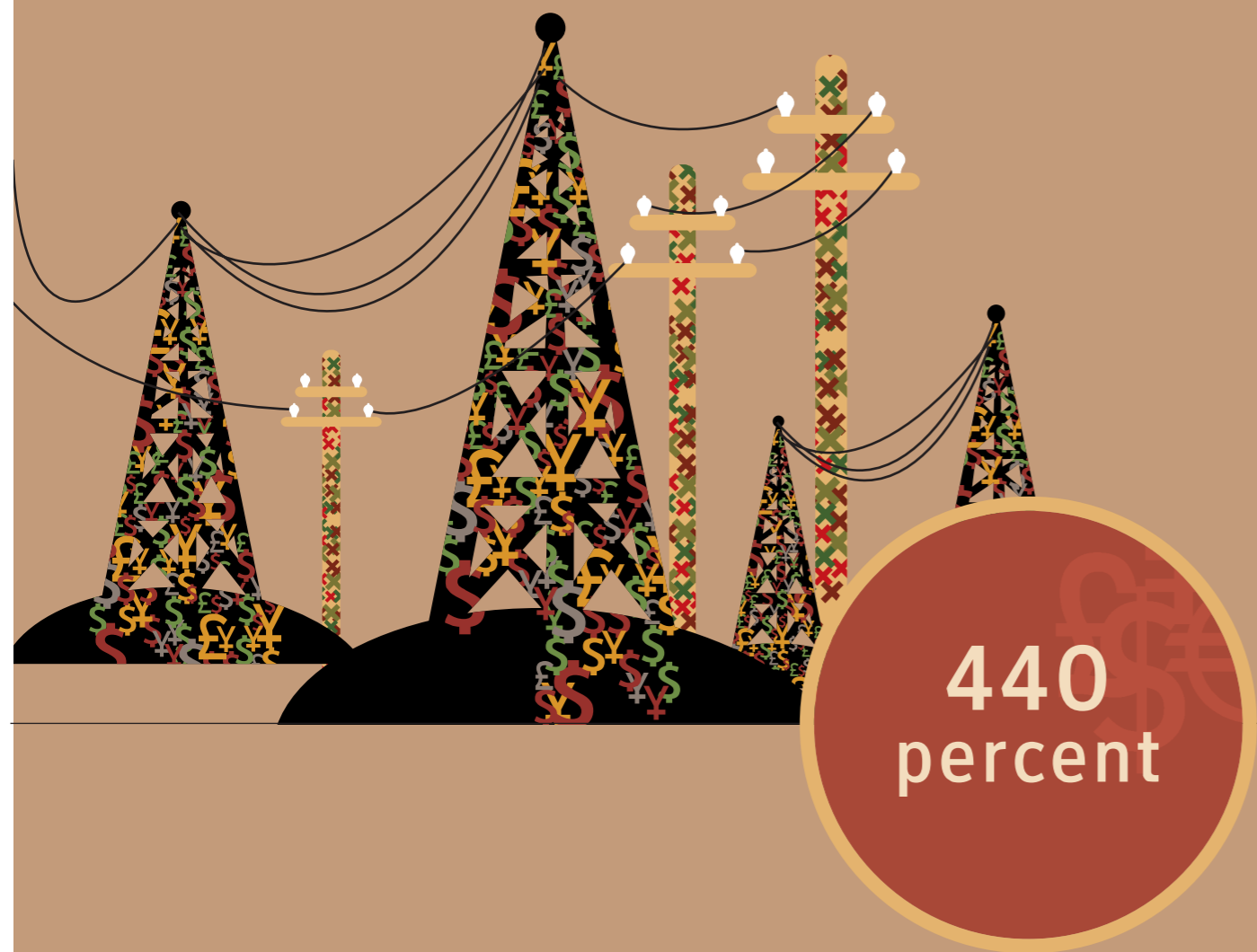


8.42
(times)

Growth in our post-tax profit in 2008-09 compared with the post-tax profit in 2003-04



At Tantia, we realise the intrinsic profitability embedded in challenging projects. In view of this, we extended into new, synergic and margin-accretive areas. The result was that in 2008-09, we bagged a number of challenging rail-road bridges that require extensive on-site steel fabrication. These projects will enhance our corporate visibility and profitability over the foreseeable future.



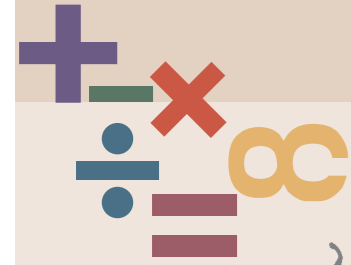
Growth in dividend paid in 2008-09 compared with the corresponding figure in 2003-04

At Tantia, the ultimate bottomline is accretion in shareholder value. Towards this end, we are focusing on deploying resources in highest-value opportunities like margins-enhancing BOT and PPP projects, debt reduction programmes, moderate debt cost, prudent working capital management, robust order book and attractive revenue growth to Rs. 8 bn in 2010-11. In doing so, we expect to enhance value in the hands of all those who own our company.

From the desk of the Chairman

Economic upheaval on the one hand. Stronger resolve, focus and execution on the other.

The result was that we bagged 18 new projects in 2008-09 worth Rs. 501.63 cr. One of the highest in a single year in our existence.



Dear Shareholders,

We need to answer two questions to evaluate our performance in 2008-09.

One, did we adequately capitalise on opportunities?

Two, did we strengthen our business for the future?

I am proud to report that even in the most challenging circumstances, our answer was in the affirmative for both, reflected in the following financial records:

- Topline increased 23% to Rs. 449.45 cr
- Operating profit increased 34% to Rs. 51.67 cr
- Pre-tax profit increased 3.45% to Rs. 20.38 cr
- Post-tax profit increased 12.15% to Rs. 17.26 cr
- 18 new projects worth Rs. 501.63 cr taking the order book to Rs. 1,699.78 cr (as on 31 March 2009)

Proposed a 15% dividend (Rs. 1.50 per equity share of face value of Rs. 10)

A business model as robust as the assets we create

Through four-and-a-half decades of industry presence we have witnessed a number of business cycles and emerged stronger each time. The year 2008-09 was no different. We responded to the challenging environment by deploying the right resources for the right projects, leading to the creation of robust assets in the shortest time. This helped us effectively counter the slowdown generally marked by decelerating consumer demand, slackening industrial output, declining gross capital formation and staggering economic activity. The result is that our business emerged stronger.

- We fortified our presence in the field of civil railway projects.
- We established a structural steel fabrication unit in the Braithwaite facility dedicated to BHEL's fabrication of boilers and ducts for power plants (250–500 MW).
- We created a focused water and sewerage treatment division and within a year bagged a prestigious Public Health and Environment project in West Bengal and in 2009-10 bagged three orders cumulatively worth Rs. 147.86 cr.
- We were awarded a challenging rail-cum-road double-deck bridge project in Bihar over the River Ganga in March 2009. The bridge requires girder

fabrication comprising a massive 70,000 tonnes of steel, perhaps the largest quantity used in any such project in India. This project of national importance will create fresh access points into Patna and cut travel time.

- We bagged the prestigious Delhi Metro project in December 2008. The assignment comprised the construction of a 600 m elevated structure for railway tracks in one of the most congested areas of Delhi.
- We completed our first airport project (Dibrugarh) and bagged two fresh projects (turnkey job for the Cooch Behar terminal airport building and a Mizoram runway and parking bay refurbishment project).
- We commissioned a milling factory engaged in environment friendly bitumen recycling near Kolkata for enhanced customer proximity and optimised cost of road building. We acquired a state-of-the-art Writgen machine to execute the first such recycled bitumen road project in Kolkata.
- We commissioned a ready-mix concrete project at Dum Dum near Kolkata with two modern machines and 90 cu. m hourly aggregate capacity. We intend to scale this business to feed growing in-house requirements.
- We progressively invested in captive equipment – recorded CAGR growth of 24.64% over the last five years ending 2008-09 – and minimised our dependence on equipment lease/ hire.

Infrastructure represents an essential part of our economic and social fabric

For decades, inadequate financial resources bottlenecked infrastructure creation. The Union

Budget of 2009-10 enhanced the flexibility of Indian Infrastructure Finance Company Limited to finance new projects, refinancing existing ones with 60% bank loans in public-private-partnership projects and supporting projects up to Rs. 1 trillion. The Budget also indicated that IIFCL would provide long-term financial assistance to a range of infrastructure projects (roads, ports, airports, railways, power generation and telecommunications), catalysing project implementation and infrastructure creation. The Union Budget 2009-10 also increased funds allocation across most infrastructure schemes of national importance.

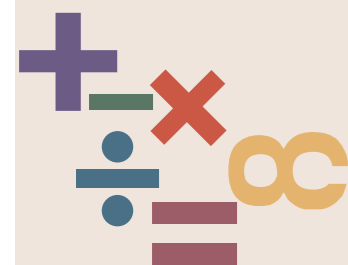
Increased allocations for Bharat Nirman and National Highways Development Programme:

The allocation for Bharat Nirman and NHDP increased from Rs. 313 bn and Rs. 130 bn in 2008-09 to Rs. 454 bn and Rs. 160 bn in 2009-10, which will accelerate road building and benefit related players like Tanta.

Increased allocations for Jawaharlal Nehru National Urban Renewal Mission and Accelerated Irrigation Benefit Programme:

The JNNURM allocation increased from Rs. 69 bn in 2008-09 to Rs. 129 bn in 2009-10; allocation for AIBP increased from Rs. 200 bn in 2008-09 to Rs. 350 bn in 2009-10, highlighting the government's emphasis on urban infrastructure and irrigation projects.

Focus on rural infrastructure creation: The allocation for Rajiv Gandhi Grameen Viduytikaran Yojana increased from Rs. 55 bn in 2008-09 to Rs. 70 bn in 2009-10, while budgetary allocation for Pradhan Mantri Gram Sadak Yojana increased to Rs. 120 bn in



2009-10 for strengthening rural connectivity.

Increased allocation to the Accelerated Power Development and Reform Programme:

The APDRP outlay increased by a massive 160% to Rs. 20.8 bn for 2009-10. Under this scheme, the Government provides 25% central assistance to utilities for taking up projects in T&D loss reduction, the remainder needing to be mobilised from financial institutions by the intending utilities. The increased rollout of projects will benefit related support companies like Tanta.

Higher allocation for Rajiv Gandhi Grameen Vidyutikaran Yojana:

Under RGGVY, the government provides 90% capital subsidy for rural electrification projects and the allocation under this scheme was increased 27% to Rs. 70 bn.

Larger allocation to the Rural Housing Fund:

The RHF was allocated Rs. 20 bn to catalyse rural refinancing in 2009-10.

New scheme called Pradhan Mantri Adarsh Gram Yojana:

The PMAGY was instituted with a corpus of Rs. 1 bn for the integrated development of 1,000 villages with more than half of its population comprising people from scheduled castes.

Looking ahead to 2009-10 and beyond

The real winners will be companies with a consistent strategy. Relevantly, we will focus on a four-way approach:

- Focus on innovative engineering technology and design for faster project completion
- Strengthen alignment with customers to maximise delivery standards

- Forge alliances with global leaders to generate larger customer surplus

- Reduce costs that do not directly contribute to our success.

In view of the long-term opportunities and our position as an eminent construction house, we expect to emerge stronger when the economy rebounds.

A sense of optimism

Economic environments change, technologies change, the marketplace changes and our business changes.

However, some fundamentals do not. Like our passion for innovation, safety emphasis across sites and workplaces, community welfare, sound governance and an unchanging code of employee ethics across five decades.

An adherence to these will enable us to grow our turnover to Rs. 550 cr in 2009-10, enhancing value for all our stakeholders.

Sincerely,

I. P. Tantia
Chairman

Business segments at a glance

Business segment	Percentage contribution to gross revenue, 2008-09	Revenue growth (Rs. cr)	Strategic direction
Roads and highways	52.89%	2006-07 Rs. 41.28 cr 2007-08 Rs. 162.70 cr 2008-09 Rs. 237.71 cr	<ul style="list-style-type: none"> ■ Bag large projects to drive volumes and margins ■ Optimise the use of equipment, manpower, material and funds ■ Increase skilled manpower recruitment ■ Accelerate order book completion
Urban infrastructure	22.91%	2006-07 Rs. 81.77 cr 2007-08 Rs. 67.70 cr 2008-09 Rs. 102.96 cr	<ul style="list-style-type: none"> ■ Bid for more JNNURM and Urban Infrastructure Development Scheme for small and medium towns projects ■ Bid for large and margin-accretive projects ■ Enter new sub-verticals of urban infrastructure projects
Railway infrastructure	18.81%	2006-07 Rs. 64.60 cr 2007-08 Rs. 96.28 cr 2008-09 Rs. 84.53 cr	<ul style="list-style-type: none"> ■ Widen our portfolio of railway projects ■ Enhance our geographic presence by bidding in more states ■ Reduce project execution time ■ Bid for PPP/BOT/BOOT projects
Aviation infrastructure	4.90%	2006-07 Rs. 11.05 cr 2007-08 Rs. 21.22 cr 2008-09 Rs. 22 cr	<ul style="list-style-type: none"> ■ Execute existing projects faster ■ Enter new geographies across the country ■ Provide turnkey solutions
Power transmission	0.41%	2006-07 Rs. 42.83 cr 2007-08 Rs. 9.22 cr 2008-09 Rs. 1.83 cr	<ul style="list-style-type: none"> ■ Enter EPC contracts to enhance volumes and margins ■ Provide turnkey solutions ■ Reduce project execution time; deliver on schedule ■ Enhance manpower and engineering capabilities to execute large orders
Marine infrastructure	0.09%	2006-07 Rs. 4.50 cr 2007-08 Rs. 4.70 cr 2008-09 Rs. 0.42 cr	<ul style="list-style-type: none"> ■ Bag margin-accretive contracts ■ Enhance competencies in civil, mechanical and electrical divisions ■ Generate repeat business from an existing clientele



Project highlights, 2008-09

- Added four projects worth Rs. 23.22 cr to the project portfolio
- Completed projects worth Rs. 331.06 cr

Cumulative investments in Bharat Nirman and the National Highways Development Authority (NHDP) in 2009-10

Roads, bridges and flyovers

Snapshot

Segment status within Company	Portfolio	Revenue, 2008-09	Proportion of Company's total revenue, 2008-09	Order book as on 31March 2009
ONE	<ul style="list-style-type: none"> ■ Double level interchange of expressway ■ Road widening and strengthening ■ Four-laning of roads and flyovers 	Rs. 237.71 cr	52.89%	Rs. 651.91 cr

Overview

The Company established its credentials in the construction, widening, conversion, maintenance, strengthening and beautification of roadways, road bridges, highways and flyovers. The Company's expertise in the maintenance of road infrastructure will result in complete solutions for the benefit of the client, community and country. Its extensive knowledge of terrains, cultures and pan-India experience will widen opportunities.

Segment strengths

Equipment portfolio: Uses latest equipment (hot mix plants, sensor

pavers, tandom rollers, soil compactors, stone crushers, tippers, loaders, excavators, motor-graders, concrete batching plants, transit mixers, concrete pumps, reversible drum mixers, dozers, cranes, weighbridges and a Company-owned diesel pump station) at project sites with high mechanisation leading to quicker project execution

Steel girder fabrication: Possesses captive steel structure fabrication facility and is the only Indian company to fabricate a100 metre span steel girder onsite (4,000 metres above sea-level)

Quality: Quality commitment certified

by ISO 9001:2000 from DNV, The Netherlands, 2001

Complete solutions: Timely end-to-end solutions for project cycles from concept to execution

Talent pool: Skilled manpower which shrinks project execution tenures without compromising quality

Terrain competence: Expertise in project management across challenging remote terrains (Assam and Mizoram) prone to heavy rain and landslides

Customisation: Customised delivery with a respect for quality, design and engineering specifications



Project highlights, 2008-09

- Added seven projects worth Rs. 251.37 cr to the project portfolio
- Completed projects worth Rs. 108.74 cr

Investment allocation in the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in 2009-10

Urban infrastructure

Snapshot

Segment status within Company	Portfolio	Revenue, 2008-09	Proportion of Company's total revenue, 2008-09	Order book as on 31March 2009
TWO	<ul style="list-style-type: none"> ■ Display halls, tram lines, sewerage and drainage projects ■ Construction of hospital and college buildings 	Rs. 102.96 cr	22.91%	Rs. 522.73 cr

Overview

The Company's Urban Infrastructure Division established its credentials through an effective presence in Kolkata's urban improvement projects. Its expertise comprises soil re-engineering, mechanised earthwork, hauling for large-scale land development, allied works of roads and pipelines, electrification and lighting systems. The Company also caters to the robust demand from residential, commercial, public utility buildings and mass rapid transport systems. The Company is acknowledged by large municipal corporations for its

competence in timely completion of urban projects that minimise public inconvenience during construction tenures.

Segment strengths

Raw material alliances: Strong alliances with reputed raw material manufacturers ensure prompt raw material delivery as and when required

Quality: Reinforced by a three-tier on-site input check (for in-coming, processed and finished products)

Safety standards: Adequate onsite safety procedures minimise accidents. The workers are provided with

adequate safety instructions and regular safety training to enhance alertness and a concern for personal safety

Project delivery: Prudent asset utilisation and allocation across different projects with an eye on project timeframe enhances project delivery

Geographic footprint: Extended its presence to the international market by bidding for sewerage pipeline projects in the Middle East and GCC countries. The Company expects to bag urban infrastructure orders worth Rs. 800 cr in the Middle East



**Rs.
40,745cr
opportunity**

Proposed investments in the Indian Railways in 2009-10 as per the Railway Budget, 2009-10

Project highlights, 2008-09

- Added five projects worth Rs. 174.44 cr to project portfolio
- Completed projects worth Rs. 185 cr

Railway infrastructure

Snapshot

Segment status within Company	Portfolio	Revenue, 2008-09	Proportion of Company's total revenue, 2008-09	Order book as on 31March 2009
THREE	<p>Core infrastructure</p> <ul style="list-style-type: none"> ■ Survey, fixing of alignment and designing of track ■ Embankment and cuttings ■ Bridges and tunnels ■ Steel girder fabrication and erection <p>Track laying</p> <ul style="list-style-type: none"> ■ Laying of ballast and concrete sleepers ■ Laying of rails and fittings, flash butt welding for long rails ■ Signalling and electrification ■ Maintenance of railroads and rail infrastructure <p>Value-addition</p> <ul style="list-style-type: none"> ■ Buildings, railway stations and terminals ■ Light rail and mass rapid transport system infrastructure ■ BOT/ BOOT projects 	Rs. 84.53 cr	18.81%	Rs. 460.18 cr

Overview

The Company is one of the oldest railway contractors in India. It possesses a rich experience in assignments across diverse terrains for Eastern Railway, North Eastern Railway, South Eastern Railway and Northeast Frontier Railway. The Company enjoys pre-qualification for projects when engaged in international joint ventures. Joint venture partners have comprised reputed international brand-enhancing names like Soma Enterprises.

Segment strengths

Execution skills: Possesses

comprehensive project mapping, planning and implementation skills leading to quicker project delivery

Quality protocol: Possesses dedicated laboratories equipped with world-class equipment across all sites, which enables ongoing quality checks. Besides, various engineering precision are checked and approved as per client specifications

Optimum equipment utilisation: Enjoys robust equipment allocation flexibility between sites to ensure on-call equipment availability derived from strong vendor outsourcing

relationships. Strategically allocates owned assets across remote project sites and hires equipment across urban locations

Speedy execution: Possesses a vast experience in the railway infrastructure segment leading to timely project management and delivery



**USD 25
billion
opportunity**

Proposed investment in India's shipping and port sectors by 2011-12

Project highlights, 2008-09

- Added one project worth Rs. 28.58 cr to the vertical's portfolio

Marine infrastructure

Snapshot

Segment status within Company	Portfolio	Revenue, 2008-09	Proportion of Company's total revenue, 2008-09	Order book as on 31March 2009
FOUR	■ Construction of jetties, embankments, and hydraulic structures	Rs. 0.42 cr	0.09%	Rs. 28.58 cr

Overview

The Company ventured into the marine infrastructure vertical in 1996 and possesses proven capabilities in building jetties and embankments along rivers.

Segment strengths

Strong expertise: Experienced in challenging projects with a scour level up to 30 metres depth. The Company executed projects in Bangladesh in low-and-high-tide conditions

Technology edge: Incorporated intelligent soil reengineering and modification methods by deploying synthetics and other suitable mechanical means

Business segment – 5



Rs. 45,900cr opportunity

Investments in airport infrastructure by 2013

Project highlights, 2008-09

- Added one project worth Rs. 14.28 cr to the vertical's portfolio
- Completed projects worth Rs. 42.73 cr

Aviation infrastructure

Snapshot

Segment status within Company	Portfolio	Revenue, 2008-09	Proportion of Company's total revenue, 2008-09	Order book as on 31 March 2009
FIVE	■ Construction of terminal building and allied works	Rs. 22.00 cr	4.90%	Rs. 26.74 cr

Overview

The Company entered the aviation infrastructure space in 2005 through its assignment related to the Dibrugarh airport. It is now attractively positioned to address aviation growth in India's Northeast through a service portfolio that comprises the construction of terminal buildings, address and control

systems, among others.

Segment strengths

Turnkey solutions: Specialises in the execution of aviation infrastructure projects on a turnkey basis, offering customised and complete solutions

Terrain competence: Possesses a deep understanding of Northeast

terrains, climate, culture and governments arising from an extensive regional presence

Extending capabilities: Graduating up the value chain through contracts for the refurbishment of the runway and parking bays at the Aizawl airport

Business segment – 6



USD 91 billion opportunity

Combined investments in the APDRP and the RGGVY as proposed in the Union Budget, 2009-10.

Project highlights, 2008-09

- Added one project worth Rs. 9.49 cr to the vertical's portfolio
- Completed projects worth Rs. 0.19 cr

Power transmission

Snapshot

Segment status within Company	Portfolio	Revenue, 2008-09	Proportion of Company's total revenue, 2008-09	Order book as on 31 March 2009
SIX	■ Power transmission and distribution projects	Rs. 1.83 cr	0.41%	Rs. 9.49 cr

Overview

The Company entered the T&D solutions segment in 2005 and now possesses an expertise in beam foundation, lattice structure erection, conductor stringing and cable-laying systems.

Segment strengths

Project execution skills: Positioned to execute projects with speed and expertise owing to a core understanding of power project requirements. Planning to venture into the development of a design department to strengthen plant design

engineering

Quality focus: Prioritised quality through the engagement of EPC consultants

Track record: Possesses an impressive project management track record

Indian infrastructure scenario



Indian economy overview

At worst, India's proposed USD 500 bn infrastructure investment under the Eleventh Five-Year Plan may only materialise to the extent of USD 300 bn. Even at that point it would still represent a 50% increase over the previous Plan's infrastructure outlay, making it one of the fast growing infrastructure investments anywhere in the world. The result was that the global slowdown notwithstanding, the Indian economy is estimated to have grown at 6.7% in 2008-09 and is expected to grow at around 6.5% in 2009-10, projected as the second fastest growing economy.

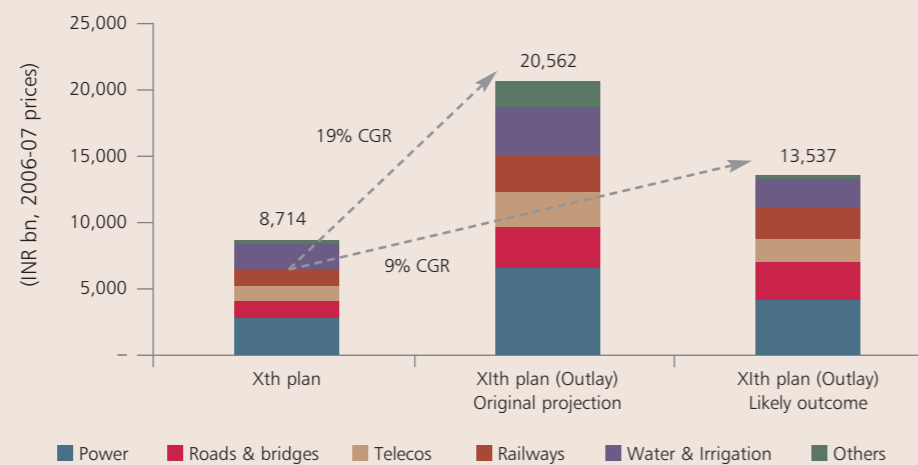


Indian infrastructure

Infrastructure investment is expected to sustain India through the meltdown. The government is targeting a USD 20.38-bn infrastructure investment over two years with a growing proportion of public-private partnership projects. Relevantly, the government asked the Infrastructure Investment Finance Company Ltd to mobilise more than USD 8.15 bn for this purpose and it plans to provide USD 1.2 bn for infrastructure projects in 2009-10 – nearly double the USD 640.8 mn disbursed during 2008-09 – in addition to the USD 320 bn that the government plans to invest in port, railroad, highway and airport upgradation over 15 years [Source: IBEF].



Sector-wise infrastructure investment projections during the Eleventh Five-Year Plan



Source: Planning Commission; Edelweiss research



Industry review

Roads and highways

India's road network is among the largest in the world. National highways are not only arteries of the economy but also the backbone of cultural exchange, social equality, national unity and integrity. The Indian road system is

the first infrastructural segment to attract serious investing attention from the government. The Planning Commission estimated an investment of Rs. 3,118 bn under the Eleventh Plan, compared with the Rs. 1,448 bn

spent under the Tenth Plan. These investments will be largely targeting the National Highways Development Program (NHDP) along with state roads and rural roads programmes.

Investment comparison across Tenth and Eleventh Plans

Programme	Eleventh Five-Year Plan (2007-2012)			Tenth Five-Year Plan (2002-2007)		
	Length (km)	Cost (Rs. bn)	Private sector (Rs. bn)	Length (km)	Cost (Rs. bn)	Private sector (Rs. bn)
NHDP	39,720	1,815	973	13,364	680	148
SARDP – NE	3,557	56	11			
State roads		1,365	351		563	
Rural roads		433			206	
Total	43,277	3,668	1,335	13,364	1,449	148

Source: Ministry of Roads, Transport and Highway

NHDP – the flagship programme for road development

The Indian government took up an ambitious 10-year programme for road development, involving around 53,000 km of roads and entailing a USD 62 bn investment. The NHDP programme was divided into various phases to manage project execution.

Phases	Description	Length (km)	Estimated cost (USD bn)	Financed	Completion date
Phase I	Golden quadrilateral	5,846		EPC	2007
Phase II	NSEW	7,300	16.46	BOT – toll	2009
Phase IIIA	Connecting state capitals and places of economic interest	4,815	8.37	BOT – toll	2009
Phase IIIB	Four-laning of 6,000 km roads	7,294	12.04	BOT – toll	2012
Phase IV	Two-laning of single lane roads	20,000	7.04	BOT – toll/annuity	2015
Phase V	Six-laning of high density four-laning roads	6,500	10.43	BOT – toll	2012
Phase VI	Expressways	1,000	4.22		2015
Phase VII	Ring roads, bypasses and service roads		4.22		2014
Total		52,755	62.78		2015

Source: Ministry of Roads, Transport and Highway



Industry review

Railways

The Indian Railways is Asia's largest and the world's second largest rail network under a single management. It covers 63,140 route km, runs about 11,000 trains including about 8,702 passenger

trains and carries more than a million tonnes of freight traffic and 14 mn passengers covering 6,856 stations across the country. The Indian Railways handles 40% of freight and 20% of

passenger traffic. According to the Ministry of Railways, annual freight traffic growth is expected to be around 8–9% and passenger growth around 6% over the Eleventh Plan.

Railways – total annual investment outlay (before 15% cut)

(Rs. bn)

	2007-08	2008-09	2009-10	2010-11	2011-12	Total
Rolling stock	81	93	107	123	141	545
Capacity augmentation and development	77	102	134	177	235	725
Safety and other works	163	189	219	254	295	1,119
Investment in PSUs	19	20	22	24	26	110
Dedicated freight corridor	13	24	44	74	145	300
Metro rail projects	37	42	47	51	59	235
Total	391	470	572	703	900	3,035

Source: The Planning Commission Document

The Indian Railways embarked on an ambitious USD 7.91-bn investment in 2008-09, a 21% increase over the previous year. The plan includes a total budgetary support of USD 1.66 bn including USD 163.33 mn to be provided from the Central Railways Fund.

A USD 5.6-bn investment was planned for the two freight corridors, USD 3.3 bn for the Western and USD 2.3 bn for the Eastern.

The two new rail routes were sanctioned by the Union Cabinet — the Western Corridor between Dadri in

Uttar Pradesh and the Jawaharlal Nehru Port Trust in Navi Mumbai and an Eastern Corridor connecting Dankuni (near Kolkata) to Ludhiana, Punjab — for which construction will commence from 2010-11 [Source: IBEF].

Large project shelf

The Ministry of Railways has a shelf of 296 projects worth Rs. 615 bn directed at the laying of new lines and gauge conversion.

Shelf projects (km)

New lines	9,000
Gauge conversion	7,600
Doubling	3,825
Electrification	3,110
Suburban projects	245
Total	23,780
Costs (Rs. bn)	615
Number of projects	296

Source: The Working Document, Railways



Industry review

Aviation

India's aviation sector is one of the world's fastest growing (18%) industries. The country's aviation segment jumped from the 12th position worldwide in 2006 to the ninth position in 2008; domestic air services increased from 75 airports in 2006 to 82 airports in 2008. The Centre for Asia Pacific Aviation (CAPA)

forecast that domestic air traffic will increase 25 to 30% till 2010, while international air traffic will grow 15% to more than 100 mn passengers by 2010. India's 20% civil aviation passenger growth is one of the world's highest. By 2020, 400 mn Indian passengers are likely to be airborne.

The government plans to attract private players through the PPP mode for the development of over 300 airports and airstrips. It would invest USD 9 bn to modernise existing airports by 2010. The Civil Aviation Ministry plans to develop 35 greenfield airports with a USD 35 bn investment by 2010.

Indicative investments by 2011

City	Total (Rs. bn)	PPP (Rs. bn)
Delhi	53	53
Mumbai	61	61
Chennai	23	23
Kolkata	18	18
Bangalore	19	19
Hyderabad	18	18
Navi Mumbai	25	25
Goa	15	15
Pune	15	15
Greater Noida	15	15
Kanpur	15	15
CNS/ATM and other equipments	46	0
35 non-metros	62	15
Maintenance of other non metros	8	0
Other non-metro including NE	14	8
Total	406	300

Source: The Working Plan Document, Airports



Industry review

Ports

India has 12 major ports and 187 minor ports, the major ports handling around 73% of the traffic. The major ports handled a cumulative 530 mn tonnes of cargo in 2008-09, an over 300 basis point increase over cargo handled in 2007-08. Further, the total cargo traffic handled by these ports during April-December 2008-09 was

391.80 MT as against 378.82 MT in the corresponding period last fiscal as most major Indian ports operated at nearly 100% capacity. By 2012, Indian port traffic is projected to cross 1,000 metric tonnes and the Ministry of Shipping intends to increase capacity to 1,300 metric tonnes by 2012 and 1,500 MT by 2015 in response to a

projected USD 25 bn investment opportunity (Source: Planning Commission). Segment-wise, while the ports sector would provide a USD 13.75 bn investment opportunity, shipping and inland waterways are likely to present a USD 11.25-bn investment opportunity [Source: IBEF].

Private sector participation opportunity in ports

Projects	Estimated cost (Rs. bn)	PPP opportunity (Rs. bn)	PPP as of total
Major ports	552	366	66.30
Minor ports	317	275	86.60
Total	869	641	73.76

Source: The Planning Commission of India



Industry review

Power

■ Power demand is growing rapidly even as peak demand deficit is around 14%.

■ India's total installed capacity of electricity generation was 145,554.97 MW in 2008. In terms of total electricity generation, India ranked sixth worldwide.

■ Thermal power plants accounted for an overwhelming 64.6% of installed capacity, producing 92,892.64 MW while hydel power plants, with a 36,347.76 MW installed capacity, accounted for 24.7% of the total installed electricity generation capacity

■ Renewable energy sources contributed 7.7% to the total power generation (12,194.57 MW) while nuclear energy accounted for 2.9% (4,120 MW).

To support India's 7% annual GDP growth, power supply needs to grow at over 15% annually. In view of rising power consumption, the Ministry of Power projected a demand of 157,000 MW during the Eleventh Five Year Plan.

The Plan document envisaged around 78,000 MW capacity addition during the Eleventh Plan; around 58,000 MW is under construction.

■ India enjoys a 150,000-MW hydropower potential, of which only 21% (32,135 MW) has been exploited. The Eleventh Plan proposes the addition of 16,553 MW of hydropower generation capacity. The government undertook a 50,000 MW expansion commitment through 162 projects. The total generation capacity of these projects is 37,000 MW. Of the total planned addition of 16,553 MW of hydropower capacity under the Eleventh Plan, 13,343 MW is under construction.

Multiplying India's growth through competent project completion.

A. Roads and highways

Major orders received, 2008-09

Name and nature of work	Work awarded on
Improvement of Bilkhawthlir-Saiphai-Natasura Road (length 20.504 km) in Mizoram under centrally sponsored scheme of inter-state connectivity in Mizoram	July 08
Periodical renewal works between km 22/00 to km 48/00 on NH-44A in Mizoram	July 08
Periodical renewal work between km 11/00 to km 22/00 on NH-44A in the state of Mizoram	July 08
Resection and rehabilitation of city roads of KMC nearly 10 km other than mastic pavement by milling machine and repaving after cold and repaving after cold recycling with bituminous binder. Such as foam bitumen. The roads are Uday Sankar Sarani, Prince Anwar Shah Road, Convent Road and Northern Avenue in Kolkata	Jul 08

Major projects completed, 2008-09

Name and nature of work	Date of completion
Periodical renewal works between km 22/00 to km 48/00 on NH-44A in Mizoram	Oct 08
Periodical renewal work between km 11/00 to km 22/00 on NH-44A in the state of Mizoram	Oct 08
Strengthening between km 120/00 to 130/00 on NH-44A in the state of Mizoram	Dec 08

B. Railway infrastructure

Major orders received, 2008-09

Name and nature of work	Date of awarded work
Construction of RCC boxes behind abutments, ground improvement including earthwork in filling for making railway formation at approaches of Br. no. 572 across river Barak in between Badarpur-Sukritipur station on permanent diversion with all other ancillary works in connection with gauge conversion work of Lumding-Silchar section	Jun 08
Balance work of rebuilding of major Br. no. 572 (proposed clear span 2 x 76.2 metres + 1 x 61.0 metres + 1 x 23.60 metres + 6 x 24.4 metres) across river Barak between Badarpur-Sukritipur stations of Lumding-Badarpur section on permanent diversion on well foundation including all other ancillary works in connection with the gauge conversion of the Lumding-Silchar MG section	Jun 08
Construction of viaduct (chainage 8176.540 metres to 8716.210 metres and 9051.290 metres to 9144.950 metres) for airport metro express line	Nov 08
Assembly, erection/ launching of (18 x 123 metres) + (1 x 64 metres) span triangulated steel girders for new rail-cum-road bridge across river Ganga at Patna from Pahlejaghat end including transportation of fabricated components of (18 x 123 metres) span from fabrication workshop at ahlejaghat end and (1 x 64 metres) span from fabrication workshop at Dighghat end of river Ganga to launching site including casting of bed blocks and final coat of painting	Nov 08

Projects completed, 2008-09

Name and nature of work	Date of completion
Construction of sub-structure of new rail bridge (3 x 100.7 metres) across river Bhagirathi in between Azimganj and Jiaganj (Murshidabad) section of Eastern railway, including earthwork filling on both approaches of the main bridge construction of retaining walls and one minor bridge	May 08
Guntakal Division - Raichur - Wadi section - rebuilding of bridge no. 1123 (1249) across river Krishna at km 587/3-588/7 on permanent diversion - proposed construction of superstructure with PSC box girders as 36 x 30.15 metres (clear span) for two lines including bed blocks, earthwork in formation etc., between Yadalapur and Krishna stations	July 08
Fabrication, supplying and erection of under slung triangulated 6 x 30.5 metre span welded/ riveted triangulated girders of Br. No.80 (Gomti River) 6 x 30.5 metres span at km 57/5-6 on FD-SLN section between DWJ-SLN station including fixing of steel channel sleepers, checkered plates with welded/ riveted fabrication in the shop and welded/riveted connections in the field and fabrication and erection of bearing, bedplates and their installation including dismantling of old bed blocks and casting of new RCC bed blocks of LKO division under the jurisdiction of XEN/BL/LKO	May 08

C. Urban infrastructure

Major orders received, 2008-09

Name and nature of work	Date of awarded work
Construction of left turning north bound off ramp at AJC Bose Road, Kolkata	July 08
Ground water based piped W/S Schemes in Arsenic-affected different block under North 24 Parganas District, West Bengal, Group 2	July 08
Construction of road-under-bridge at Sewa Nagar/ Prem Nagar railway crossing, construction of approaches, rail-under-bridge service road, sump well-cum-pump house, widening/ strengthening of road etc, as per drawing at Prem Nagar railway crossing	Nov 08
Upgradation and strengthening of Aizawl Civil Hospital, Mizoram	Dec 08
Upgradation and strengthening of Champai Civil Hospital, Mizoram	Dec 08
Erection and commissioning of ground water based piped w/s schemes in arsenic affected areas of different blocks in the district of north 24 Parganas	Mar 09
Erection and commissioning of ground water based piped w/s schemes in arsenic affected areas of different blocks in the district of Murshidabad (Part-A)	Mar 09
Erection and commissioning of ground water based piped w/s schemes in arsenic affected areas of different blocks in the district of Murshidabad (Part-B)	Mar 09

Projects completed, 2008-09

Name and nature of work	Date of completion
Construction of elevated structure for double line track consisting of super-structure with pre-stressed concrete box girders (casting & launching) over the already completed sub-structures (trestles) between Ch.1688.838m to Ch.5614.696m in connection with extension of Metro Railway from Tollygunge to Garia	May 08

Improvement of tram track by renewing rail on concrete pavement in different roads of Kolkata	July 08
Construction of 10-storied office-cum-commercial building with single basement at Salt Lake, Kolkata	July 08
Construction of sewerage and drainage for borough XI, Kolkata	September 08

D. Aviation infrastructure

Major orders received, 2008-09

Name and nature of work	Date of awarded work
Strengthening of Lengpui Airport runway pavement, Aizwal	September 08

Projects completed, 2008-09

Name and nature of work	Date of completion
Construction of terminal building and allied works at Dibrugarh Airport	September 08

E. Marine infrastructure

Major orders received, 2008-09

Name and nature of work	Date of awarded work
Construction of high level jetty at Pandu, Guwahati on National Waterway No. 2	February 09

Projects completed, 2008-09

Name and nature of work	Date of completion
Construction of inland water transport terminal at Pandu, Guwahati (PH-I) on the river Brahmaputra (low level berthing and approach jetty)	May 08

F. Power transmission

Major orders received, 2008-09

Name and nature of work	Date of awarded work
Construction of 33KV double circuit transmission line (tower type) from Lawngtlai to Saiha	September 08

Projects completed, 2008-09

Name and nature of work	Date of completion
Order for supply and delivery of equipment and materials, erection and stringing including foundation of lattice towers for construction of double circuit 33 KV line from Kolkata Leather Complex 132 KV sub-station to Salt Lake 132 KV sub-station	October 08

Management discussion and analysis report

Business

Infrastructure plays a key role in a country's development. Tantia Constructions Limited - one of the oldest general civil infrastructure solution providers in India - was incorporated in the year 1964 and has been diligently moving towards its goal since then. The Company has been making profits since inception and has been paying dividend since last 11 years. It started operating in the railways segment and with time extended to seven core infrastructure segments of railways, roads, urban development, industrial, power, marine and aviation, showcasing its strength.

Industry

Railways

Today, Tantia Constructions is one of the oldest railway contractors in India with the a rich experience of having completed assignments across varied terrains for Eastern Railway, North Eastern Railway, Southeastern Railway and Northeast Frontier Railway. The Company enjoys a pre-qualification for projects up to Rs. 450 crore when engaged in international joint ventures. A few reputed international names, with which the Company entered into a joint venture partnership, include names like Road Builder Sdn Berhad, Malaysia.

Roads and bridges

Tantia is well-known for its work in the field of construction, widening, conversion, maintenance, strengthening and beautification of roadways, roads, bridges, highways and flyovers. The Company's proficiency in the maintenance of road infrastructure will serve as complete solutions benefiting clients, community and the country.

Tantia is the only Indian Company to have fabricated a 100 metre span steel girder onsite, 4,000 metres above sea-level.

Urban infrastructure

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

Power

India has progressed immensely in the field of power since Independence. Power generation projects, be they in coal, gas or hydro, are extremely capital

intensive. The Government laid down targets for the sector - 'Power for all by 2012' and access to electricity for all households' by 2012.

Aviation infrastructure

Tantia ventured into the aviation infrastructure space in 2005 through the Dibrugarh Airport project. Now the Company is well-positioned to service the aviation boom in the Northeast. Tantia's portfolio of services comprises the construction of terminal buildings, addressal systems and control systems, among others. The Company specialises in executing aviation infrastructure projects on a turnkey basis, offering a one-stop, customised and complete solution.

Marine infrastructure

Tantia Constructions ventured into the marine infrastructure space in 2003. The Company now possesses proven capabilities in building tunnels, jetties and steel girders along rivers.

Quality control

Quality is not only essential but also irreplaceable. The Company's quality control system is very well maintained and functions according to the priorities placed by the management. The system is designed to meet day-to-day requirements, size of the business and

its operational necessities while efficiently upgrading technology. The Company obtained the ISO 9001 of 2000 certificate in June 2002. Compliance with international standards is ensured through regular internal quality audits by qualified professionals, both at zonal offices as well as project sites.

Financial performance

The construction industry, in 2008-09, was hit by the economic slowdown. The Company's performance, when viewed in the light of the challenging environment of the construction industry, was really gratifying. A comparison of the Company's financial performance in the previous and current year is made hereunder.

Income accounting method

Tantia Constructions Limited prepares its financial statement on accrual basis in accordance with the Generally Accepted Accounting Principles of India (Indian GAAP). The Company's business operations fall under the purview of civil construction. Wherever the treatment of accounts required interpretation, the Company preferred to be cautious and conservative.

Turnover

The turnover of a construction company depends on the orders in hands and projects procured. The turnover of 2008-09 was Rs. 44,945.10 lacs as compared to the previous year's Rs. 36,187.97 lacs, yielding a growth rate of 24.2%. The income from other sources decreased

from Rs. 243.21 lacs (0.54%) to Rs. 167.57 lacs (0.463%).

Reserve and surplus

Tantia Construction's reserve and surplus increased from Rs. 7,903.90 lacs as on 31st March, 2008 to Rs. 9,729.10 lacs as on 31st March, 2009.

Margins

The Company's operating profit increased from Rs. 4,513.66 lacs in 2007-08 to Rs. 5983.31 lacs in 2008-09.

Interest and financial charges

The Company's interest and financial expenses increased from Rs. 2,008.55 lacs in 2007-08 to Rs. 3,294.31 lacs in 2008-09.

Gross block and net block

The Company's gross block of assets increased from Rs. 8,851.93 lacs in 2007-08 to Rs. 9,670.25 lacs in 2008-09. Whereas, the net block rose from 6,751.91 lacs to 6,919.56 lacs.

Debtors

As a business policy, the Company executes infrastructure assignments mainly commissioned by government bodies. The Company's sundry debtors exceeding six months, decreased from Rs. 2,062.61 lacs in 2007-08 to Rs. 1,955.95 lacs in 2008-09.

Inventories

The Company's inventories increased from Rs. 11,257.52 lacs in 2007-08 to Rs. 14,465.24 lacs in the year 2008-09.

Cash and bank balance

The Company's cash and bank balances declined from Rs. 4145.27 lacs as on 31st March, 2008 to Rs. 2495.43 lacs as on 31st March, 2009.

Human resources

Intellectual capital is the biggest asset of our Company. It has a large and strong staff strength, comprising professionals from diverse backgrounds like engineering, finance, management, business, supervisors, operators and sub-staff. In addition to the above, a highly competent, skilled and semi-skilled work-force is also engaged directly and through sub-contractors on a temporary basis and as per the job requirements.

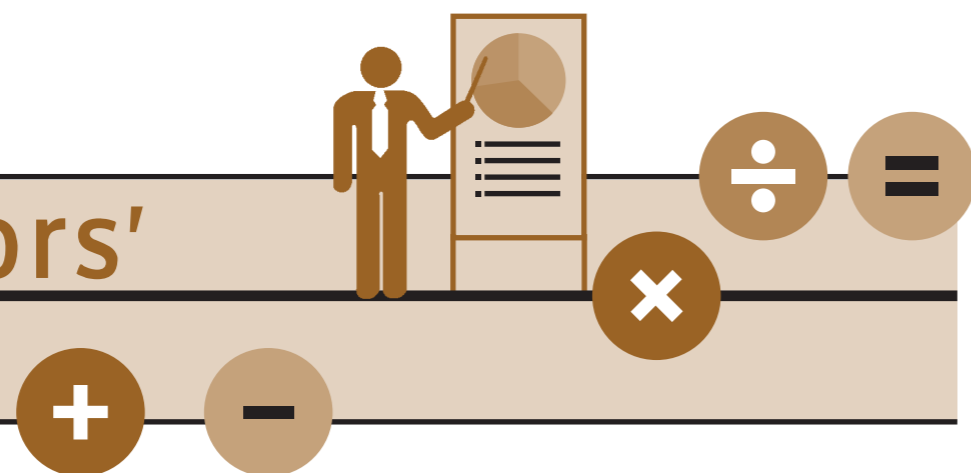
Outlook

Over the years, the Company has maintained a firm and steady growth. The numerous structures of national importance, built by the Company with a high level of efficiency in quality, speed and cost are evidence of the Company's gradual contribution towards the process of building a modern and progressive nation.

Cautionary statement

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

Directors' Report



Dear Shareholders,

As a pre-eminent Indian infrastructure Company, established over four decades ago, TCL has, over the years, strongly anchored itself to India's development effort. Today, it is acknowledged as a Company that continues to empower India, enabling the nation to surge ahead in different core sectors. At the heart of all our development efforts is the attempt to touch and improve the quality of life of people across the country.

TCL, even as you read this, is bringing to bear its wealth of engineering and construction expertise to develop infrastructure aimed at further propelling the nation forward, into the 21st century and beyond.

We are delighted to present our report on the Company's business and operations for the year ended 31st March, 2009.

Financial results

The salient features of the Company's financial results for the year under review are as follows

(Amount in Lacs)

Performance for the year ended 31st March	2009	2008
Income from operations	44,945.10	36,187.97
Operating profit (before interest, depreciation and tax)	5,987.87	4,513.66
Interest and financial expenses	3,294.31	2,008.55
Profit before depreciation and tax	2,693.569	2,505.11
Depreciation	655.40	535.35
Profit before tax (PBT)	2,038.15	1,969.75
Provision for tax	231.10	217.57
Profit after tax	1,725.86	1,539.30
Provision for deferred tax liability for the year	90.41	239.24
Profit brought forward	2,889.36	1,734.85
Profit for appropriation	4,615.23	3,274.15
Appropriation		
General Reserve	130.00	110.00
Dividend on Cumulative Pref. Shares	1.47	1.47
Proposed Dividend on Equity Shares	233.59	233.59
Income Tax on Proposed Dividend	40.20	39.73
Balance Carried Forward	4,209.96	2,889.36

Operational performance

Detailed discussion in relation to the Company's operations is done in the Management discussion and analysis report.

Preferential allotment of warrants

During 2008-09, the Company allotted 800,000 share warrants on a preferential basis to the promoters, converted into equity shares within a period of 18 months from the date of allotment.

Order book position as on 31st March, 2009

The total order book position as on 31st March, 2009 was Rs. 1703 cr.

Dividend

The Board of Directors at the Meeting held on 30th May, 2009 recommended a final dividend of Rs. 1.5 per equity shares (i.e. 15%) after giving dividend of Rs. 1.05 (i.e.10.50%) on the cumulative redeemable preference shares, subject to the approval of the shareholders. The distribution tax on the both equity dividend and preference dividend is being borne by the Company.

Fixed Deposit

The Company has not accepted any deposits from the public during the financial year ended March 31, 2009.

Client relationship

The Company enjoys excellent business relations with existing clients, resulting in repeat orders of similar nature, extension of projects of a higher value and a listing among preferred partners. The Company's customer base is spread across the country and includes reputed domestic corporates named as follows

Railways

- Zonal Railways
- Delhi Metro Rail Corporation
- IRCON, HRBC

Roads and highways

- National Hydroelectric Power Corporation Ltd
- Kolkata Metropolitan Development Authority, Kolkata Municipal Corporation
- Mizoram, Uttar Pradesh and West Bengal state PWDs

Urban development

- Hooghly River Bridge Commission
- Kolkata Municipal Corporation
- Kolkata Municipal Development Association
- Public Health Engineering
- Jawaharlal Nehru National Urban Renewal Mission

Outlook

Infrastructure remains the backbone of economic development. With the Government of India and State Governments aggressively working towards the country's infrastructure, the outlook for the construction industry continues to be bright. The new Government has formed a committee for infrastructural development which will focus on improving railways, roads, energy availability and modernisation of airports. With the support of the government, the Company expects to leverage the economic upturn through the following strategies

- Undertake larger projects and dominate in core areas in the eastern region
- Enhance presence in niche specialised areas insulated from competition
- Recruit and retain its people resources, leading to organisational growth compatible with growing opportunities

Disclosures

i) Conservation of energy

Although the Company's core activity is in the area of civil construction, which is not power-intensive, the Company is making every effort to conserve the use of power. Critical natural resources like diesel are consumed efficiently to ensure proper energy utilisation and conservation.

ii) Technology absorption

The Company did not undertake any research and development activity 2008-09, which needed to be absorbed or adapted.

iii) Foreign exchange earnings and outgo

(Rs. in lacs)

Foreign exchange earnings 16.68
Foreign exchange outgo 198.30

Directors

As on date, the Company has nine Directors of which three are wholetime Directors viz. Sri I. P. Tantia, Chairman and Managing Director; Sri Rahul Tantia, Director (Operations) and Sri B. L. Ajitsaria, Director (Business Development). Sri Rahul Tantia is the son of Sri I. P. Tantia, while Sri B. L. Ajitsaria is a professional Director. Other six Directors are Independent Directors.

Mr. Parimal Kumar Chattaraj and Mr. Mahabir Prasad Agarwalla retire by rotation and being eligible, offer themselves for re-appointment.

Employee relation

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

Particulars of employees

The particulars of employees who received an aggregate of

Corporate Governance Report

Name	Designation	Qualification	Age	Joining date	Experience (years)	Gross remuneration (Rs.)	Previous employment designation
I. P. Tantia	Chairman and Managing Director	BE	58	1st April, 2007	39	4,50,000 per month	NA
Rahul Tantia	Director (Operations)	B.Com	36	1st April, 2007	16	2,50,000 per month	NA
B.L. Ajitsaria	Director (Business Development)	B.Com	56	1st April, 2007	37	2,50,000 per month	NA
R.R. Jaruhar	President (Railway Division)	BSC (Civil Engineering (Hons.))	62	1st April, 2008	40	2,80,000 per month	Indian Railways (ME)
Anurag Sharma	Vice President	B. Tech.	69	1st November, 2008	30	2,00,000 per month	Railways

Shri I. P. Tantia, Shri Rahul Tantia, Shri B. L. Ajitsaria holds 95520, 196400 & 199 shares respectively in the Company.

Rs. 24,00,000 or more per annum or were employed for a part of year with a remuneration of Rs. 2,00,000 or more per month as per Section 217(2A) of the Companies Act, 1956, are as follows:

Auditors

M/s S. M. Bengani & Co., Chartered Accountants and the auditors of the Company, retire at the forthcoming Annual General Meeting are eligible for re-appointment. The Company received confirmation that their appointment, if made, will be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

Corporate Governance

In today's fast-changing corporate environment and rising awareness among the investors and shareholders, excellence is judged by the standard of corporate management which is guided by the Corporate Governance code. The Corporate Governance code is not merely a guideline; true achievement lies in using it to enhance transparency and accountability.

This compliance was faithfully documented in the Corporate Governance Report. We documented our internal policies on Corporate Governance. In line with the revised

Clause 49 of the Listing Agreement, the Management discussion and analysis of the Company's financial position is provided in the Annual Report.

The Company adopted a code of conduct for principal executives and the senior management.

Directors' responsibility statement

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

a) In the preparation of the annual accounts for the year ended 31st March, 2009, the applicable accounting standards were followed along with proper explanations relating to material departures

b) We selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009, and of the profit for the year ended on that date.

c) We took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the

Company's assets and for preventing and detecting fraud and other irregularities and

d) The accounts for the year ended 31st March, 2009 were prepared on a going concern basis.

Acknowledgements

The Directors wish to place on record their sincere appreciation for the valuable support from the Company's bankers, financial institutions, central and state government authorities, clients, consultants, suppliers and members of the Company and look forward to a greater measure of the same in the coming years.

The Board of Directors also wish to place on record its deep appreciation for the services of the devoted executives, staff and workers whose hard work, solidarity, cooperation and support contributed to its efficient and successful management.

For and on behalf of the Board

I. P. Tantia

Chairman and Managing Director

Dated: 30th May, 2009

Registered office

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

Company's philosophy on Corporate Governance

Corporate Governance is a set of policies, practices and enduring values which a company uses as guidelines to conduct its business. Timely and accurate disclosure, regarding financial situation, performance, ownership and the Company's Governance is a vital part of Corporate Governance. Our Company's Corporate Governance is a key element for preserving core values and maximising shareholders values while improving efficiency. This improves the public understanding of the structure, activities and policies of the Company thereby paving way for long-term success. Consequently, the Company is able to attract investors and enhance the welfare of all stakeholders.

Board of Directors

Composition and size

The Board of Tantia Constructions Limited not only takes full responsibility for the Company's performance but also guides it on short- and long-term goals. The Company plans management strategies and looks into areas of business development. A prudent mix of Executive and Independent Directors helps maintain the independence of the Board and the balance in management and key decisions.

Board meetings

The Company's Board meetings are decided well in advance and tentative dates of Board meetings, in which quarterly / annual results are to be discussed, form a part of the Annual Report.

The Directors of the Company met five times during the year on 12th May 2008, 17th June 2008, 29th July 2008, 31st October 2008 and 30th January 2009. Details on the composition of the Board, number of Board meetings, attendance of Directors, other directorships and committee position held by them on 31st March, 2009 were as follows:

Name of Directors	Designation of Director	Number of Board meetings attended [out of 5 meetings held during the year]	Attendance at the last AGM held on 24th September 2008	Number of companies in which directorships held		Number of companies in which membership held	
				As Chairman	As member	As Chairman	As member
Sri I. P. Tantia	Chairman and Managing Director	5	Present	None	None	None	None
Sri B. L. Ajitsaria	Executive Director	2	Absent	None	One	None	None
Sri Rahul Tantia	Executive Director	2	Present	None	Four	None	Three
Sri H. S. Sinha	Independent Director	5	Present	None	Three	None	Six
Sri U. S. Agarwal	Independent Director	5	Absent	None	Two	One	One
Sri M. P. Agarwalla	Independent Director	1	Absent	One	Twenty	None	None
Sri S. K. Bose	Independent Director	5	Present	None	None	None	None
Sri P. K. Chattaraj	Independent Director	5	Present	None	Five	One	Two
Sri Shaleen Khemani	Independent Director	5	Present	None	Two	None	One

Information available to the Board members

The Board has complete access to any information within the Company and to any of our employees. The Board meetings welcome the presence of the Vice-Presidents, General Managers and Managers, who can provide additional insight into the items being discussed.

The information supplied to the Board includes

- Quarterly results of the Company
- Minutes of meetings of different committees
- General notice of interest
- Dividend data
- Quarterly Secretarial Audit Report of the Company
- Quarterly Limited Review Report of the Company
- Half-yearly Compliance Report of the Company
- Material important litigation and demand, among others
- Details of joint venture, acquisition or collaborations
- Implementation on any system development
- Work progress between the two Board meetings
- Statutory Compliance Report

Audit Committee

Composition and size

The Board appointed the Audit Committee to ensure that the internal and external audit functions are properly conducted and brought up to the highest level for consideration.

The Committee comprises an ideal combination of Executive and Non-Executive Directors. As per Clause 49 of the Listing Agreement with the stock exchange(s), the Committee will comprise of at least three Directors. Each member will be able to read and understand fundamental financial statements. At least one of the members will be a 'financial expert'. The Board constituted the Audit Committee in line with the above mentioned Clause. The Committee has three Independent Directors along with an Executive Promoter Director. The members are diligent, knowledgeable, dedicated, interested in the job and willing to devote a substantial amount of time and energy to the responsibilities of the committee, in addition to the Board of Directors' responsibility.

The Audit Committee met four times during the period on 17th June 2008, 29th July 2008, 31st October 2008 and 30th January 2009. Details on the composition of the committee and attendance are given below:

Member	Position	Meetings attended
Sri U. S. Agarwal	Chairman	4
Sri Rahul Tantia	Member	3
Sri H. S. Sinha	Member	4
Sri P. K. Chattaraj	Member	4

Compensation Committee

The Compensation Committee's purpose is to set the Board responsibilities related to the remuneration of the Executive Directors and the senior management, along with the

administration and implementation of the different schemes and plans. The Committee has the overall responsibility of approving and evaluating performance appraisals for different grades, the Executive Directors and the senior management's compensation plans and policies.

Composition and size

The initial Remuneration Committee was subsequently renamed as the Compensation Committee at its meeting held on 1st March 2007. Details on the composition of the Committee and attendance are given below:

Member	Meetings held	Meetings attended
Sri P. K. Chattaraj	1	1
Sri Rahul Tantia	1	1
Sri H. S. Sinha	1	1
Sri Shaleen Khemani	1	1

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

Director	Salary	Sitting Fees	Total (Rs.)
Sri I. P. Tantia	54,00,000	NA	54,00,000
Sri B. L. Ajitsaria	30,00,000	NA	30,00,000
Sri Rahul Tantia	30,00,000	NA	30,00,000
Sri H. S. Sinha		40,000	40,000
Sri U. S. Agarwal		37,000	37,000
Sri P. K. Chattaraj		40,000	40,000
Sri S. K. Bose		25,000	25,000
Sri M. P. Agarwalla		5,000	5,000
Sri S. Khemani		28,000	28,000

Shareholders' / Investors' Grievance Committee

a. Shareholders' / Investors' Grievance Committee Comprised

1. Sri Rahul Tantia, Executive Promoter Director
2. Sri H. S. Sinha, Non-Executive Independent Director
3. Sri M. P. Agarwalla, Non-Executive Independent Director
4. Sri Shaleen Khemani, Non-Executive Independent Director

The Committee looks into the shareholders' and investors' complaints on the transfer / transmission / consolidation /

split of shares and non-receipt of the Annual Report / dividend, among others.

b. The Company has a share department under the Company Secretary, who monitors the activities of Registrars and Share Transfer Agents and looks into the matters relating to the shareholders. Share transfer / transmission are approved by the Registrars and Share Transfer Agents and ratified by the Board.

c. The Company Secretary Md. Jamshed Alam is the Compliance Officer in terms of the requirements of the stock exchanges.

d. The Company regularly interacts with the shareholders at the AGM providing details of the Company's activities / operations. It also furnishes the shareholders with information on programmes and future plans. The quarterly results are published in the newspapers.

e. The numbers of shareholders' complaints during the last year were: 9 (nine).

f. Number of pending share transfers as on 31st March 2009 was: Nil.

The corporate email ID for the shareholders grievances as per Clause 49 is cs@tantiagroup.com.

Management review and responsibility

Formal evaluation of officers

The Compensation Committee of the Board approves the compensation and benefits for all executive Board members as well as members of the management council. The Manager, HRD, reviews, evaluates and decides the annual compensation of our officers and other employees.

Board interaction with clients, employees, institutional investors, the government and the press

The Chairman, in consultation with the Vice President and the Company Secretary, handles all interactions with investors, media and various governments. The Chairman and Managing Director manage all interactions with clients and the employees.

Risk management

We have an integrated approach to managing risks inherent in various aspects of our business.

Management's discussion and analysis

This is given as a separate section in the Annual Report in accordance with the Indian GAAP.

Shareholders

Disclosures regarding appointment or reappointment of Directors

According to the Articles of Association, one-third of the Directors retire by rotation and, if eligible, offer themselves for reappointment at the Annual General Meeting of shareholders. As per the Articles of Association, Sri P. K. Chattaraj and Sri M. P. Agarwalla will retire at the ensuing Annual General Meeting. The Board recommended the reappointment of all the retiring Directors.

The detailed resumes of all these Directors are provided in the notice to the Annual General Meeting.

Communication to shareholders

The Company sends quarterly reports, containing selective financial data extracted from the audited financial statements under the Indian GAAP along with the additional information to all the shareholders. Moreover, the quarterly / annual results and official news releases are generally published in both English and Vernacular languages.

Investor grievance and share transfer

We have an Investors' / Shareholders' Grievance Committee that examines and redresses shareholder's and investor's complaints. The status on complaints and share transfers is reported to the Committee. The details of shares

transferred and the nature of complaints are provided in the shareholders' information section of the Annual Report.

For shares transferred in physical form, the Company gives adequate notice to the seller before registering the transfer of shares. The Company's Share Transfer Committee meets as often as required to approve share transfers. For matters regarding shares transferred in physical form, share certificates, dividends and change of address, among others, shareholders should communicate with Maheshwari Datamatics Private Limited, our Registrar and Share Transfer Agent. Their address is given in the section on shareholder information. Shares transacted in electronic form can be performed in a much simpler and faster manner. After confirmation of sale / purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to the Company to register the share transfer.

General body meetings

Details of the last three Annual General Meetings are given in the following table:

Date, time and venue of the last three AGMs

Year	Venue	Date	Time
2007-08	"Bhartiya Bhasa Parisad", 36A Shakespeare Sarani, Kolkata – 700 017	24th September, 2008	3.00 pm
2006-07	"Bhartiya Bhasa Parisad", 36A Shakespeare Sarani, Kolkata – 700 017	3rd September, 2007	3.00 pm
2005-06	"Bhartiya Bhasa Parisad", 36A Shakespeare Sarani, Kolkata – 700 017	4th September, 2006	3.00 pm

The following special resolutions were passed by the members during the past three Annual General Meetings

Annual General Meeting held on 24th September, 2008

- To appoint the Additional Directors as Directors of the Company
- To make arrangements for the issue of Preferential Allotment of Warrants

Annual General Meeting held on 3rd September, 2007

- To appoint the Additional Directors as Directors of the Company
- To reappoint Mr. I. P. Tania as the Chairman and Managing Director and to fix his remuneration
- To reappoint Mr. Rahul Tania as Director (operations) and to fix his remuneration

- To reappoint Mr. B. L. Ajitsaria as Director (Business Development) and to fix his remuneration

- To change the Registrar and Share Transfer Agent

- To apply for voluntary delisting of the Company's equity shares from The Calcutta Stock Exchange Association Limited and The Delhi Stock Exchange Association Limited

- To increase the borrowing limit under Section 293(1)(d) of the Companies Act, 1956

Annual General Meeting held on 04th September, 2006

- To appoint the Additional Directors as Directors of the Company

- To increase the borrowing limit under Section 293(1)(d) the Companies Act, 1956

Postal ballot

For the year ended 31st March, 2009, there were no ordinary or special resolutions that need to be passed by our shareholders through postal ballot.

Auditors' certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the auditors' certificate is given as an annexure to the Corporate Governance Report.

Compliance with non-mandatory requirements of Clause 49 of the Listing Agreement

Clause 49 of the Listing Agreement mandates us to obtain a certificate from either the auditors or practicing company

secretaries regarding compliance of conditions of Corporate Governance as stipulated in the Clause 49 and annex the certificate with the Directors' Report, which is sent annually to all our shareholders. We obtained a certificate to this effect.

The said Clause, further, states that the non-mandatory requirements may be implemented as per our discretion. However, the disclosures of compliance with mandatory requirements and adoption (and compliance) / non-adoption of the non-mandatory requirements shall be made in the section on Corporate Governance in the Annual Report.

We comply with the non-mandatory provisions by incorporating the Compensation Committee. The Committee was set up to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the Company's policy on the specific remuneration package for Executive Directors, including pension rights and any compensation payment.

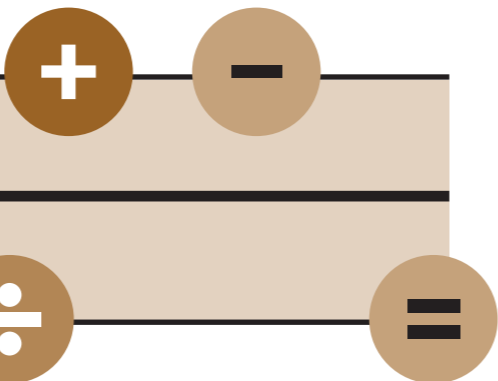
Disclosures

The register of contracts containing transactions, in which Directors are interested, is placed before the shareholders at their meeting regularly.

There were no strictures or penalties imposed by either the Securities and Exchange Board of India or the stock exchange or any statutory authority for non-compliance of any matter related to capital markets.

It is affirmed that no personnel was denied access to the Audit Committee.

Shareholder Information



1. AGM Details

- Date** : Wednesday, 9th September, 2009
- Time** : 3.00 pm.
- Venue** : Bhartiya Bhasha Parisad, 36 A Shakespeare Sarani, Kolkata – 700 017
- Book closure Dates** : 2nd September, 2009 to 9th September, 2009 (both days inclusive)
- Final dividend** : 9th September, 2009.

2. Financial Calendar

Financial reporting for the quarter ending: (tentative and subject to change)

	Quarter/half year/ year ending	Tentative schedule
Unaudited Financial Report	Q.E. 30.06.2009	End July 2009
Limited Review Report	Q.E. 30.06.2009	End July 2009
Unaudited Financial Report	Q.E. 30.09.2009	End October, 2009
Limited Review Report	Q.E. 30.09.2009	End October, 2009
Unaudited Financial Report	Q.E. 31.12.2009	End January, 2010
Limited Review Report	Q.E. 31.12.2009	End January, 2010
Audited Financial Report	Y.E. 31.03.2010	End June, 2010
Annual General Meeting	Y.E. 31.03.2010	Mid-September, 2010

3. Listing on stock exchanges and codes

- a) The Bombay Stock Exchange Limited**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
Ph: 91-022-2272 1234/33. • Fax: 91-022-2272 3121
Web: www.bseindia.com
- b) National Stock Exchange of India Limited**
Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.
Ph: 91-022-26598100 • Fax: 91-022-26598120
Web: www.nseindia.com

c) Singapore Exchange Securities Trading Limited

2 Shentonway, # 19-00 SGX Centrel
Singapore 068804
Ph: (65) 62368888 • Fax: (65) 65356994
Web: www.sgx.com

Stock Code

National Stock Exchange of India Limited TANTIACONS
The Bombay Stock Exchange Limited 532738
ISIN No. for Dematerialized Shares INE388G01018

Foreign Currency Convertible Bonds

Singapore Exchange Securities Trading Limited
Short name Tantia cb1% 1207185
Abbreviated name TANTCB12
ISIN code XS0310744106
Listing fees for 2009-10 paid for all the above stock exchanges.

4. Details of price movement on stock exchanges

The monthly trade statistics of the equity shares of the Company on the listed stock exchanges are as per the following table:

Month	NSE			BSE		
	High	Low	Volume	High	Low	Volume
Apr-08	130	84.05	132771	126.00	86.25	263343
May-08	118.00	74.65	90059	119.00	86.70	150434
Jun-08	94.80	65.00	56943	93.70	71.00	98348
Jul-08	80.00	56.50	37649	78.00	56.00	148293
Aug-08	80.00	66.10	14760	75.00	66.10	41729
Sep-08	73.00	50.00	149421	74.05	50.30	176200
Oct-08	61.90	29.00	150215	58.00	30.60	186000
Nov-08	43.25	30.50	25234	42.00	30.10	49007
Dec-08	44.70	29.70	240847	44.55	30.05	256220
Jan-09	45.90	31.15	16220	44.75	31.55	21531
Feb-09	36.50	30.00	11920	36.35	28.75	17717
Mar-09	35.40	27.30	382733	35.85	27.75	430302
Total	843.45	573.95	1308772	827.25	595.15	1839124

5. Registrars & Transfer Agents

The Company has appointed M/s Maheswari Datamatics Pvt. Ltd., to act as Registrar and Transfer Agent (R & T Agent) w.e.f. 17th March, 2007. Shareholders/Investors are requested to send share transfer related documents directly to our R & T Agent whose address is given below. The Company has a Shareholders'/Investors' Grievance Committee to look into various issues relating to the investors including share transfers.

6. Share Transfer / Transmission / Consolidation / Split system

The exercise of share transfer/transmission/consolidation/split etc. are handled by the Company's R & T Agent M/s Maheswari Datamatics Pvt. Ltd. After completing the procedural formalities of share transfer, the share certificates are normally returned to the transferees within a maximum period of 21 days from the date of lodgement. The R & T Agents are duly authorized for the purpose. There are no pending share transfers as on 31.03.2009.

7. Investor Grievance Redressal System

The investor grievances are handled by the Company's Registrar and Transfer Agent, M/s Maheswari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata – 700 001, in consultation with the Shareholders'/Investors' Grievance Committee of the Company. The Registrars have adequate skilled staff with professional qualifications and advanced

computer systems for speedy redress of the investor grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerized to ensure timely settlement. It normally takes 15 days from the date of receipt of the complaint for disposal of investor grievances.

8. Distribution of shareholding as on 31st March, 2009

Range of shareholding:

No. of shares (Share range)	No. of shareholders	Percentage of shareholders	Number of shares	Percentage of shares
1 – 500	10003	93.89	1129881	7.25
501 – 1000	359	3.37	297318	1.91
1001 – 2000	146	1.37	215984	1.39
2001 – 3000	39	0.37	101026	0.65
3001 – 4000	23	0.21	83979	0.54
4001 – 5000	15	0.14	70328	0.45
5001 – 10000	20	0.19	138499	0.89
10000 - & above	49	0.46	13536051	86.92
Total	10654	100.00	15573066	100.00

Categories of shareholding:

Shares held by	Total Shares	Percentage
Indian Promoters	7995498	51.34
Foreign Promoters	0	0
Persons acting in concert	0	0
Mutual funds and UTI	269786	1.73
Banks, Financial Institutions, Insurance Companies, Non-Government Institutions	553646	3.55
FIs	1218412	7.82
Private Body Corporate	2373990	15.24
Indian Public	3126752	20.08
NRI/OCBs	32670	0.22
Any Other	2312	0.02
Grand Total	15573066	100.00

9. Address for correspondence

Secretarial Department:
Tantia Constructions Limited
25-27, Netaji Subhas Road, Kolkata – 700 001.
Ph: 91-33-2230 1896/6284 • Fax: 91-33-2230 7403
E-mail: cs@tantiagroup.com

Auditors' Certificate on Corporate Governance

To the Members of
Tantia Constructions Limited

We have examined the compliance of conditions of Corporate Governance by Tantia Constructions Ltd. ("the Company") for the year ended on 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

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

Based on the confirmation received from the Company's Share Transfer Agent and representations made by the management, we report that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer & Investor Grievances Committee.

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

For and on behalf of
For S. M. BENGANI & CO.
Chartered Accountants

Hira Lal Bengani
Proprietor
M. No. 07867

Place: Kolkata
Dated: 30th May, 2009

CEO And CFO Certification

To,
The Board of Directors,
Tantia Constructions Limited

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

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2009 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2009 are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and the steps have been taken to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee;
 - i. significant change in internal control over financial reporting during the year.
 - ii. significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Kolkata
Date: 30th May, 2009

I.P.Tantia
Chairman and Managing Director

Rohini Sureka
Vice- President (Finance & Accounts)

Code of Conduct for Principal Executive and Senior Financial Officers

Philosophy

It is the long-pursued policy and commitment of Tantia Constructions Limited to adhere to the highest standards of integrity – professional and financial – and business ethics in the operation of its business. We believe that the various stakeholders in "trust" have handed this organisation to us and we, as professional managers are the "trustees" of those stakeholders. It is therefore our responsibility to ensure that the organisation is managed in a manner that protects and furthers the interests of our stakeholders. We recognise the society as an important stakeholder in this enterprise and therefore it is part of our responsibility to practise good corporate citizenship. Further, these are essential so that we can conduct our business in accordance with our stated values.

The Government: We at Tantia Constructions Limited, respect the government, laws and institution in the nation where we operate. While participating in the democratic process we remain apolitical.

The Board of Directors of the Company wishes to document a Code of Conduct for all principal executive and senior financial officers.

Applicability

The Code is applicable to the following persons:

- 1) All Directors of the Company, whether Executive or Non-Executive including Nominee Directors;
- 2) All Executives of the Company from the rank of Manager and above;
- 3) All Executives including professionals of the Company, having direct reporting to the Managing Director, Sr. Vice President and Vice Presidents of the Company.

The code

All the persons, referred to as above:

I. Environment, health and safety

1. Shall have respect for the environment, which forms part of everything that we do. As an environment - responsive organisation, we must maximise the way to preserve the environment through personal commitment to reduce waste in all forms.
2. Shall pledge to protect the environment, health and safety of employees and also the community.

II. Conflict of interest

1. Shall avoid all situations in which their personal interest could conflict with the interest of the Company.
2. Shall disclose to the appropriate authority/body all cases of conflict of interest or potential conflict of interest between the person and the Company.
3. Shall neither directly or indirectly, give any official favours for personal purposes nor spend Company's fund for personal purposes.
4. Shall not directly or indirectly exploit for personal gain, opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board declines to pursue such opportunity.
5. Shall in consideration of employment with the Company, Officers are expected to devote their full attention to the business interests of the Company.

Officers are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company,

or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit Officers from accepting simultaneous employment with suppliers, customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position.

Additionally, Officers must disclose to the Company's Audit Committee, any interest that they have that may conflict with the business of the Company.

6. Shall first obtain approval from the Company's Audit Committee before accepting a directorship because it is a conflict of interest to serve as a Director of any company that competes with the Company.

III. Corporate business opportunities

1. Shall not pre-empt or seize a corporate business opportunity unless the Board of Directors determine that the Company has no actual or expected interest in the said opportunity.

IV. Confidentiality/publicity

1. Shall respect the confidentiality of data available to them from time to time.

Such respect for confidentiality shall also continue after such person ceases to hold office as Director or serve the organisation.

2. Shall not give any statement to the press or any other form of media without due authorisation from the appropriate authority/body.

V. Legal compliance

1. Shall adhere to the Insider Trading Code of SEBI.

2. Shall take every reasonable step to ensure adherence to the laws of the land.

VI. Leading by example

1. Shall at all times make every reasonable effort to lead by example.
2. Shall practice a conduct of giving highest respect for humans and human values and must promote the same.
3. Shall conduct themselves in the private and personal life in the manner that shall not demean the image or damage the interests of the Company.

VII. Gender-friendly environment

1. Shall practice a conduct that promotes equality of gender, class and caste and should promote the same values and also exercise their duties in a manner that encourages healthy personal and career growth of the employees of the Company.
2. Shall not conduct themselves in such manner as would be construed to be an incident of sexual harassment at the workplace.
3. Shall encourage women employees to report any harassment concerns and be responsive to any complaint of harassment or other unwelcome and offensive conduct.

VIII. Social responsibility

1. Shall in their decisions respect the necessity of protecting the environment around it, of the country and the global environment and shall promote the same values.

IX. Cost consciousness

1. Shall exercise their responsibilities

with utmost cost consciousness within the organisation and shall promote the same.

2. Shall not use any facility of the Company for their personal use except when such facility has been provided for personal use by policy or specific permission.

X. Transparency and auditability

1. Shall be transparent in all their dealings except in cases where the needs of business security dictate otherwise and shall hold themselves accountable to the appropriate authority/body.

XI. Employees' dealings with the people in the organization

We believe that people provide us with the cutting edge. They help us to deliver value for our shareholders, our customers and society at large. Our people are the strength and best assets.

We respect the individual right and dignity of all people. We encourage people to care professionally and personally to their highest capabilities, regardless of nationality, cast, religion, colour or sex. All the persons referred to as above:

1. Shall practice and encourage the spirit of productive debate and discussion among the employees and with the Board as the situation may warrant.
2. Shall not show disrespect to their superior officers or to the authority of the Board.
3. Shall not engage in misinformation, disinformation or personal vilification or victimisation of any employee or stakeholder.
4. Shall uphold the values of trust,

teamwork, mutuality and collaboration, meritocracy, objectivity, self-respect and human dignity.

5. Shall provide the environment to promote achievement orientation and self esteem. We view merit, as the sole criteria for all the employees' related decision.

XII. Relationship with suppliers and customers

We are committed to our customers to fulfill their present needs and anticipating their needs. We are dedicated to continually improve the quality, usefulness and value of our services that will help our customer to enhance their performance. We must adhere to the following:

1. Shall never consider investing in any customer, supplier, developer or competitor of the Company; he or she must first take care to ensure that these investments do not compromise on their responsibilities to the Company. Our policy requires that Officers first obtain approval from the Companies Audit Committee before making such an investment.
2. Shall under no circumstances may Officers accept any offer, payment, promise to pay, or authorisation to pay any money, gift, or anything of value from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud. Inexpensive gifts, infrequent business meals and celebratory events, provided that they are not excessive or create an

appearance of impropriety, do not violate the policy.

General

1. Shall at all times make an endeavour to attend such meetings/occasions including Board and committee meetings as are required of the person for the benefit, growth and development of the Company.
2. Shall dedicate sufficient time, energy and attention to the Company to ensure diligent performance and be aware of and seek to fulfill his or her duties and responsibilities as set forth in the Company's Memorandum and Articles of Association and Corporate Governance Guidelines.
3. Shall not use abusive or offensive language at the workplace or any such location connected to official business.
4. Shall not illegally withhold any property or documents of the Company and should ensure protection of the same at all times.
5. Shall not knowingly suppress a material fact, which can be detrimental to the interest of the Company, from the appropriate authority/body.
6. Shall not give any directions, which expose to risk, the health and safety of any person.
7. Shall not make any statement, verify any return or form, containing any particulars, knowing them to be false.
8. Shall not fail to invite the attention of the appropriate authority/body in respect of matters affecting the Company or arising out of

professions, any material departure from the generally accepted principles of propriety.

For employees of the Company 'appropriate authority' means the designated reporting authority of the Executive, or the Managing Director of the Company. In case of members of the Board, the appropriate authority shall be the Board of Directors and in exceptional cases, the Chairman or Vice-Chairman of the Board.

No rights created

This Directors' Code set forth guidelines for conduct for the Board of Directors and senior management executives. It is not intended to and does not create any rights in any Director or the senior management executive, client, supplier, customer, shareholder, or any other person or entity.

Commitment to our corporate principle

Individually and collectively, each of our employees across all levels today, reaffirm commitment to those corporate principles that guide us in the conduct of our business and people relationship.



Financial section

Auditor's Report

To
The Members of
Tantia Constructions Limited

1. We have audited the attached balance sheet of **Tantia Constructions Limited, Kolkata** as at 31st March 2009, the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 (as amended) 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 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representation received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2009,
 - ii) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.M. Bengani & Co
Chartered Accountants

Room No. 57, 1^{1/2} - floor
187, Rabindra Sarani
Kolkata - 700 007
Dated : May 30, 2009

CA Hiralal Bengani
Proprietor
Membership No. 07867

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

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed during such verification.
- c) Fixed assets disposed of during the year were not substantial, and therefore, do not affect the going concern assumption.
- ii) a) The inventory has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory and the discrepancies noticed on verification between the physical stock and book records were not material.
- iii) a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b) As informed, the company has not taken any loans, secured or unsecured from Companies, forms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control.
- v) a) In our opinion and according to the information and

explanations given to us, and based on our verification, we are of the opinion that the particulars of contracts or arrangements referred to in register maintained, under section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.

- b) In our opinion and according to the information and explanations given to us, and based on our verification, we report that the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act., 1956, and exceeding the value of Rupees five lakh in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits under the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii) In our opinion, the Company has internal audit system commensurate with the size and nature of its business.
- viii) According to the records produced and information given to us, the Central Government has not prescribed any rules for maintenance of cost records and accounts under Section 209 (i) (d) of the Companies Act, 1956.
- ix) a) The Company is regular in depositing with appropriate authority undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise duty, Cess and other material statutory dues as applicable with the appropriate authority.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty And Cess were in arrears, as at March 31, 2009 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, details of dues of sales tax, income tax, excise duty and service tax which has not been deposited on account of any dispute are given below

Name of the Statue	Nature of Dues	Amount in Rs	Periods to which the amount relates	Forum where dispute is pending
Sales Tax (West Bengal)	Normal Assessment demand	40.46	04-05	Commissioner (Appeals)
		443.72	05-06	

- x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or bank.
- xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of any special statute applicable to Chit Fund/Nidhi/Mutual Benefit Fund/Societies are not applicable to the Company.
- xiv) In our opinion, the company is not a dealer in shares, securities and other investments.
- xv) In our opinion and according to the information and explanation given to us, the Company has not given guarantees for loans taken by others, from banks or financial institutions.
- xvi) The Company has not taken any term loan from banks during the year. However, the equipment finance loans taken during the year from the financial institutions have been applied towards the purchase of equipments financed under the loan.
- xvii) According to the information and explanations given to us and an overall examination of the balance sheet and cash
- flow statement of the Company, there are no funds raised on short term basis that have been used for long term investment.
- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report.
- xx) The Company has not raised any money by way of any public issue during the period covered by our audit.
- xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, nor noticed or reported during the year, nor have we been informed of such case by the management.

For S.M. Bengani & Co
Chartered Accountants

Room No. 57, 1^{1/2} - floor
187, Rabindra Sarani
Kolkata - 700 007
Dated : May 30, 2009

CA Hiralal Bengani
Proprietor
Membership No. 07867

Balance Sheet As at March 31, 2009

(Amount in Rupees)

Schedule	31.03.2009	31.03.2008
SOURCES OF FUNDS		
1) Shareholders' Fund		
a) Share Capital	157,130,660	157,130,660
b) Share Warrant	7,129,600	9,999,990
c) Reserves & Surplus	945,449,590	790,389,885
	1,109,709,850	957,520,535
2) Loan Funds :		
a) Secured Loans	2,519,423,874	2,229,097,380
b) Unsecured Loans	558,628,182	591,374,251
	3,078,052,056	2,820,471,631
3) Deferred Tax Liabilities		
Total	43,218,146	34,177,196
	4,230,980,052	3,812,169,362
APPLICATION OF FUNDS		
1) Fixed Assets :		
a) Gross block	967,025,817	885,193,056
b) Less Depreciation	275,069,322	210,001,931
c) Net block	691,956,495	675,191,125
d) Plant & Machinery in Stock	487,397	572,847
2) Investments	139,060,196	177,834,876
3) Current Assets, Loans & Advances :		
a) Inventories	1,446,523,927	1,125,752,322
b) Sundry debtors	1,240,790,709	1,259,335,627
c) Cash & bank balances	249,542,867	414,526,708
d) Other Current Assets	8,738,748	9,907,567
e) Loans and Advances	1,063,076,496	780,018,390
	4,008,672,747	3,589,540,614
Less:		
Current Liabilities and Provisions :		
a) Liabilities	501,435,762	547,369,041
b) Provisions	107,761,021	83,601,059
	609,196,783	630,970,100
Net Current Assets	3,399,475,964	2,958,570,514
Total	4,230,980,052	3,812,169,362
Accounting Policies & Notes to Accounts	23	

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

In terms of our report of even date

For S. M. Bengani & Co.

Chartered Accountants

CA Hiralal Bengani

Proprietor

Membership No. 07867

187, Rabindra Sarani, Kolkata-700007

Place : Kolkata

Dated : May 30, 2009

54 | Tantia Constructions Limited

I. P. Tantia

Chairman &

Managing Director

B. L. Ajitsaria

Director (Business

Development)

Rahul Tantia

Director

(Operation)

Md. Jamshed Alam

Company

Secretary

Profit and Loss Account For the period ended March 31, 2009

(Amount in Rupees)

Schedule	2008-2009	2007-2008
I INCOME		
Income From Operation	4,494,509,800	3,618,797,027
Increase/Decrease in Work in Progress	156,412,525	205,579,706
Other Income	16,757,835	24,321,673
Total	4,667,680,160	3,848,698,406
II EXPENDITURE		
Material Consumption	1,665,351,786	1,398,246,457
Contract Operating Expenses	2,141,604,893	1,759,705,569
Payments to & Provisions for Employees	113,148,955	103,901,842
Administrative & Other Expenses	148,787,212	135,478,491
Total	4,068,892,846	3,397,332,359
III PROFIT		
Profit before Interest, Depreciation & Tax	598,787,314	451,366,047
Interest & Financial Expenses	329,431,522	200,854,758
Profit before Depreciation & Tax	269,355,792	250,511,289
Depreciation/Amortisation	65,540,198	53,535,992
Profit before Taxation	203,815,594	196,975,297
- Current Tax	23,110,482	21,756,820
- Deferred Tax	9,040,950	23,924,587
- Wealth Tax	125,000	152,496
- Fringe Benefit Tax	1,396,074	1,490,000
	170,143,088	149,651,394
Profit of Joint Venture (Net of Tax)	2,443,157	4,279,153
Profit After Tax	172,586,245	153,930,547
Profit brought forward	288,936,547	173,485,365
Profit for Appropriation	461,522,792	327,415,912
IV APPROPRIATION		
General Reserve	13,000,000	11,000,000
Dividend on Cumulative Pref. Share	147,000	147,000
Proposed Dividend on Equity shares	23,359,599	23,359,599
Income Tax on Proposed Dividend	4,019,930	3,972,765
Balance Carried Forward	420,996,263	288,936,548
	461,522,792	327,415,912
V EARNINGS PER SHARE		
Basic (Rs.)	11.07	9.88
Diluted (Rs.)	9.61	9.66
Number of shares for calculating EPS		
Basic	15,573,066	15,573,066
Diluted	18,282,831	17,191,021
Accounting policies & Notes to Accounts	23	

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

In terms of our report of even date

For S. M. Bengani & Co.

Chartered Accountants

CA Hiralal Bengani

Proprietor

Membership No. 07867

187, Rabindra Sarani, Kolkata-700007

Place : Kolkata

Dated : May 30, 2009

I. P. Tantia

Chairman &

Managing Director

B. L. Ajitsaria

Director (Business

Development)

Rahul Tantia

Director

(Operation)

Md. Jamshed Alam

Company

Secretary

Schedules forming part of the Balance Sheet As at March 31, 2009

(Amount in Rupees)

	31.03.2009		31.03.2008	
1 SHARE CAPITAL				
Authorized				
29,000,000 Equity Shares (Prev. Yr. 29,000,000) of Rs. 10/- each		290,000,000		290,000,000
1,000,000 nos. (Prev.Yr. 1,000,000) of 10.5% Cumulative Preference Shares of Rs. 10/- each		10,000,000	300,000,000	10,000,000
Issued, Subscribed and paid up				
1,55,73,066 nos. of Equity shares (Prev. Yr. 1,55,73,066 nos.) of Rs. 10/- each			155,730,660	155,730,660
(Note: The above shares include 33,60,000 Equity shares issued as fully paid up Bonus shares by way of capitalization of accumulated General Reserve)				
10.5% 1,40,000 Cumulative Preference share (Prev. Yr. 1,40,000) of Rs 10/- each fully paid up (Refer Note : B(5) of Schedule 23)			1,400,000	1,400,000
		157,130,660		157,130,660

2 RESERVES & SURPLUS

Capital Reserve: (Refer Note :B(8) of Schedule 23)		9,999,990		-
Securities Premium Account		431,453,337		431,453,337
General Reserve:				
Balance as per last account	70,000,000		59,000,000	
Add: Transfer from Profit & Loss Account	13,000,000	83,000,000	11,000,000	70,000,000
Profit & Loss Account		420,996,263		288,936,548
		945,449,590		790,389,885

3 SECURED LOANS

Loans & Advances From Banks: (Refer Note: B(1) of Schedule 23)				
Working Capital Loans in the form of Cash Credit from Scheduled Banks	1,301,627,598		1,059,598,068	
Term Loans from Non-Banking Finance Companies	61,445,187		151,537,539	
Term Loans from Banks	333,641,767	1,696,714,552	-	1,211,135,607
Other Loans & Advances:				
Advance against materials	174,657,184		272,625,397.00	
Advance against contracts (Partly interest free and secured against bank guarantee)	648,052,138	822,709,322	745,336,376	1,017,961,773
		2,519,423,874		2,229,097,380

4 UNSECURED LOANS

Other Loans & advances				
From Bodies Corporates	255,628,182		288,374,251	
Foreign Currency Convertible Bond	303,000,000	558,628,182	303,000,000	591,374,251
(Refer Note: B(6) & (7) of Schedule 23)		558,628,182		591,374,251

Schedules forming part of the Balance Sheet As at March 31, 2009

(Amount in Rupees)

5 FIXED ASSETS		GROSS BLOCK				DEPRECIATION				NET BLOCK	
Sr. No.	Particulars	Cost as at April 01, 2008	Additions during the year	Sales / Adj. during the year	Cost as at March 31, 2009	Upto April 01, 2008	For the year	Withdrawn/ written back during the year	Total upto March 31, 2009	As at March 31, 2009	As at March 31, 2008
A) Tangible Assets											
1	Land & Shed	2,499,835			2,499,835				-	2,499,835	2,499,835
2	Work shop & Office Shed	10,342,339			10,342,339	291,924	339,864		631,788	9,710,551	10,050,415
3	Plant & Machinery	798,484,310	74,935,490		873,419,800	188,961,083	57,369,230		246,330,313	627,089,487	609,523,227
4	Vehicles	43,705,298	4,266,086	1,016,458	46,954,926	12,514,965	4,156,230	472,808	16,198,387	30,756,539	31,190,333
5	Office Equipments	1,968,589	875,781		2,844,370	251,585	99,418		351,003	2,493,367	1,717,004
6	Computer Equipments	7,697,822	1,241,426		8,939,248	3,330,526	1,303,448		4,633,974	4,305,274	4,367,296
7	Testing & Survey Equipments	9,815,105	1,516,568		11,331,673	2,140,813	516,087		2,656,900	8,674,773	7,674,292
8	Air Conditioner	906,779	13,867		920,646	141,367	43,696		185,063	735,583	765,412
9	Furniture & Fixtures	1,772,980			1,772,980	769,669	112,225		881,894	891,086	1,003,311
B) Intangible Assets											
10	Software	8,000,000			8,000,000	1,600,000	1,600,000		3,200,000	4,800,000	6,400,000
	Grand Total	885,193,057	82,849,218	1,016,458	967,025,817	210,001,932	65,540,198	472,808	275,069,322	691,956,495	675,191,125
	Previous Year	575,415,101	331,402,539	21,624,584	885,193,056	158,395,940	53,535,992	1,930,001	210,001,931	675,191,125	

6 INVESTMENTS

	31.03.2009	31.03.2008
Long Term Investment		
Trade Investment : (Unquoted at cost)		
Investment in Associate Company (Unquoted)		
InfraVision Developers (P) Ltd		
4,95,000 equity shares of Rs. 10/- each (P.Yr. - 4,95,000 shares of Rs.10/- each).	4,950,000	4,950,000
Andromeda Communications (P) Ltd.	2,962,000	2,962,000
7,000 equity shares of Rs.10/- each (P.Yr. - 1,000 shares of Rs.10/- each).		
Investment in shares (Unquoted)		
Universal Realtors (P) Ltd. (40,000 equity shares of Rs. 10/- each)	400,000	400,000
Investment in Joint Ventures	130,748,196	169,522,876
	139,060,196	177,834,876

7 INVENTORIES

(As taken valued and certified by the management)				
Construction Contract Work-in-progress	816,852,550		660,440,025	
Raw Materials	473,761,309		309,938,449	
Stores & Spares	61,392,754		40,029,187	
Loose Tools	94,517,314	1,446,523,927	115,344,661	1,125,752,322

Schedules forming part of the Balance Sheet As at March 31, 2009

(Amount in Rupees)

	31.03.2009		31.03.2008	
8 SUNDRY DEBTORS				
(Unsecured but considered Good)				
Exceeding Six Months	195,595,307		206,260,878	
Other Debts	1,045,195,402	1,240,790,709	1,053,074,749	1,259,335,627

9 CASH AND BANK BALANCES

Cash-in-hand		41,111,217		29,930,569
Balances with scheduled banks;				
In current Accounts		5,210,789		120,814,840
In Deposit Accounts (Pledged with Bank as Margin money for BG Limit & Lien with Client for earnest money deposit)		203,220,861		263,781,299
		249,542,867		414,526,708

10 OTHER CURRENT ASSETS

Accrued Interest on Bank deposits		8,738,748		9,907,567
		8,738,748		9,907,567

11 LOANS AND ADVANCES

(Unsecured, considered good)				
Advance to Associate Companies (Refer :Note B(24) of Schedule 23)	56,793,672		71,357,185	
Income Tax Advance (including Income Tax Deducted at Source)	190,729,565		103,303,088	
Advances recoverable in cash or in kind or for value to be received	384,175,613		298,095,167	
Security Deposits & Earnest Money	300,946,891		213,604,884	
Works Contract Tax receivable	130,430,755	1,063,076,496	93,658,066	780,018,390

12 CURRENT LIABILITIES

a) Sundry Creditors (Refer note:B(13) of Schedule-23)	412,362,406		478,600,384	
b) Other Liabilities	89,073,356	501,435,762	68,768,657	547,369,041

13 PROVISIONS

a) Provision for taxation	71,532,877		46,916,695	
b) Dividend on cumulative preference shares	147,000		147,000	
c) Proposed dividend on equity shares	23,359,599		23,359,599	
d) Income Tax on proposed dividend	3,994,947		3,972,765	
e) Employees Retirement Benefits	8,726,598	107,761,021	9,205,000	83,601,059

Schedules forming part of the Profit and Loss Account For the year ended March 31, 2009

(Amount in Rupees)

	31.03.2009		31.03.2008	
14 INCOME FROM OPERATION				
Contract Receipts (Gross) (TDS-Rs. 86587274/-, Previous Year Rs. 67259626/-)	4,112,874,604		3,406,684,601	
Contract Receipt of Joint Venture	379,645,315		197,649,404	
Misc Business income	1,989,881	4,494,509,800	14,463,022	3,618,797,027
		4,494,509,800		3,618,797,027

15 INCREASE/DECREASE IN WORK IN PROGRESS

Closing work in progress		816,852,550		660,440,025
Less: Opening work in progress		660,440,025		454,860,319
		156,412,525		205,579,706

16 OTHER INCOME

Interest on Fixed Deposits (Gross) (TDS- Rs. 2169639/-, Previous Year Rs. 1645281/-)	11,758,888		14,289,613	
Dividend Received	-		9,000	
Miscellaneous Income	3,330,434		3,747,597	
Derivative Income	-		628,960	
Interest on Fixed Deposits (USD) (TDS – Nil)	1,668,513		5,304,718	
Interest from others	-		341,785	
		16,757,835		24,321,673

17 MATERIALS CONSUMPTION

Raw Materials	1,405,882,391		1,191,028,764	
Consumable Materials	163,259,694		95,402,742	
Stores & Spares	20,107,058		63,008,562	
Material Rehandling	30,234,461		39,033,889	
Tools & Tackles	45,868,182		9,772,500	
		1,665,351,786		1,398,246,457

18 CONTRACT OPERATING EXPENSES

Contract Execution Expenses		1,363,166,971		1,199,460,280
Contract Operating expenses of J.V.		379,645,315		197,649,404
Carriage Inwards		35,107,251		20,755,236
Equipment maintenance		54,183,272		45,091,474
Machinery Repairing Charges		56,704,660		52,682,326
Other Repairs & Maintenance		10,294,937		5,994,050
Power & Fuel		136,009,383		152,646,372
Site Expenses		6,763,001		19,248,358
Works Contract Tax & Other Taxes		74,437,629		45,246,301
Consultancy Fees		22,720,347		16,268,946
Testing Expenses		1,472,244		3,271,989
Survey & Inspection Expenses		1,099,883		1,390,833
		2,141,604,893		1,759,705,569

Schedules forming part of the Profit and Loss Account For the year ended March 31, 2009

(Amount in Rupees)

	31.03.2009	31.03.2008
19 PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salary and Bonus	97,904,447	80,829,714
Contribution towards Employees Provident Fund, ESIC and other funds	4,145,736	3,851,494
Staff Welfare Expenses	11,388,569	11,570,576
Employees Retirement Benefits	(289,797)	7,650,058
	113,148,955	103,901,842

20 ADMINISTRATIVE & OTHER EXPENSES

Rent		12,421,290		10,586,738
Rates and Taxes		17,071,978		2,884,666
Service Tax		1,045,033		3,803,047
Insurance		5,682,260		7,462,049
Printing & Stationery		3,131,534		4,852,222
Directors' Remuneration (Refer : Note B(10) of Schedule 23)		17,413,882		16,650,396
Directors' Fee		170,000		151,000
Auditor's Remuneration				
Audit Fees	140,000		140,000	
Tax Audit Fees	25,000		25,000	
Out of Pocket Expenses	15,000		15,000	
Certificates	63,000	243,000	70,766	250,766
Light Vehicle Running Expenses		3,280,161		2,572,295
Internal Audit & Other Certificate Fees		610,951		611,534
Travelling & Conveyance		24,022,715		22,259,673
Loss on Sale of Fixed Assets (Net)		303,650		420,450
Advertisement	1,523,841		1,716,486	
Computer Maintenance	646,655		1,929,187	
Legal Expenses	4,010,041		1,029,230	
Security Guard Expenses	5,043,920		3,795,745	
Telephone Expenses	6,630,181		6,569,598	
SAP – Maintenance	940,383		7,565,841	
Miscellaneous Expenses	22,699,242	41,494,263	24,875,725	47,481,812
Donation		2,066,000		1,148,337
FCCB Issue Expenses		–		11,513,392
Foreign Exchange Fluctuation		19,830,495		2,830,114
		148,787,212		135,478,491

21 INTEREST & FINANCIAL EXPENSES

To Banks on Working Capital Loan		126,171,624		67,194,108
T Bank on Term Loan		44,023,789		14,014,097
To Non-Banking Finance Companies on Equipment Finance Loan		11,282,504		21,198,367
To Others		104,753,444		69,885,125
Interest on FCCB		3,597,207		2,084,790
Bank Commission & Other Charges		39,602,954		26,478,271
		329,431,522		200,854,758

22 TAXATION

Income Tax for the year	23,092,307		22,317,000	
Income Tax for earlier year	18,175	23,110,482	(560,180)	21,756,820
		23,110,482		21,756,820

Schedules forming part of the Accounts For the year ended March 31, 2009

23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICY

1. Nature of Operations

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

2. Basis of Preparation of Financial Statements

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

For recognition of Income and Expenses mercantile system of accounting is followed except in case of insurance claims.

The accounting policies have been consistently applied by the Company unless otherwise stated.

3. Use of Estimates:

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

4. Inventories

- Stock of raw materials, stores and spares, other construction materials and fuel are valued at cost (weighted average basis) or net realizable value whichever is lower.
- Work-in-progress is valued at cost and reflects the work done but not certified.

5. Depreciation / Amortization

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

In respect of the other assets acquired thereafter depreciation is charged on the straight line method at the rates prescribed in Schedule-XIV of the Companies' Act 1956.

Software and implementation costs including users' license fees and other related application software (SAP) costs are amortized equally over a period of five years.

6. Revenue Recognition

On Construction Contracts:

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

7. Fixed Assets

Fixed Assets are stated at cost of acquisition together with any incidental costs for bringing the asset to its working condition for its intended use less accumulated depreciation and impairment losses, if any.

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

Intangible assets comprise of License fees and other implementation cost of software (SAP) acquired for in-house use is net of amortization, if any.

8. Foreign Currency Transactions

Transactions in foreign currency are recorded using the exchange rate prevailing at the date of transactions. At the Balance Sheet date monetary assets and liabilities denominated in foreign currency are recorded using the closing exchange rates. All other

Schedules forming part of the Accounts For the year ended March 31, 2009

23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (Contd.)

foreign currency assets and liabilities are stated at the rates ruling at the year end other than those covered by forward contracts, which are stated at the contracted rate. Exchange differences arising on foreign currency transactions are recognized in the Profit & Loss Account.

9. Investment

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

Current investments are carried at cost or market rate whichever is less, on individual investment basis. Investments in Joint Ventures are stated at cost.

10. Employee Benefit (Retirement and Post Employment Benefit)

Contribution to defined benefit schemes such as Provident Fund, ESI, Medical re-imbusement etc. are charged to profit and loss account as incurred. The contributions are made to Government administered Provident Fund and ESI towards which the Company has no further obligations beyond its monthly contributions. Those employees who are not covered under ESI scheme (as stated in the Act) get medical re-imbusement as per the HR policy of the Company.

The Company also provides for retirement benefits in the form of gratuity and leave encashment. Such benefits are provided for, based on the valuation as at the balance sheet date made by independent actuaries.

The company has taken policy of Group Gratuity Scheme from LIC. In respect of Gratuity, the company provides in its books of account the shortfall in the fund balance as per and independent actuary valuation subject to minimum of the premium claimed by LIC (as on 31st March).

11. Earnings Per Share

Basic earning per share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net Profit or Loss for the year attributable to the equity share holders and weighted average number of share outstanding if any are adjusted for the effects of all dilutive potential equity shares.

12. Taxation

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

- Current tax is determined in respect of taxable income for the year based on applicable tax rates and laws. On the basis of the opinion taken from an Expert the Company is continuing to avail of the benefit of deductions u/s 80IA of the Income Tax Act, 1961 for the eligible projects.
- Deferred tax is recognized, subject to consideration of prudence, on timing difference being the difference between taxable income and accounting income that originates in one period and are capable of being set off in one on more subsequent year's and is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are reviewed at each balance sheet date to and are recognized only if there is reasonable certainty that they will be realized.

13. Accounting of Joint Venture contracts

- The contracts executed in Joint Venture under work sharing arrangement (consortium) are accounted in accordance with the accounting policy followed by the Company as that of an independent contract to the extent work is executed.
- In joint venture contracts under profit sharing arrangements, services rendered to joint ventures are accounted as income on accrual basis, profit or loss is accounted as when determined by the joint venture and Net Investment in the joint venture is reflected as investments or loans and advances or current liabilities. The proportionate contract receipts of joint ventures are reflected as contract receipts of joint ventures and the same has been shown as expenses of joint venture as a conservative approach.

14. Impairment of Assets

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

15. Provision, Contingent Liabilities & Contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are

Schedules forming part of the Accounts For the year ended March 31, 2009

23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (Contd.)

disclosed in the notes to accounts. Disputed demands in respect of Income Tax, Sales Tax are disclosed as contingent liability. Payments in respect of such demands, if any, are shown as advance, till the final outcome. Contingent Assets are neither recognized nor disclosed in the financial statements.

B. NOTES OF ACCOUNTS

1. Secured Loans

- From Banks & Financial Institutions:

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

These facilities have also been collaterally secured

- By way of charge on the fixed assets of the company excluding the equipments, machinery and vehicles that are hypothecated to various Non-Banking Finance Companies.
- Personal Guarantees of the Chairman-cum-Managing Director and the Director (Operations)
- Loan repayable against Term Loan from Bank within one year is Rs.3336.42 Lakhs. (Previous Year: Nil)
- From Non-Banking Finance Companies:
Term Loans taken from the Equipment Finance Companies and NBFCs towards the purchase of equipments, machineries and vehicles are secured by way of hypothecation of assets financed by them. Amount due within one year Rs.589.61 Lakhs. (Previous Year: Rs.898.12 Lakhs)
- From others:
 - The mobilization advances received from contractee's have been guaranteed by the Company's bankers. Current Year: Rs.6163.40 Lakhs (Previous Year: Rs. 7453.36 Lakhs)
 - Machine advances received from contractee's are secured by the machines lying with the Contractee's Current Year: Rs.317.12 Lakhs (Previous Year: Nil)
 - Material advances received from contractee's are secured by the materials lying with the Contractee's Current Year: Rs.1746.57 Lakhs (Previous Year: Rs.2726.25)

2. Contingent Liabilities

(Rupees in Lakhs)

Sl. No.	Particulars	31.03.2009	31.03.2008
1	Counter guarantees given to Consortium Banks in respect of Contracts in India. Rupees 1192.85 lakhs (Previous year 1180.59 lakhs) are held by banks as margin money against the guarantees given by them in addition to the counter guarantee offered by the company for the total non-fund based limit for Bank guarantee of Rs.33700 Lakhs.	23102.14	20829.38
2	Claims not acknowledged as debts by the Company.	-	0.65
3	Sale tax liability / works contract tax liability for which the Company has preferred an appeal before the appellate authority.	464.18	136.53
4	The company had issued in 2007-08 7500 1% Foreign Currency Convertible Bond of USD \$ 1000 each due 2012 @ 100%, redeemable only if there is no pre-mature conversion. The payment of premium on redemption of Rs.11.48 Cr. (Previous year - 11.48 Cr.) is therefore contingent in nature as the outcome of which depends on uncertain future events and so not provided for.		

- Commitment for capital expenditure is Nil (Previous year Rs. 237 Lakhs) (net off advances).

Schedules forming part of the Accounts For the year ended March 31, 2009

23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (Contd.)

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

Particulars	(Rupees in Lakhs)	
	2008-09	2007-08
Contract Revenue	114337.60	69392.50
Contract Costs incurred	103038.70	61359.13
Recognized Profits/ Losses	11298.90	8033.37
Advances received	8227.09	10179.62
Retention Money	2775.42	1914.58
Gross amount due from Customer for Contract work	16409.67	15,692.66
Gross amount due to Customer for Contract work	–	–

5. The Company has issued and allotted on 8th January 2005 10.50 % 1,40,000 cumulative redeemable preference shares of Rs. 10 each fully paid up, redeemable at the option of the shareholder with 90 days notice or at the option of the Company with 30 days notice within a maximum period of 10 (ten) years. There was no redemption during the year.
6. During the year 2007-08 the company has issued 7500 1% Foreign Currency Convertible Bond due 2012 at 100%, of US \$1000 each aggregating to US \$7.5 million to finance capital expenditure. The bondholders have an option of converting these bonds into shares at an initial conversion price of Rs.140.00 per share with a fixed rate of conversion of Rs.40.38 per US \$ at any time on or after 17th July 2007 up to 5th July 2012. The bonds are also redeemable at the option of the Company at a minimum rate of 130 % in case of early redemption on any date after 24 months from the issue date (17th July 2007) and upto 5th July 2012. Unless previously redeemed, converted or repurchased and cancelled, the bonds will be redeemed at 137.92% of its principal amount on the maturity date. No conversion, redemption, re-purchases and cancellation has been exercised by either party during the year.
7. Out of 1% Coupon Foreign Currency Convertible Bond of Rs. 3030.00 Lakhs, Rs 2812 Lakhs has been utilized for financing capital expenditure in terms of the object of the issue and Rs 115.13 Lakhs for FCCB issue expenses. The amount of foreign exchange fluctuation and FCCB issue expenses have been charged to profit and loss account. The balance amount of Rs. 218 Lakhs has been kept in current account and deposit account with State Bank of India, London Branch
8. Current Liabilities others includes Unpaid Dividend aggregated to Rs. 282899.00 at the end of the year and the corresponding amount is lying in the designated bank account for Dividend of the corresponding year.
9. **Issue of Share Warrants**
The Company had received Rs.9999990/- being 10% value against future call option of 714285 Share warrants at a price of Rs.140/- each (including the premium of Rs.130/- each) convertible on or before August 31, 2008. The call was not exercised by the applicants and as per the term of the issue of warrant, the said amount was forfeited and credited to Capital Reserve. During the year the company has made fresh issue of 800000 share warrants @ Rs. 89.12/- each (including premium of Rs. 79.12/- each). allottees of Share warrants issued on September 29, 2008 have paid 10% of the total value and the balance is payable on or before March 29, 2011 However, no conversation has been made during the year.

10. Managerial Remuneration:

Sl. No.	Particulars	(Rupees in Lakhs)	
		2008-09	2007-08
1	Salary paid to Chairman & Managing Director and Whole time Directors	105.50	96.00
2	HRA paid to Chairman & Managing Director and Whole time Directors	18.00	18.00
3	Provident Fund - Chairman & Managing Director and Whole time Directors	0.46	0.59
4	Ex-gratia payment to Whole time Director	–	1.35
5	Medical Reimbursement to Chairman & Managing Director and Whole time Directors	0.31	0.47
6	Commission to Chairman & Managing Director	49.87	50.09

Schedules forming part of the Accounts For the year ended March 31, 2009

23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (Contd.)

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

(Rupees in Lakhs)

	2008-09	2007-08
Profit before Taxation and Exceptional Items	2038.16	1969.75
Add:		
Loss on sale of Fixed assets (Net) under Section 349 of the Companies act 1956	3.04	4.20
Depreciation / Amortization provided in books	655.40	535.36
Directors Remuneration	124.27	116.41
Director Sitting Fees	1.70	1.51
Less:		
Depreciation as per section 350 of Companies Act 1956 (Including amortization of Intangibles) (Rate specified in Schedule XIV)	655.40	535.36
Profit on sale of Fixed assets (Net) under Section 349 of the Companies act 1956	–	–
Net Profit as per Section 349 of the Companies Act 1956	2167.17	2091.88
Managerial Remuneration to MD - Maximum of 5% of Net Profit	108.37	104.59
Remuneration Paid to CMD	58.50	54.50
Commission Payable for the year	49.87	50.09

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

(Rupees in Lakhs)

Sl. No.	Particulars	31.03.2009
I	Defined Contribution Plan –	
	Company has recognized the following amounts in the Profit & Loss Account for the year	
	Contribution to employees Provident fund -	23.36
	Contribution to Employees State Insurance	1.46

Reconciliation of opening and closing balances of the present value of the Defined benefit obligation	Gratuity (Funded) Rupees	Leave encashment (Non Funded), Rupees
Obligation at the period beginning(April1, 2008)	72.66	28.80
Current Service Cost	8.70	16.48
Interest Cost	5.81	2.05
Actuarial (gain)/loss	0.42	(15.53)
Benefits paid	(1.42)	–
Obligation at the year end (March 31, 2009)	86.17	31.80
Change in Plan Assets		
Plan assets at period beginning, at fair value	29.49	–
Expected return on plan assets	2.64	–
Actuarial (gain)/loss	–	Not Applicable
Contributions	–	–
Benefits paid	(1.43)	–
Plan Assets at the year end, at fair value	30.70	–
Reconciliation of present value of the obligation and the fair value of plan assets		
Fair value of plan assets at the end of the year	30.70	Nil
Present value of the defined benefit obligations at the end of the year	86.17	31.8
Liability/(Assets) recognized in the Balance Sheet	55.47	31.80
Cost for the year		
Current service cost	8.70	16.48
Interest cost	5.81	2.05
Expected return on plan assets	(2.63)	–
Actuarial (gain)/loss	0.42	(15.53)
Net Cost recognised in the Profit and Loss Account	12.30	3.00
Assumptions used to determine the benefit obligations:		
Interest rate	8.00%	7.12
Estimated rate of return on plan assets	8.94%	Not applicable
Expected rate of increase in Salary	5.00%	5.00%

Schedules forming part of the Accounts For the year ended March 31, 2009

23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (Contd.)

12. Current tax is determined in respect of taxable income for the year based on applicable tax rates and Laws. On the basis of the opinion taken from an Expert, the Company is computing Current Tax liability considering availability of benefit of deductions u/s 80IA of the Income Tax Act, 1961 for the eligible projects.
13. Based on the information received from the vendors the Company has not come across any vendor who is covered under the Micro, Small and Medium Enterprise Development Act 2006 and hence disclosure, if any, relating to amount unpaid as at the year end together with interest paid/payable as required under the said act have not been given.
14. The contract awarded to the Company by the Bihar State Government for development and widening of roads in Patna has been prematurely terminated by the Govt. of Bihar on 30th of April, 2008. The company has taken necessary remedial measure through Honourable High Court of Kolkata. Arbitrator has been appointed in the matter to adjudicate the claim filed by the Company and the hearings are in process.
15. The Company operates under a single segment namely "Core Infrastructure". Therefore, reporting under AS-17 on "Segment Reporting" has not been made. During the year under report the company has engaged in business on in India hence it is treated as a single geographical segment.
16. Disclosure on Related Party Transactions as per AS 18 on "Related party disclosures" issued by The Institute of Chartered Accountants of India:

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

A Associate Companies and Enterprises over which the key management personnel is able to exercise significant influence:	Negolice Trading (P) Ltd. Infra Vision Developers (P) Ltd. Monobal Vayapar (P) Ltd. Castal Extrusion Private Limited Alvary Systems (P) Ltd. Andromeda Communications (P) Ltd
B Joint Ventures:	RBM Tantia (JV) Tantia BSBK (JV) JMC Tantia (JV) Tantia DBC (JV) Tantia Simplex (JV) Tantia Soma (JV) Tantia Nayak (JV) Tantia TBL (JV) Tantia SPML (JV) Tantia Freyssinet Gilcon (JV) Tantia Gondwana (JV)
C Key Management Personnel and Relatives:	Sri I. P. Tantia (Chairman & Managing Director) Sri B. L. Ajitsaria (Director – Business Development) Sri Rahul Tantia (Director - Operations) Ms.Rohini Sureka (Vice President Finance & Accounts)

Particulars of Transactions during the year: (Rupees in Lakhs)

Nature of Transactions	Year	Fellow / Company	Joint Venture	Key Management Personnel	Total
Rendering of Services	2008-09	85.00	2485.66	0.00	2570.66
	2007-08	(615.00)	(16404.62)	(0.00)	(17019.62)
Receiving of Services	2008-09	0.00	0.00	0.00	(0.00)
	2007-08	(0.00)	(0.00)	(0.00)	(0.00)
Remuneration Paid/payable	2008-09	0.00	0.00	131.11	131.11
	2007-08	(0.00)	(0.00)	(136.97)	(136.97)
Purchase of Goods	2008-09	11.84	0.00	0.00	11.84
	2007-08	(18.31)	(0.00)	(0.00)	(18.31)
Rent paid	2008-09	8.25	0.00	0.00	8.25
	2007-08	(9.00)	(0.00)	(0.00)	(9.00)
Re-imbusement of expenses	2008-09	49.21	0.00	0.00	49.21
	2007-08	(20.90)	(0.00)	(0.00)	(20.90)

Schedules forming part of the Accounts For the year ended March 31, 2009

23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (Contd.)

Particulars of Transactions during the year: (Contd.) (Rupees in Lakhs)

Nature of Transactions	Year	Fellow / Company	Joint Venture	Key Management Personnel	Total
Dividend Paid	2008-09	55.91	0.00	4.46	60.37
	2007-08	(74.20)	(0.00)	(20.15)	(74.20)
Advances given	2008-09	1649.59	0.00	0.00	1649.59
	2007-08	(4785.62)	(0.00)	(0.00)	(4385.62)
Refund of Advances	2008-09	1795.22	0.00	0.00	1795.22
	2007-08	(1229.65)	(0.00)	(0.00)	(1229.65)
MD Commission	2008-09	0.00	0.00	49.87	49.87
	2007-08	(0.00)	(0.00)	(50.09)	(50.09)
Investment in Joint Ventures	2008-09	0.00	1289.95	0.00	1289.95
	2007-08	(0.00)	(718.09)	(0.00)	(718.09)
Investment in Shares	2008-09	0.00	0.00	0.00	0.00
	2007-08	(25.52)	(0.00)	(0.00)	(25.52)
Outstanding balances receivable	2008-09	779.96	1949.36	5.64	2734.96
	2007-08	(825.98)	(2522.05)	(4.95)	(3352.98)
Outstanding balance payable	2008-09	9.40	0.00	7.22	16.62
	2007-08	(12.93)	(0.00)	(6.27)	(19.21)

17. Since the business of the Company is construction activities, quantitative data as required by Part II, para - ii 4c, 4d of Schedule VI of the Companies Act, 1956 is not furnished.

Additional information pursuant to the provisions of part II of Schedule VI to the Companies Act, 1956 (Wherever applicable)

	2008-09		2007-08	
	Rs in Lakhs	% age	Rs in Lakhs	% age
A. Value of imports calculated on CIF Basis:				
(i) Capital Goods	–	–	228.40	–
B. Expenditure in foreign currencies:				
(i) Traveling expenses	3.02	–	1.72	–
(ii) Consultancy Charges	–	–	88.88	–
C. Value of imported and indigenous components, embedded goods and spare parts consumed:				
i) Imported	–	–	15.72	0.12%
ii) Indigenous	16653.52	100.00%	13292.58	99.88%
D Earnings in foreign currency (on accrual basis)	16.69	–	60.88	–
Export of goods or services on F.O.B. basis and work bills realized on contracts	14.78	–	7.83	–

18. Loans & Advances include advances of Nil (previous year Rs.32.29 Lakhs) paid to various parties as advances for purchase of capital items.

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

(Amount in Rupees)

Particulars	2008-09	2007-08
Basic		
Net Profit after tax for the year attributable for equity shareholders	172,414,262	153,930,547
Weighted number of shares for EPS computation	15,573,066	15,573,066
Earnings Per Share	11.07	9.88
Diluted		
Net Profit after tax for the year	172,586,245	153,930,547
Expenses on FCCB (net of tax)	3,189,643	12,057,508
Adjusted profit after tax for the year available for equity shareholders	175,775,888	165,988,055
Weighted average number of shares for EPS computation	18,282,831	17,191,021
Diluted Earnings Per Share	9.61	9.66

Schedules forming part of the Accounts For the year ended March 31, 2009

23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (Contd.)

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

(Rupees in Lakhs)

	31.03.2009	31.03.2008
Deferred Tax Liability		
Fixed Assets as per Accounts	6919.56	6751.91
Fixed Assets As Per Income Tax	5512.20	5586.74
Deferred Tax Liability (Timing Difference)	1407.36	1165.17
Deferred Tax Asset		
– Provisions for Employee benefits	87.27	92.05
– Other Expenses – Disallowed		6.48
– Bonus Provision	48.60	61.13
Deferred Tax Asset (Timing Difference)	135.86	159.66
Net Deferred Tax Liability	1271.50	1005.51
Tax Impact On Net Liability @ 33.99%	432.18	341.77
Deferred Tax Liability	432.18	341.77

21. Intangible asset, shown under Fixed Assets (Schedule – 5) include the ERP Implementation Expenses (SAP) of Rs.80.00 Lakhs which has been amortized as depreciation over a period of five years being the estimated life.

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

i. Details of Joint Ventures entered into by the Company

(Rupees in Lakhs)

Sl. No.	Name of JV	Description of Interest	% of Share	Investment	
				31.03.09 Amt. in Rs.	31.03.08 Amt. in Rs.
1	RBM Tantia (JV)	Jointly Controlled Entity	99.999% *	1150.12	1602.33
2	Tantia BSBK (JV)	Jointly Controlled Operation	50%	11.62	0.41
3	JMC Tantia (JV)	Jointly Controlled Operation	50%	34.70	16.87
4	Tantia DBC (JV)	Jointly Controlled Operation	75%	2.50	2.40
5	Tantia Simplex (JV)	Jointly Controlled Operation	88.43%	.45	0.06
6	Tantia Soma (JV)	Jointly Controlled Operation	50%	45.58	28.77
7	IVRCL Tantia (JV)	Jointly Controlled Operation	50%	2.17	1.95
8	Tantia TBL (JV)	Jointly Controlled Operation	50%	25.06	23.67
9	Tantia Freyssinet Gilcon (JV)	Jointly Controlled Operation	50%	14.75	14.75
10	Tantia Nayak (JV)	Jointly Controlled Operation	51%		0
11	Tantia SPML (JV)	Jointly Controlled Operation	50%	2.98	4.00
12	INDU Tantia (JV)	Jointly Controlled Operation	47.50%		0
13	Satish Tantia (JV)	Jointly Controlled Operation	49%		0
14	Tantia Gondwana (JV)	Jointly Controlled Operation	70%	17.53	0
	Total Investment in Joint Venture			1307.48	1695.21

*In view of the amended agreement between the JV partners, the profit sharing ratio of the joint venture - RBM-TANTIA – JV has been changed during the current year with effect from 01.04.07. until 31st March 2007 the profit sharing ratio was 50% for each of the venture partners. However, RBM has opted out from the JV as lead partner restricting its profit and investment to Re.1/- and presently the company is executing the entire work. According to the revised agreement the Company is responsible for all the remaining assets, liabilities, profits and losses of the joint venture.

Schedules forming part of the Accounts For the year ended March 31, 2009

23 ACCOUNTING POLICY AND NOTES TO ACCOUNTS (Contd.)

ii. Financial interest in the Jointly controlled Entities

(Rupees in Lakhs)

Name of the JV	Year	Assets	Liabilities	Turnover	Other Income	Expenses
RBM Tantia (JV)	2008-09	NA	NA	NA	NA	NA
	2007-08	3753.02	841.50	2827.36	8.87	2518.63

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

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

24. Loans & Advances includes advances given to the Associate Companies as follows:

(Rupees in Lakhs)

Group Companies	Maximum Balance		Balance as on	
	2008-09	2007-08	2008-09	2007-08
Infra Vision Developers (P) Ltd.	812.94	813.57	567.94	–
Nigolice Trading (P) Ltd	83.05	857.60	–	713.57

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

(Rupees in Lakhs)

Particulars	Income Tax including FBT	Dividend including Corporate Tax on Dividend (On Preference shares)	Employee benefits
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Balance as on 1.4.2008	1.65	274.77	92.05
Add: Provisions made	13.96	275.75	(4.78)
Less: Payments	1.84	275.02	0.00
Less: Adjustments	(0.19)	(0.25)	0.00
Closing Balance as on 31.03.2009	13.58	275.25	87.27

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

In terms of our report of even date

For S. M. Bengani & Co.

Chartered Accountants

CA Hiralal Bengani

Proprietor

Membership No. 07867

187, Rabindra Sarani, Kolkata-700007

Place : Kolkata

Dated : May 30, 2009

I. P. Tantia

Chairman &

Managing Director

B. L. Ajitsaria

Director (Business

Development)

Rahul Tantia

Director

(Operation)

Md. Jamshed Alam

Company

Secretary

Cash Flow Statement For the year ended March 31, 2009

(Amount in Rupees)

	2008-2009		2007-2008	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and extra ordinary item		203,815,594		196,975,297
Add/(Less) Adjustment for				
Depreciation	65,540,198		53,535,992	
(Profit)/Loss on sales of Fixed Assets	303,650		420,450	
(Profit)/Loss on sales of Investment			6,321	
Dividend Received	-		(9,000)	
Derivative Income	-		(628,960)	
Foreign Exchange Fluctuation	19,830,495		2,830,114	
Interest Income	(13,427,401)		(19,936,116)	
Interest on Borrowings	329,431,522	401,678,464	200,854,758	237,073,559
Operating Profit before working Capital changes		605,494,058		434,048,856
Add/(Less) (Increase)/decrease in Assets/Liabilities				
Debtors	18,544,918		(418,646,515)	
Loans & advances	(283,058,106)		(326,331,457)	
Other Current assets	1,168,819		(22,797,569)	
Inventories	(320,771,605)		(382,970,813)	
Advances from customers	(195,252,451)		583,060,164	
Trade payables, Liabilities & Provisions	(21,773,317)	(801,141,742)	102,050,420	(465,635,770)
Cash Generated from Operations		(195,647,684)		(31,586,914)
Direct Taxes paid		(24,631,556)		(23,399,316)
Cash Flow before extraordinary items		(220,279,240)		(54,986,230)
Extra-Ordinary items		-		-
Net Cash From Operating Activities		(220,279,240)		(54,986,230)
B. Cash flow from Investing Activities				
Add/(Less) (Increase)/decrease in Assets/Liabilities :				
Additions of Fixed Assets (net)	(82,763,768)		(331,975,390)	
Sale/discard of Fixed Assets	240,000		19,274,134	
Interest Income	13,427,401		19,936,116	
Dividend Received	-		9,000	
Derivative Income	-		628,960	
Proceeds from sale of Investment	-		443,679	
Investment in Body Corporate	-		(2,952,000)	
Investment in Associate Company	-		-	
Investment in Joint Ventures & others	41,217,836	(27,878,531)	(69,707,491)	(364,342,993)
Net Cash used in investing Activities.		(27,878,531)		(364,342,993)

Cash Flow Statement (Contd.) For the year ended March 31, 2009

(Amount in Rupees)

	2008-2009		2007-2008	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Add/(Less) (Increase)/decrease in Assets/Liabilities:				
Share Capital issue	7,129,600		-	
Share Premium Account	-		-	
Secured Loans	243,549,415		(563,939,220)	
Unsecured Loans	(32,746,069)		244,022,159	
Interest Paid	(329,431,522)		(200,854,758)	
Share Application Money pending Allotment	-		-	
Misc. Expenditure (Share issue Exp.)	-		-	
Taxation	-		-	
Dividend Paid	(23,506,599)		(23,506,599)	
Tax on Dividend	(4,019,930)	(139,025,105)	(3,972,765)	(548,251,183)
Net Cash from financing Activities.		(139,025,105)		(548,251,183)
D. Net increase/(Decrease) in Cash and Cash equivalent (A+B+C)		(387,182,876)		(967,580,406)
E. Cash and Cash Equivalent				
		As on 31st March 2009		As on 31st March 2008
Cash In Hand		41,111,217		29,930,569
Cash at Bank		208,431,650		384,596,139
Demand Loan from Schedule Banks		(1,301,627,598)		(1,059,598,068)
Foreign Exchange Fluctuation A/c		19,830,495		2,830,114
		(1,032,254,236)		(642,241,246)
		As on 31st March 2008		As on 31st March 2007
Cash In Hand		29,930,569		9,639,367
Cash at Bank		384,596,139		369,147,511
Demand Loan from Schedule Banks		(1,059,598,068)		(53,447,718)
		(645,071,360)		325,339,160
Difference		(387,182,876)		(967,580,406)

For S. M. Bengani & Co.
Chartered Accountants

CA Hiralal Bengani
Proprietor
Membership No. 07867

187, Rabindra Sarani, Kolkata-700007

Place : Kolkata

Dated : May 30, 2009

I. P. Tantia
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