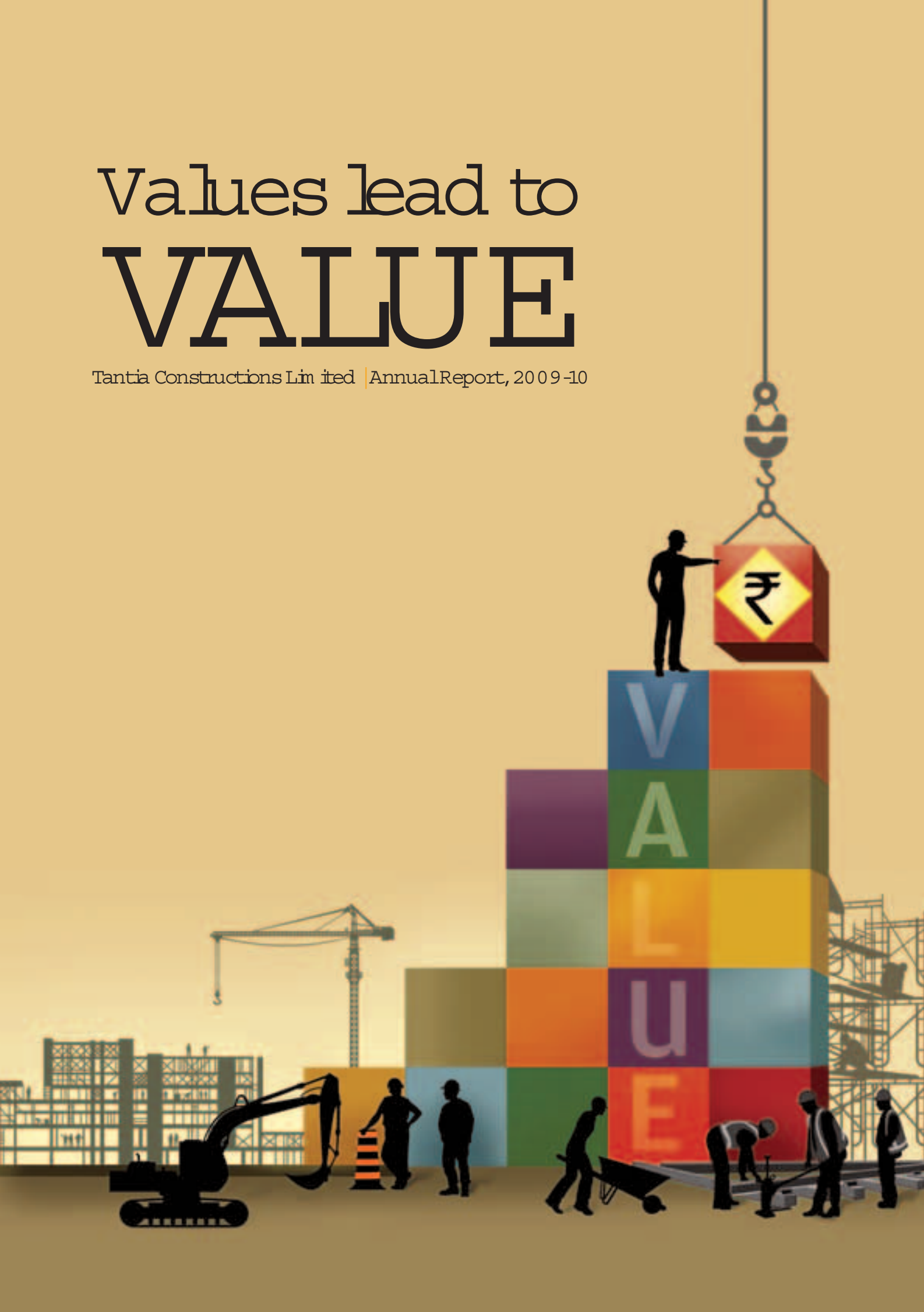


# Values lead to **VALUE**

Tantia Constructions Limited | Annual Report, 2009-10



## Disclaimer

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

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

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



Corporate identity 2			
Highlights 4		Tantia's strengths 6	
Chairman's review 14		Industry review 16	Sectoral performance 22
Risk management 28	Corporate social responsibility 30	Corporate information 31	Directors Report 32
Management discussion and analysis 36	Corporate Governance 39	Shareholder information 44	Auditors Report 51
Balance Sheet 54		Profit and Loss Account 55	Cash Flow Statement 56
Schedules and Notes 58		Balance Sheet Abstract 72	

A number of people believe that organisational value in the challenging construction business is derived from equipment, project sizes and genre presence. Our conviction is that value is derived from just one source. Values.



Corporate identity

At Tantia Constructions, the term values refers to a number of things.

Refers to integrity.

Refers to caring for stakeholders.

Refers to enduring client relationships.

Refers to rich management experience.

Refers to doing better than what customers expect.

Refers to community building in the areas of our presence.

Refers to smiles that we bring to the faces of our customers.

This is the result: we have grown our revenues every year in the last 10 years across the following construction verticals railways, bridges, roads and highways, power transmission, pipelines, aviation, marine and urban development.

### The value of our vision

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

### Lineage

- Tantiá Construction was established in 1964 with the objective of providing construction services to strengthen India's railway infrastructure.
- The Company now possesses close to five decades of rich experience across diverse terrains.
- The Company is now respected for its ability to deliver challenging projects on schedule across diverse infrastructural spaces.
- The Company was one of the first Indian companies to be accredited for the ISO 9001:2000 certificate from DNV, The Netherlands (2001).

### The value of our mission

- Outperform the infrastructure sector railways, roads, urban development, power transmission, marine, aviation infrastructure, industrial fabrication and engineering growth
- Surpass competitors
- Expand to a Rs. 10-billion company
- Contribute 0-25% of profit to free vocational and construction training of the unskilled and unemployed

### Presence

- The Company is headquartered in Kolkata, West Bengal, with regional offices in New Delhi, Guwahati and Aizawl.
- The Company manages projects concurrently across 40 locations in India and the world.

### Tantiá's rich pool

46

years of industry  
experience

600

completed projects

50

customers

650

employees

25

alliances

Rs. 92

crore of owned  
equipment



### Achievements

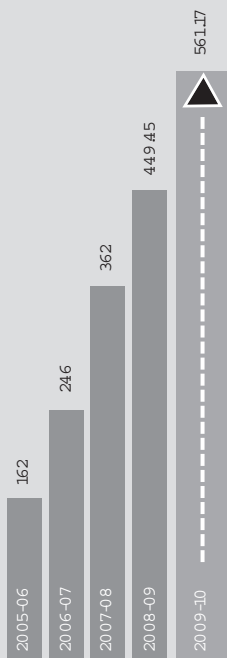
- CAGR of 36.36% (four years) in revenues leading to 2009-10
- CAGR of 21.76% (four years) in profit after tax leading to 2009-10
- Growth in market capitalisation from our offer price of Rs. 50 per share in 2006 to Rs. 195.66 crore, as on 31 March 2010 (BSE)
- Uninterrupted dividend payout for 11 years

### The value of our enduring alliance partnerships

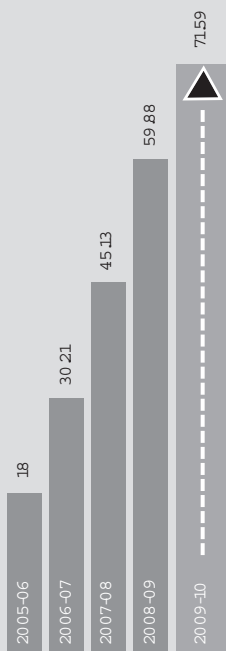
- Continental Construction Infrastructure Limited (CCL)
- Jiangsu Provincial Transportation Engineering Group Co. Ltd (JTEG)
- Road Builder Sdn Berhad, Malaysia (RBM)
- MRCL Infrastructure and Projects Limited, India
- BSBK Limited, India
- Soma Enterprise Limited, India
- Basic Engineering Limited,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

## Values lead to value.

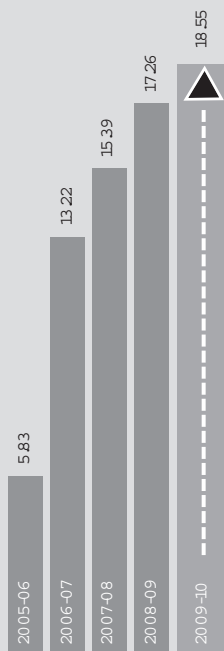
Income from operations (Rs. cr)



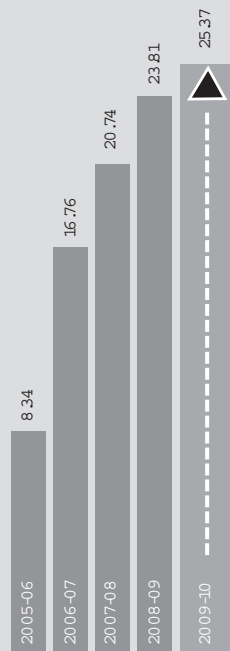
EBIDTA (Rs. cr)



PAT (Rs. cr)



Cash profit (Rs. cr)



## Railways

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

## Roads and highways

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

## Urban development

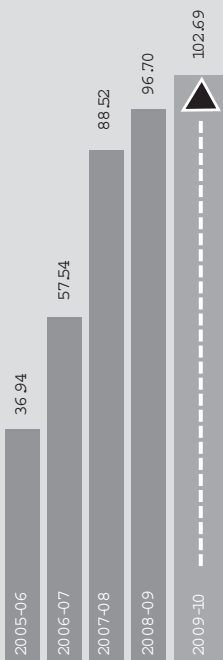
- Hooghly River Bridge Commissioners (HRBC)

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

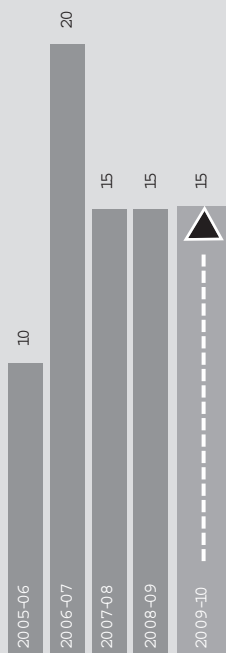
## Auxiliaries

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

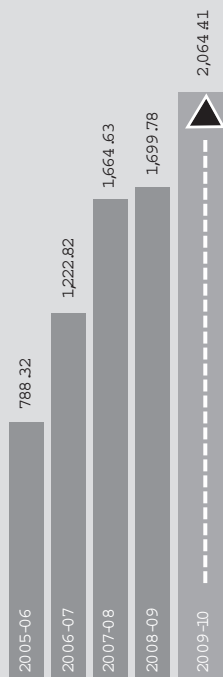
Gross block (Rs. cr)



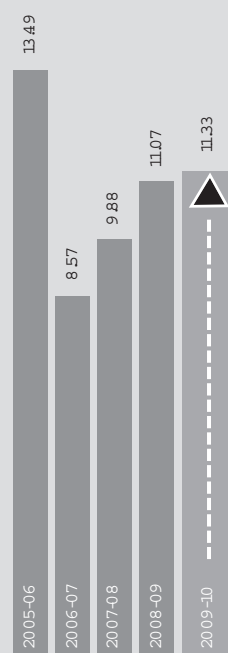
Dividend payout (%)



Order backlog (Rs. cr)



Earnings per share (Rs.)





## Bringing our values to work.

### Geographic presence

Even as we started our operations from eastern India, we are now a pan-India infrastructure company with a growing presence overseas.

### Caring

We are not just a business-focused organisation. We genuinely care. Result: attrition was a low 2.5% in 2009-10.

### Experience

No terrain is too challenging for Tantia. We possess an experience of having worked in different terrains close to five decades.

Result: we readily accept projects that intimidate a number of our competitors.

### Portfolio

It is rare for an infrastructure company of our size to specialise in as wide an infrastructure portfolio – railways, bridges, roads and highways, power transmission, aviation, marine, urban development, pipelines, hospitals and superstructures.

### Brand-enhancing clientele

The depth of our capability is reflected in the quality of our clients (large, leading and growing) – Indian Railways, National Highway Authority of India, NEEPCO, NTPC, NHPC, SAIL, NBCC and IDC; state PSUs and departments, city development PSUs like Kolkata Municipal Corporation, Kolkata Metropolitan Development Authority and Airports Authority of India.

### Intellectual manpower

We represent a prudent balance of hands-on promoters with engineering competence and experience on the one hand and a competent workforce on the other. We enrich this pool through lateral hires and the recruitment of engineers from renowned institutes.

### Equipment

Over the years, we have invested in the ownership of critical infrastructure building equipment, liberating us from a complete dependence on external renting agencies. Result: timely project completion and cost advantage.

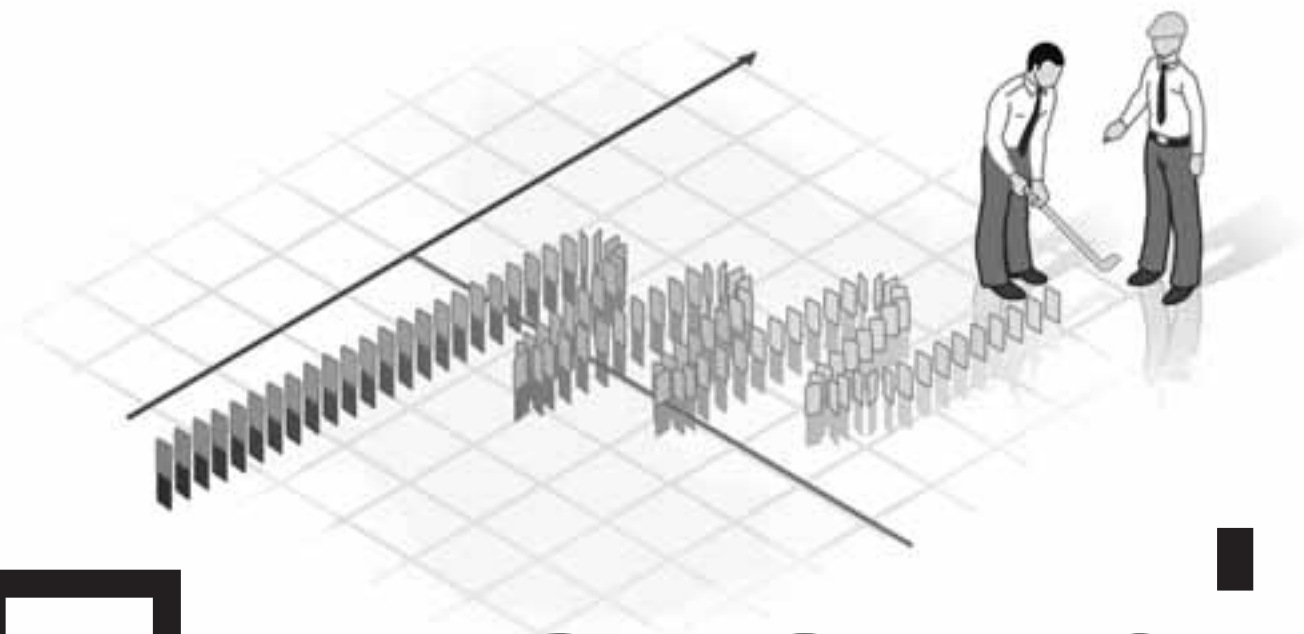
### Prestigious projects

We have a track record of having been associated with showpiece infrastructure projects that were either challenging, urgent or remote. These comprise the following: highway improvement on the Aizawl-Itanagar-Hunglei road, Dibrugarh airport terminal building, Kosi rail bridge and the Delhi Metro Rail project.

### Quality excellence

Our product quality is derived from our process discipline. We adhere to international quality standards and practices. We received the ISO 9001:2000 certification from DNV, the Netherlands, in 2001. Result: quality consistency.

VALUES AT WORK



# Expérience

# ence



Tantia Constructions values base, along with intellectual, managerial and sectoral competencies, has driven its growth for nearly five decades.

The overarching values that guide the organisations working are a reflection of the managements rich experience and foresight.

The Company comprises hundreds of person-years of industry experience reinforced through regular training in best-in-class technology and construction practices, the recruitment of members from engineering institutes and adequate empowerment around a culture of urgency.

The result: a growing presence in seven infrastructure verticals and with strong foothold in the core segments of roads, railways and urban infrastructure and profitable extension in the exciting segments of power transmission, aviation and marine infrastructure.

VALUES AT WORK



# Spirit



Tantia Constructions values help it address challenges. This has become our brand, translated into client respect and generated more business.

The assignment to build a 1.8-km rail bridge over River Kosi at the point where five tributaries converged into a single river was fraught by locational challenges. When the Company completed the 36-month assignment on schedule, it was delighted to discover that an entire sub-economy had emerged around its site and that a conventional 480-minute journey for citizen commuters now took merely 30 minutes.

The first continuous type bridge in India to replace the Jubilee Bridge, built on the model of the Sydney Harbour Bridge, comprised a number of engineering challenges. The contract was

won against stiff competition and the bridge, under construction, is expected to be completed on schedule in three years.

The assignment (single tender basis) to build a flyover for the Delhi Metro Railway at Dhaula Kuan in New Delhi, cutting across seven roads and one railway track over congested vehicular throughput. The Company responded with an engineering solution—the first such pre-structure in India that circumvented traffic disruption and delivered the project on schedule in a mere 10 months.

Result: the Company has completed 600 projects till date and its order book has been steadily increased over the years.

VALUES AT WORK





# Caring

One of Tania's principal values is to fulfill all shareholder responsibilities and this it has done diligently over the years.

Enhanced a Rs. 1,000 investment in its share in 2006 to Rs. 3,180 in 2010

Undertook investor-friendly measures comprising consistent dividends

Emarked Rs. 20 lakhs for corporate social responsibility

Ensured adequate infrastructure, effective health and safety measures for employees

Emarked on projects in remote areas in national interest, bridging the rural divide in terms of transport and communication and enhancing living conditions in those areas

Implemented green initiatives by adopting go green campaigns at select locations in the state

Result: Responsibility to shareowners. Responsibility to society. Responsibility to our people. Responsibility to the environment. Responsibility to stakeholders.

## Chairmans review

**Q** How would you rate the Companys performance in 2009-10?

**A** I was happy with the Companys performance in 2009-10 as we demonstrated our resilience at a time of economic slowdown. We posted a topline of Rs. 561.71 cr, an increase of 25% over 2008-09. We also achieved a commendable increase in our operating and pre-tax profit: 20% and 38% respectively. Our bottom line increased from Rs. 17.26 cr in 2008-09 to Rs. 18.55 cr in 2009-10 (the PAT margin was low due to the modification in the tax structure) and we finished the year with a peak order book Rs. 2,064.41 cr. Consequently, we were ranked among the fastest growing Indian companies in the Rs. 500-cr bracket.

**Q** What factors led to this superior growth?

**A** This growth was largely attributed to our robust business model: a presence across seven verticals leading to order book acceleration and enriching expertise. Consequently, our order size increased from Rs. 1,700 cr in 2008-09 to Rs. 2,064.41 cr in 2009-10 and we completed 17 projects during 2009-10 (12 in 2008-09).

**Q** What were the Companys achievements in 2009-10?

**A** There were a number of achievements that contributed to our superior performance:

- We established a wagon fabrication unit and completed 284 wagons in 2009-10.
- We completed the construction of the Cooch Behar airport in record time, a showpiece bringing international airport standards to Indias hinterland.

- We completed the Delhi Metro flyover in a record ten months without commuter inconvenience.

- We were awarded a project to construct a new rail bridge, replacing the legacy Jubilee Bridge across the Hooghly River, the first continuous type steel girder bridge in India built on the model of the Sydney Harbour Bridge, 420 m long and 37 m high at the centre.

- Our RMC division posted a record-breaking 2009-10. It produced over 11,000 cu.m of concrete in a single month (March 2010) and around 70,000 cu.m of concrete in 2009-10, the highest ever at any single Tantia site. We are also setting up a second RMC unit in Kolkata.

- We received a certificate of appreciation from the Mayor of Kolkata for applying unique German technology, which used foam bitumen as a binder for the redevelopment of distressed roads.

- We completed a groundwater-based pipeline water supply project in rural Bengal, addressing the needs of 720,000 residents.

**Q** What gives you optimism regarding the Companys growth?

**A** Our optimism stems from the following macro-economic realities:

**Infrastructure:** India is expected to need an investment of over one trillion dollars (about Rs. 40.99 lakh crore) for infrastructure development in the Twelfth Plan (2012-17), twice the amount likely to be achieved in the current plan [Source: Planning Commission]. This indicates that there will be a significant opportunity growth in our existing business.

**Urban infrastructure:** The JNNURM focuses on 65 cities. So far, projects worth Rs. 503 billion have been sanctioned, of which projects worth Rs. 185 billion

This growth was largely attributed to our robust business model: a presence across seven verticals leading to order book acceleration and enriching expertise.

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pertain to water supply, Rs. 129 billion to sewage, Rs. 71 billion to storm water drainage, Rs. 55 billion to urban transport, Rs. 34 billion to roads and flyovers, Rs. 22 billion to waste water management and Rs. 7 billion to other projects, giving a jump start to investments in the urban sector with a focus on basic services.

**Roads and highways:** In Budget 2010-11, the allocation for road transport increased by over 13% from US\$3.8 billion to US\$4.3 billion. Moreover, as per the Economic Survey, the Ministry of Road Transport and Highways, with a view to expedite NHDP progress, set a target for the completion of 20 km of national highways construction daily (35,000 km at the rate of 7,000 km per year) across 2009-14. Additionally, highway projects worth around US\$23.8 billion are expected to be executed in the country over the next three years.

In December 2009, the government approved four-laning 384 km of highways at US\$669.2 million investment. Moreover, in January 2010, the government approved road projects worth US\$1.4 billion in five states for upgrading nearly 562 km of four-lane highways to six lanes. *Source: Press Information Bureau*. The World Bank agreed to provide a US\$3 billion loan for developing national highways and its assistance will be utilised for converting 6,372 km of one-lane highways to two-lane highways, out of a total of 19,702 km of single lane highways in the country.

**Railways:** The Indian railways proposed a plan of Rs. 41,426 crore, the highest ever, in Budget 2010-11

(Rs. 1,142 crore over the 2009-10 plan allocation).

**Aviation:** Domestic air traffic could reach 160-180 million passengers whereas it is currently around 44 million per annum. As such, investment opportunities of US\$110 billion are being envisaged up to 2020, with US\$80 billion towards new aircrafts and US\$30 billion towards airport infrastructure development. *Source: Investment Commission of India*.

**Ports:** Around US\$19.6 billion is likely to be invested in India's port sector during the Eleventh Plan (2007-2012), as per the Planning Commission.

**Power:** As per Power Ministry estimates, the government is targeting an addition of 1,00,000 megawatt power generation capacity under the Twelfth Plan (2012-17) to meet growing electricity demand. The government set a challenging revised target of 92,000 MW under the Eleventh Plan.

We expect most of these industry developments to translate into enhanced business for our Company.

Q

How does the Company expect to enhance shareholder value?

A

The Company plans to enhance shareholder value through various initiatives: enhanced proportion of BOT, BOOT and DBOT projects, international presence, use of the latest equipment and a graduation to big ticket projects. In view of these strategic plans, the Company expects to generate a top line of Rs. 675 cr and increase its order book to Rs. 4,000 cr by 2011, which will translate into enhanced value for all our stakeholders.

## INDUSTRY REVIEW

India is changing. Roads are wider, smoother. Power projects bigger. Sewerage systems better. Airports swankier.

Tantia Construction is one of the companies making this happen.

### Indian economy

India registered a strong comeback in 2009-10 following a difficult period, demonstrating its ability to withstand adversities. Indias GDP was worth US\$1,217 billion or 1.96% of the world economy last year. GDP growth was 7.4% in 2009-10 against 6.7% in 2008-09 [Source: World Bank], the rebound largely owing to the timely economic stimulus in the country to counter the slowdown.

### Infrastructure

In line with the countrys rebound, infrastructure services grew 5.5% in 2009-10 [Source: Indian Industry Trackers], catalysed by the growth in private sector investments from 20% in the Tenth Plan to a projected 30% in the Eleventh Plan (Rs. 6,19,591 crore/US\$154.90 billion).

### Optimism

In the Budget 2010-11, infrastructure allocation was Rs. 1,73,552 crore (US\$38.5 billion), or 46% of the total Plan outlay. Besides, Rs. 10,000 crore was allocated towards India Awaas Yojna, Rs. 48,000 crore towards Bharat Nirman and 25% of the planned allocation towards rural infrastructure. The required investment for the entire Twelfth Five Year Plan (2012-2017) was pegged at Rs. 41 lakh crore, more than double that of the Eleventh Plan. Private sector participation in the total infrastructure was 36% in the Eleventh Plan compared with 25% in the Tenth Plan and is expected to increase to 50% in the Twelfth Plan, focusing on the growing role of private players in this industry.

# Roads

India has the world's second largest road network (3.34 million kilometers). This sector was India's first infrastructure segment to gain serious attention from the government. The road freight industry grew at a compound annual growth rate (CAGR) of 9.9% from 2007-08 to 2007-12. A target of

1,231 billion tonne km (BTK) was estimated for road freight for 2011-12.

Several road projects were undertaken on PPP model. 48 projects valued at US\$2.1 billion on a build, operate and transfer (BOT) basis (23 complete and 25 under progress) [Source: BEF].

The density of India's highway network at

0.66 km of highway per square kilometer of land is similar to that of the United States (0.65) and much greater than China's (0.16) or Brazil's (0.20). However, most highways in India are narrow and congested, with poor surface quality, and 40% of India's villages do not have access to all-weather roads [Source: [cistup.iscernet.in](http://cistup.iscernet.in)].

## Road investment comparison across Tenth and Eleventh Plans

Programme	Eleventh Five-Year Plan 2007-2012			Tenth Five-Year Plan 2002-2007		
	Length (km)	Cost (Rs. billion)	Private sector (Rs. billion)	Length (km)	Cost (Rs. billion)	Private sector (Rs. billion)
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 Highways

## Optimism

■ The government plans to award US\$50 billion of road projects in the fiscal year ending March 2011; the private sector's participation is expected to be around 70%.

■ India is likely to build 2,500 kilometers of roads in 2010-11 (6.8 km a day) as per the Planning Commission; highway projects worth about US\$23.8 billion are expected to be executed in the country

over the next three years.

■ The sector's potential is estimated at US\$107 billion between 2009-10 and 2013-14 [Source: *Crisil Research*].

■ The World Bank has agreed to provide a US\$3 billion loan to convert 6,372 km of one-lane highways to two-lane out of the total of 19,702 km of single lane highways in India today.

■ The Special Accelerated Road

Development Programme for the North East (SARDPNE) envisions the two-to-four-laning of about 5,184 km of national highways and two-laning in improvement of about 4,756 km of state roads, ensuring connectivity of 85 district headquarters in the northeastern states [Source: *Indian Budget 2009-10*].

■ The Indian government will develop around 53,000 km of roads for around US\$62 billion in ten years.

Phases	Description	Length (km)	Estimated cost (US\$ billion)	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 6,000 km roads	7,294	12.04	BOT toll	2012
Phase IV	Two-laning single lane roads	20,000	7.04	BOT toll/annuity	2015
Phase V	Six-laning 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

## Railways

The Indian Railways is the backbone of the US\$18 billion Indian transport system, the third largest rail network in

the world under a single management. It covers 63,140 route km and carries 20 million passengers a day on about 18,000 trains. The sectoral outlay for

the Eleventh Plan was Rs. 3,035 billion compared with Rs. 1,196 billion in the Tenth Plan (later revised to Rs. 2,580 billion).

### Railways total annual investment outlay (before 15% cut) (Rs. billion)

	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: Planning Commission

### Optimism

- The Indian railways proposed a plan of Rs. 41,426 crore, the highest ever in its Budget 2010-11 (Rs. 1,142 crore more than the plan for 2009-10).
- Allocation for new lines construction

increased from Rs. 2,848 crore to Rs. 4,411 crore for completion of 1,021 lines

- An estimated 800 km of gauge conversion and 700 km of doubling was targeted.

- The total average annual length of railway lines being added in India between 1950 and 2010 was 180 km. It is expected that 2,500 km of total average annual length will be added by 2020.

# Urban infrastructure

India's urban population grew from 290 million (2001) to an estimated 340 million in 2008 and is projected to reach 590 million by 2030. It took nearly

40 years (between 1971 and 2008) for India's population to rise by 230 million. It could take only half the time to add the next 250 million. Water supply for the average citizen could drop from an

average 105 litres to only 65 litres per day, with a large section of the population having no access to potable water at all. Indian cities could leave between 70-80% of sewage untreated.

The current performance of India's cities is poor across key indicators of life quality

	Current	Basic	Standard
Water supply quantity (litres per capita per day)	105	150	220
Share of public transportation (% , total trips)	30	50	82
Parks and open space (square metres per capita)	2.7	9	16
Sewage treated (% , sewage generated)	30	100	100
Solid waste connected (% , total waste generated)	72	100	100
Slum pollution (% , total population in city)	24	0	0

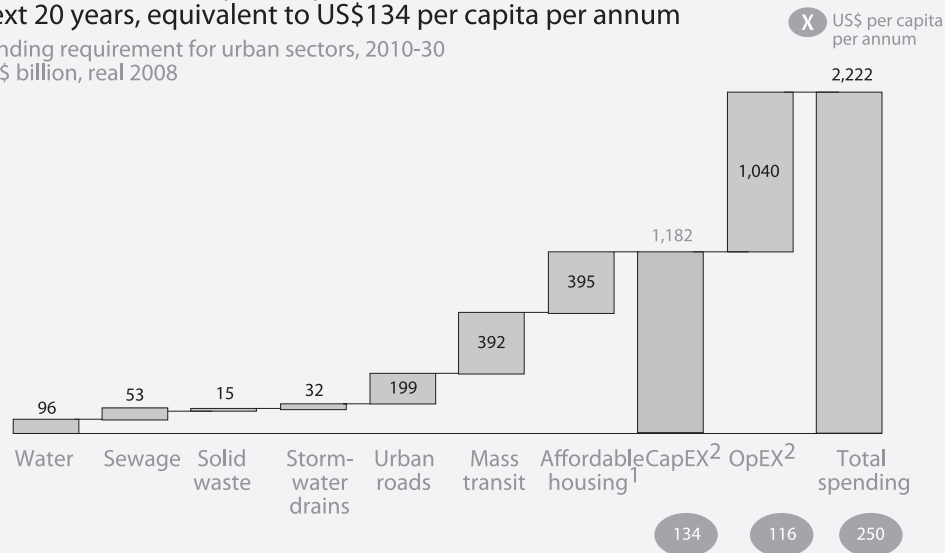
Source: United Nations; press search; City development Plans; The Energy and Resource Institute; Planning Commission; Census 2001; Central Pollution Control Board; McKinsey Global Analysis

## Optimism

In per capita terms, India's annual capital spending of US\$17 is only 14% of China's US\$116 and 4% of United Kingdom's US\$391. It is estimated that India needs to invest US\$1.2 trillion (Rs. 53.1 trillion) in urban capital expenditure over 20 years, equivalent to US\$134 per capita per year – almost eight times the level of spending today in per capita terms, and represents an increase in urban infrastructure spending from an average 0.5% of GDP today to 2% annually.

## Indian cities need capital expenditure of US\$1.2 trillion over the next 20 years, equivalent to US\$134 per capita per annum

Funding requirement for urban sectors, 2010-30  
US\$ billion, real 2008



1 Net of beneficiary contribution.

2 CapEX + capital expenditure; OpEx + operational expenditure.

Source: Indian Urbanization Funding Model, Detailed Project Reports from the Jawaharlal Nehru National urban Renewal Mission  
McKinsey Global Institute analysis

# Power

India's total capacity was 159,398.49 MW as on March 31, 2010. A total of 34 projects were commissioned during 2009-10 with a total capacity of 9,585 MW. The power sector attracted

foreign direct investment (FDI) worth US\$1.34 billion between April and February, 2009-10. India suffers a peak shortage of 17% with the highest transmission and distribution losses in the world of around 25% as against

China's losses of just 8% and OECD of 7%. The per capita consumption of electricity in India was around 631 kWh in 2009-10 compared with the world per capita consumption of 2,873 kWh.

India has the highest population without electricity (in million):

India	404.5
Indonesia	81.1
Pakistan	70.4
China	8.0
Thailand	0.4

[Source: Open]

## Optimism

- The government targeted a total capacity addition of 78,700 MW in the Eleventh Five Year Plan. The government expects to strengthen the national power grid by adding more than 60,000 circuit kilometers of new transmission lines by 2012.
- Plan allocation for the power sector (excluding RGGVY) was doubled from Rs. 2,230 crore in 2009-10 to Rs. 5,130 crore in 2010-11.

- The total outlay for the Restructured Accelerated Power Development and Reform Program (RAPDRP) increased from Rs. 20.8 billion in 2009-10 to Rs. 37 billion for 2010-11. Under this program, the government plans to electrify 15,000 un-electrified villages and offer electricity connections to around 46 lakh BPL households, which have an outlay of Rs. 5,500 crore.
- Under the Rajiv Gandhi Grameen Vidyutkaran Yojana (RGGVY), 71,793

villages were electrified and connections were released to 91.2 lakh BPL households up to 31st January, 2010. The target for 2010-11 is for the electrification of 15,000 un-electrified villages and offering electricity connections to around 46 lakh BPL households with an outlay of Rs. 5,500 crore [Source: Ministry of Power]. Four UMPs, namely Sasan in MP, Mundra in Gujarat, Krishnapatnam in Andhra Pradesh and Tilaiya in Jharkhand have already been awarded.

# Aviation

## Overview

The Indian aviation industry is one of the fastest growing aviation sectors in the world. With a CAGR of 18% and 454 airports and airstrips in the country, of which 16 are designated as international airports, the aviation sector is expected to rebound in 2011. [Source: BEF, April 2010].

## Optimism

- Investment opportunities of US\$110 billion are being envisaged up to 2020, of which US\$30 billion is expected to be dedicated to the development of airport infrastructure [Source: *The Investment Commission of India*]
- AAI plans to construct greenfield airports in north-eastern India with budgetary support. Construction

commenced at Peking Airport (Sikkim) at a cost of Rs. 309.46 crore and is likely to be completed by January 2012. Approval is being obtained for the construction of greenfield airports at Chetiv (Nagaland) and Itanagar (Arunachal Pradesh). The Kolkata airport development was taken up by the Airports Authority of India (AAI) at the approved cost of Rs. 1,942 crore.

- The Airports Authority of India (AAI) is set to invest over US\$1.02 billion in 2010 towards the modernisation of non-metro airports.
- The AAI embarked on the development of 35 non-metro airports at an estimated cost of Rs. 4,662 crore. Of them, nine have been completed and are operative. The other projects are expected to be completed by 2010-11.

# Ports infrastructure

India is populated by 12 major and 200 non-major ports. Of the non-major ports, about 66 handle traffic. According to the Indian Ports Association, the major ports handled a total of 560.96 million tonnes (MT) of cargo i.e. about three-fourths of the total traffic in 2009-10, an increase of 5.74% over 530.53 MT handled in 2008-09. The annual aggregate cargo-handling capacity of the major ports increased from 532.07 MT annually in 2007-08 to 574.77 MT annually in 2008-09.

## Issues in the port sector

- Currently, operational issues such as land acquisition, environmental clearances and time-consuming inter-ministerial consultations for the approval of port projects continue to impact the growth of the overall sector.
- The draught at all major ports ranges 9-12 meters, which is insufficient to handle larger vessels, impacting accessibility and the amount of cargo carried (as well as associated turn-around time).
- Indian ports have inadequate connectivity through roads and rails. This

stops Indian ports from being perceived as integrated logistics solutions providers. Moreover, this leads to operational inefficiency, increasing logistic cost and turn-around time.

- Traffic levels at Indian ports have been consistently indicating the need for urgent capacity expansion plans of ports. During the last five years, major ports have been operating at a utilisation rate of over 90%. This, coupled with traffic growth at CAGR of over 9%, presents a case for capacity expansion.

However, the government started introducing preliminary changes to ensure easy awarding of port projects. For example, to expedite PPP projects, the Shipping Ministry authorised port authorities to award contracts without its prior approval in 2009.

Further, the government plans to invest about US\$19 billion to increase the cargo handling capacity of ports by 2012. Of this, about US\$11.7 billion is expected from private sources through PPPs in the development of berths, container terminals and warehousing/storage facilities.

To reduce congestion at ports, 50 new ports will be built over the next four years.

## Optimism

- Around US\$19.6 billion is likely to be invested in India's ports sector during the Eleventh Plan (2007-2012) as per the Planning Commission.
- According to the Union Ministry for Shipping, the annual capacity of the major and non-major ports will be 1.5 billion tonnes by 2012, with an increase of 74% in case of major ports to reach 1 billion tonnes, while the capacity of the non-major ports will reach 580 MT by the end of the Eleventh Plan in 2012.
- The Ministry of Shipping awarded 10 projects worth over US\$4.94 billion in November 2009.
- The Public Private Partnership Appraisal Committee (PPPAC) agreed to the proposed US\$811.7 million mega container terminal at the Chennai port in January 2010.
- The government announced that it would award 21 port expansion projects worth US\$3.13 billion under the PPP mode in 2010-11.

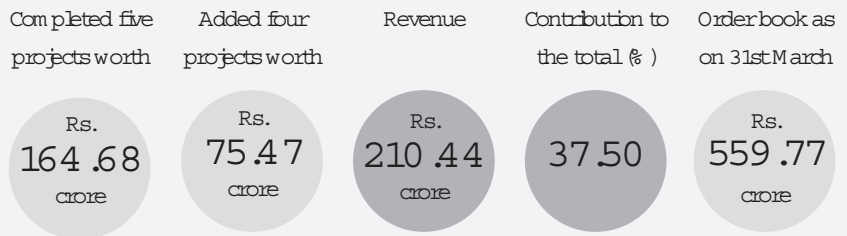
Our sectoral performance #1

# Roads and flyovers

A word from our management  
 In accordance to the Ministry of Surface Transports specifications, Tanta ventured into advanced mechanised road construction in 1990. A number of roadways project undertakings and on-schedule deliveries across diverse terrains like the hills of Mizoram, coastal areas of Kerala, plains of Punjab and the rugged plateau of Karnataka, saw the Company firmly establish its reputation in the sector. Today, the Company's expertise extends from construction, widening, conversion, maintenance, strengthening and beautification of roadways to road bridges, highways and flyovers, testified by the rich track record in each field. The Company's timely resource mobilisation leads to scheduled completion, ultimately leading to client value enhancement. Over the years, the Company graduated to a larger average ticket size of projects.



## The year gone by (2009-10)



### Scope of work

- Double-level interchange of expressway
- Road widening and strengthening
- Four-laning of roads and flyovers

### Our forte

**Turnkey solutions:** The Company provides end-to-end solutions right from concept to execution, leading to timely project delivery.

**Quality commitment:** The Company's internationally benchmarked quality and safety practices leading to quality consistency. It enjoys the ISO 9001:2000

certification from DNV, the Netherlands.

**Mechanisation:** The captive ownership of equipment at project sites and a high mechanisation of project-related operations accelerate project execution.

**Troubleshooting:** The Company's dedicated Claims and Contract Management team addresses project hindrances arising from delays in land acquisition and design bottlenecks.

**Brand:** The Company enjoys a track record of successful project execution across remote and challenging terrains like Assam and Mizoram, prone to heavy rain and landslides.

**Steel girder fabrication:** The Company owns steel structure fabrication facilities that catalyse project completion. It was the only Indian company to fabricate a 100-metre span steel girder on-site (4,000 metres above sea level).

**Resource mobilisation:** The Company's strong resource mobilisation equipment and individuals in diverse terrains helps deliver timely results.

**Intellectual capital:** The division recruits engineers with diploma and graduate degrees, reinforcing intellectual capital leading to superior project execution.

Average  
project size  
(Rs. 40 cr),  
2009-10

#### Significant projects completed in 2009-10

Name and nature of work	Contract value (Rs. in crore)
Improvement and upgradation of Aizawl-Thenzawl-Lunglei Road Phase - I (52.982 km), Mizoram	49.83
Rehabilitation road works of MDR-154 from Jagdishpur to near Gauriganj (length 40.000 Km) under Uttar Pradesh State Roads Project	36.66

#### Significant projects in progress

Name and nature of work	Contract value (Rs. in crore)
Construction of road under bridge, Delhi	34.62
Construction of PSC concrete bridge over River Tlawng, Mizoram	6.99
Construction of PSC concrete bridge over river Tut, Mizoram	10.80
Construction of RUB at railway crossing No. 7 between Shalimar Bagh and Azadpur Fruit Mandi, Delhi	52.72
Construction of bridge under Municipal Corporation of Delhi (MCD)	20.75
Improvement of Bikhawthli-Saiphai-Natasura Road (length 20.50 Km) under centrally sponsored scheme of Inter-State Connectivity (ISC), Mizoram	9.57
Development of state highways under RSVY - Package No. 19B, Bihar	64.84
Development of state highways under RSVY, Package No. 16A, Bihar	113.45

# Urban infrastructure

A word from our management  
At Tanta, we are ideally positioned to capitalise on urban infrastructure segment opportunities. The Company's sectoral competence is reflected in its presence in urban improvement projects in Kolkata. Today, the Company looks to address the residential, commercial and public utility buildings demand as well as provide mass rapid transport systems solutions. We are also reputed for our competence in the commissioning and timely completion of urban projects among large municipal corporations for maximising public convenience during construction tenures.



## The year gone by (2009-10)

- Participated in medium and large water supply scheme in Africa and Kamapa
- Participated in sewerage projects in Muscat (Oman)
- Entered the water treatment segment

Completed two projects worth

Rs.  
**5.76**  
crore

Added six projects worth

Rs.  
**158.27**  
crore

Revenue

Rs.  
**156.01**  
crore

Contribution to the total (%)

**27.80**

Orderbook as on 31st March

Rs.  
**706.85**  
crore

## Scope of work

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

## Our forte

**Portfolio:** The Company's portfolio is expanding. In addition to the construction of display halls, tram lines, sewerage, drainage projects, hospitals and superstructures, the Company entered the water treatment and micro-tunnelling segments.

**Procurement:** The Company enjoys alliances with reputed raw material

manufacturers leading to timely project completion.

**End-to-end solution:** The Company's strong concept-to-commissioning capability resulted in shrinking project tenures, a big value-add in congested urban landscapes. The Company's customised coded project management method, used in urban development projects, catalysed timely project delivery.

**Quality adherence:** The Company's delivered product must endure decades of use, necessitating use of the best materials, checked across stages at the project site (incoming, processed and

finished stages).

**Safety standards:** The Company's adequate safety procedures (including training) helped minimise on-site accidents.

**High project commitment:** The Company's proactive asset investments and allocation across different projects have enhanced on-time project completion.

**Extended presence:** The Company's presence extended from eastern India to southern India to South Africa, the Middle East and GCC countries, enriching its experience.

Average  
project size  
(Rs. 40 cr),  
2009-10

### Significant projects completed in 2009-10

Name and nature of work	Contract value (Rs. in crore)
Construction of flyover on Salt Lake Bypass near the intersecting point of J. K. Saha / WIPRO, West Bengal	29.54
Construction of left turning flyover at A.J. Bose Road at Kolkata, West Bengal	27.99
Erection and commissioning of ground water-based piped water supply schemes in arsenic afflicted areas, West Bengal	33.19
Water and sewerage under KEIP, West Bengal	192.12
Construction of (i) Tunnel No. 18, Km .135.890 to Km .136.306, (ii) Tunnel No. 19, Km .136.703 & (iii) Tunnel No. 20, Km .139.323 to 139.920 (New Chainage) for single line BG, between Dam cherna-Bandar Khal stations	24.40
NFR tunnel work at Bandar Khal	33.72

### Significant projects in progress

Name and nature of work	Contract value (Rs. in crore)
Construction of clear water pumping system package, Shillong	51.40
Civil and structural works of ECU unit for Brahmaputra Petrochemical Complex, Assam	47.19
Construction of 1.80 km long tunnel on realigned path and carrying out re-profiling work in balance length of existing tunnel, including blanketing, earthwork and construction of side drain etc. between Tunnel No. 1 Katra end to road over bridge Sambal on Udham pur-Katra section in connection with Udham pur-Srinagar-Baramulla Rail Link	91.74
14 MID sewerage treatment plant turnkey, West Bengal	13.50
Erection and commissioning of ground water based piped water supply schemes in arsenic area in Murshidabad, West Bengal	67.87
Erection and commissioning of ground water-based piped water supply schemes in arsenic area North 24 Pargana, West Bengal	32.08
Upgradation and strengthening of two hospitals in Mizoram	42.32
Water and sewerage treatment under KEIP Borough XV, Metiaburuj, Kolkata	85.03

# Railway infrastructure

A word from our management  
Tantia Construction has been associated with India Railways for close to five decades and is among the only five Indian companies capable of providing the foundation-to-finish proposition for mega railway bridges.



## Scope of work

### Core infrastructure

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

### Track laying

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

### Value-addition

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

## The year gone by (2009-10)

Completed one project worth	Added four projects worth	Revenue	Contribution to the total (%)	Order book as on 31st March
Rs. <b>52.69</b> crore	Rs. <b>309.64</b> crore	Rs. <b>121.04</b> crore	<b>21.57</b>	Rs. <b>589.57</b> crore

## Our forte

**Timely project execution:** The Company possesses comprehensive project mapping, planning and implementation competencies that accelerate project delivery.

**Efficient equipment utilisation:** The Company's robust equipment allocation flexibility across sites ensure on-call equipment availability, derived from strong vendor outsourcing relationships. As an extension, owned assets are deployed across remote project sites, while hired equipment is deployed across urban locations.

**Quality mandate:** The Company possesses laboratories (comprising world-class testing equipment) across all sites. This makes it possible to check quality standards across the project cycle. Besides, various engineering procedures are checked and approved as per client specifications.

**Extensive experience:** The Company's rich, four-decade experience in railway infrastructure resulted in superior project management skills and timely delivery.

Average  
project size  
(Rs. 41 cr),  
2009-10

#### Significant projects completed in 2009-10

Name and nature of work	Contract value (Rs. in crore)
Construction of Metro Rail Work, New Delhi	45.16
Construction of ECR Gandak railbridge, Bihar	64.83
Construction of foundation and substructure of railbridge across River Kosi, Bihar	61.78
Construction new bridge No. 26 (4x76.2+2x30.5m through girder and well foundation) at Km .16.848, Bridge No. 27 (5x30.5 under slung girder and bored cast in situ piles) at Km .17.140 and Bridge No. 28 (5x18.30m composite girder and bored cast in situ piles) at Km .18.240 over Tilaiya Reservoir between Koderma and Hazaribagh in connection with new BG Rail line between Koderma and Ranchi.	35.24
Construction of reinforced cement concrete boxes behind abutments, ground improvement including earthwork in filling form a railway formation at approaches, across River Barak between Badarpur-Sukritipur station with all other ancillary works in connection with gauge conversion work of the Lumding - Silchar section	19.04

#### Significant projects in progress

Name and nature of work	Contract value (Rs. in crore)
Construction of Jubilee railbridge across River Hooghly between Nahati and Bandel, West Bengal	140.24
Construction of a bridge over River Damodar in Bowichandi-Khana section, West Bengal	58.16
Assembly, erection/launching of (18 x 123 m) + (1 x 64 m) span triangulated steel girders for new rail-cum-road bridge across River Ganga at Patna from Pahle jaghat end including transportation of fabricated components of (18 x 123 m) span and (1 x 64 m) span, including casting of bed blocks and final coat of painting.	91.63

# Risk management

## 1 Economy risk

The infrastructure industry is dependent on economic growth. Any slowdown can impact sectoral earnings.

### Mitigation

- The government announced an investment of Rs. 1,73,552 crore (US\$37.57 billion) in infrastructure development in the Union Budget 2010-11, accounting for over 46% of the total Plan allocation.
- The government increased the participatory scope of the private sector through the public-private partnership model.
- The global financial crisis may have reduced the country's GDP growth to 7.4% in 2009-10, but a revival to 8.5% is expected in 2011-12.

## 2 Competition risk

Growing competition can affect the Company's order book.

### Mitigation

- The Company is one of the few to cater to almost all civil engineering verticals (roads and highways, bridges, railway, aviation, power transmission, marine, urban infrastructure development and superstructures).
- The Company possesses a rich terrain experience close to five decades with on-time delivery.
- The Company entered into strategic partnerships with international players like TSO (France) and Road Builder Sdn (Malaysia).
- The Company's order book, as on 31st March, 2010, comprised 90% repeat business.

## 3 Raw material risk

Non-availability of raw materials at the adequate time from the suppliers could lead to time overruns.

### Mitigation

- The Company maintains an average inventory age between 80 and 110 days which varies from project to project.
- The Company executes all projects itself without subcontracting, facilitating a complete knowledge of the exact quantity of raw materials required at any point of time.
- The Company strengthened its fabrication capacity in 2009-10, resulting in increased rail/girder projects being captively supplied with material.
- The Company strengthened its logistics for the timely and continuous supply of material.

4

### Geographical concentration risk

High dependence on eastern and north-eastern India could brand the Company as regional

#### Mitigation

- The Company bid for a number of projects outside eastern India.
- Of the number of concurrent locations managed by the Company in 2009-10, four were outside eastern India.

5

### Working capital risk

Slowdown in the working capital cycle can affect the Company's liquidity and reputation

#### Mitigation

- The Company bids only for government-sanctioned, World Bank and Asian Development Bank-funded projects.
- The Company bid for projects with attractive returns.
- The Company structured remuneration around milestone payments resulting in a periodic cash inflow.
- The Company funded working capital needs through a consortium of six bankers.

6

### Implementation risk

Inefficient project management could affect project delivery

#### Mitigation

- The Company appoints project managers to streamline processes and identify project deliverables.
- The Company chalks out a plan to identify resource requirement and availability, fund-flow, vendor and equipment arrangement to ensure smooth project implementation and optimal resource utilisation.
- The Company dedicated project management team, at its corporate office, manages project cycle co-ordination, ensuring that deliveries match internal and external client expectations.

7

### Manpower risk

Dearth of trained manpower could stagger growth

#### Mitigation

- The Company recruits engineers with diploma and graduate degrees from reputed engineering colleges.
- The Company benchmarks employee remuneration in line with industry standards and plans to issue ESOPs to retain performers.
- The Company provides accommodation across all project sites, equipped with 24x7 electricity and water supply to workers.
- The Company is planning to launch a feedback platform for a faster redressal of employee-related issues.
- The Company's retention ratio in 2009-10 was 2%, higher than industry standards.

# Bringing value to the society

## Corporate social responsibility

The Company believes in inclusive growth and these are some of its initiatives that have made it so:

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



# Corporate Information

## Board of Directors

Sri I. P. Tanti, *Chairman & Managing Director*

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

Sri Rahul Tanti, *Director (Operations)*

Sri M. P. Agarwal, *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

## Solicitor

Sri Sanjay Baid

## Principal Bankers

State Bank of India

Allahabad Bank

Andhra Bank

Axis Bank Ltd.

DBI Bank Ltd

Oriental Bank of Commerce

## Statutory Auditor

S. M. Bengani & Co.

Chartered Accountants

FRN - 305075E

187, Rabindra Sarani, Kolkata-700007

## Internal Auditor

Konar Mustaphi & Associates

Chartered Accountants

FRN - 314125E

P-113, CIT Road, Kolkata-700014

## Registrar and share transfer agent (RTA)

Maheshwari Datamatics Private Limited

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

Tel No: + 91 33 2243 5029/5809, 2248 2248

Fax: + 91 33 2248 4787

Email: mdp@calvsnl.net.in

## Registered office

25/27, Netaji Subhas Road, Kolkata-700001

Tel: +9133 2230 1896/7300/6284

Fax: +9133 2230 7403

## Corporate Office

DD-30, Sector-1, Salt Lake City

Kolkata-700064

Tel: +9133 4019 0000

Fax: +9133 4019 0001

# Directors Report

*Dear Shareholders,*

As a pre-eminent Indian Infrastructure Company, established over four decades ago, Tantiá Constructions Limited has, over the years, strongly anchored itself to India's development effort. Today, it is acknowledged by all and sundry 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.

Tantiá, even as you read this report, 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, 2010.

## Financial Results

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

(Rs. in thousands)

Performance for the year ended 31st March	2010	2009
Income from operations	56,11,729	44,94,510
Operating profit (before interest, depreciation and taxation)	7,15,887	5,98,787
Interest and financial expenses	3,66,950	3,29,431
Profit before depreciation and taxation	3,48,937	2,69,356
Depreciation	68,166	65,540
Profit before Taxation (PBT)	2,80,771	2,03,816
Provision for taxation	98,085	33,673
Profit after Taxation (PAT)	1,85,523	1,72,586
Provision for deferred tax liability for the year	6,489	9,041
Profit brought forward	4,20,996	2,88,937
Profit available for appropriation	6,06,519	4,61,523
Appropriation		
Transfer to General Reserve	18,500	13,000
Dividend on Cumulative Pref. Shares	147	147
Proposed Dividend on Equity Shares	24,560	23,360
Dividend Tax on Proposed Dividend	4,199	4,020
Balance Carried Forward	5,59,113	4,20,996

## Operational Performance

Detailed discussion in relation to the Company's operations is given in the Management Discussion and Analysis Report under the heading Financial Performance.

## Order Book Position as on 31st March, 2010

The total order book position as on 31st March, 2010 was Rs. 2,064.41 cr.

## Conversion of 8,00,000 Convertible Warrants into Equity Shares

During the year under review, the Company has allotted 8,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 79.12 per share to the promoters, pursuant to Conversion of Warrants as per terms of issue of Convertible Warrants which were approved by the Shareholders at the Annual General Meeting held on 24th September, 2008. The paid-up Equity Share Capital of the Company as on 31st March, 2010 stands increased to Rs. 163,730,660.

## Dividend

The Board of Directors at the Meeting held on 29th May, 2010 recommended a final dividend of Rs. 1.50 per Equity Share (i.e. 15%) after giving dividend of Rs. 1.05 (i.e. 10.50%) on the cumulative redeemable preference shares of Rs. 10/- each, subject to the approval of the Shareholders. The distribution tax on the

both equity dividend and preference dividend is being borne by the Company and appropriated accordingly.

## Fixed Deposit

The Company has not accepted any deposits from the public during the financial year ended 31st March, 2010.

## 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
- RCON, 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 Metropolitan Development

### Association

- Public Health Engineering
- Jawaharlal Nehru National Urban Renewal Mission

## Outlook

The Union Budget 2010-11 continued to lay stress on infrastructure development, citing it as one of the key catalysts in maintaining the economic growth rate. The Finance Minister (FM) provided 46% (Rs. 1,73,552 Cr) of the total Plan allocation for Infrastructure Development in line with the yearly targets. Allocation for Road Transport was raised by over 13% to Rs. 19,894 Cr, whereas allocation for improving Railway Infrastructure was increased by 6%.

In the light of the pivotal role that the Infrastructure Sector plays in enabling future growth, we believe that the government will continue to focus on infrastructure development in the country as was witnessed in the recent Budget. Moreover, in the long run, with the economy on a roll (India has annual average 8-9% growth in the last 4-5 years), we expect the Infrastructure Sector to attract more funds not only from the domestic market, but also from the international market. Other factors including political intent, liquidity position, commodity and crude prices, structural and procedural reforms at various government body levels (like NHAI) are also well-placed to roll out the Indian

infrastructure growth story ahead.

## Disclosures

### i) Conservation of Energy

Form A appended to the Companies (Disclosure of Particulars with Report of Board of Directors) Rules, 1988 is not applicable to the Company as the industry to which your Company belongs is not included therein. However the Company's core activity being in the area of civil construction, which is not a power-intensive industry, the Company is making every effort to conserve the use of power. Critical natural resources like diesel, petrol are consumed efficiently to ensure proper energy utilisation and conservation and the impact of such measures are not identifiable.

### ii) Technology Absorption

The Company did not undertake any research and development activity during 2009-10, which needed to be absorbed or adapted.

### iii) Foreign Exchange Earnings and Outgo

	<i>(Rs. in thousands)</i>
Foreign Exchange Earnings	457.00
Foreign Exchange Outgo	9,300.00

## Directors

Tenure of Sri I. P. Tanti, the Chairman and Managing Director, Sri Rahul Tanti, the Director (Operations) and Sri B. L. Ajitsaria, the Director (Business Development) ended on 31st March, 2010 and the Board of Directors, based on

recommendations of the Remuneration Committee, at their meeting held on 29th January, 2010 re-appointed them for a further period of 3 years w.e.f 1st April, 2010.

Sri Sanit Kumar Bose and Sri H. S. Sinha, the Independent Directors, retire by rotation and being eligible, offer themselves for re-appointment.

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

## Employee Relation

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

## Particulars of Employees

In terms of provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors Report. Having regard to the provisions of Section 219 (1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others

entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company at 25/27, Netaji Subhas Road, Kolkata 700 001.

## Auditors

M/s. S. M. Bengani & Co., Chartered Accountants, Kolkata, Statutory Auditors of the Company will retire at the forthcoming Annual General Meeting and have expressed their unwillingness to be re-appointed for further period. Accordingly, your Directors recommend that M/s. Konar Mustaphi & Associates, Chartered Accountants, Kolkata, who have signified their willingness in writing, be appointed as Statutory Auditors of your Company at the forthcoming Annual General Meeting and their appointment, if made, will be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

## Auditors Observation

The observation of the Auditors in this report read with notes on accounts are self explanatory and do not call for any further explanation.

## Corporate Governance

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

Your Company reaffirms its commitment

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

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

### Directors Responsibility Statement

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

a) in the preparation of the annual accounts for the year ended 31st March, 2010, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956,

have been followed and there are no material departures from the same;

b) we selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010, and of the profit/loss 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, 2010 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, Stock Exchange (s) 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 members and workers whose hard work, solidarity, cooperation and support contributed to its efficient and successful management and in achieving this year's results.

For and on behalf of the Board

I. P. Tanti

*Chairman and  
Managing Director*

Date: 29th May, 2010 Registered office:

25-27, Netaji Subhas Road,  
Kolkata 700 001

# Management Discussion and Analysis Report

## The Business Overview

Tantia Constructions Limited is one of the oldest general civil infrastructure solution providers in India. It was incorporated in the year 1964 and is a profit making company since inception and a dividend paying Company over twenty five years barring for financial year 1998-99. It began operations in the railways segment and over the years extended its activities to seven core infrastructure segments being railways, roads, urban development, industrial, power, marine and aviation.

## Industry Structure and Development

### Railways

Today, Tantia is one of the oldest railway contractors in India with the experience of having completed assignments across diverse terrains for Eastern Railway, North Eastern Railway, South Eastern Railway and North East Frontier Railway. Some of its Joint Venture partners comprised reputed international names like Road Builder Sdn, Berhad, Malaysia.

### Roads and bridges

Tantia established its credentials in the field of construction, widening, conversion, maintenance, strengthening and beautification of roadways, roads, bridges, highways and flyovers. The Company's expertise in the maintenance of roads infrastructure will translate into complete solutions for the benefit of the

client, community in general and the country.

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

### Urban Infrastructure

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

### Power

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

### Aviation Infrastructure

Tantia ventured into the aviation infrastructure sector in 2005 through the Dibrugarh Airport project. The Company is now attractively positioned to service the aviation boom in the Northeast. Tantia's portfolio of services comprises the

construction of terminal buildings, addressal systems and control systems among others. The Company specialises in executing aviation infrastructure projects on a turnkey basis, offering a one-stop, customised and complete solution for the customers.

### Marine Infrastructure

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

### Quality Control

Tantia maintains quality control system, which is the result of the tradition of its founders and the priorities placed by the management evolved to meet day-to-day needs, size and operational necessities. The Company obtained the ISO 9001:2000A certificate in June 2002 and since then, regular internal quality audits are being conducted by qualified professionals both at zonal offices as well as project sites to ensure compliance with international standards.

Infrastructure Development in India India is one of the fastest growing economies in the world. Consequently, the need for infrastructure facilities is ever growing across various sectors. Improving infrastructure is the key to India's development. One of the key priorities of India's growth is infrastructure, government spending on which has nearly doubled in the past decade. India currently

has 3.3 million kilometres of roads – the second largest such network in the world.

The Eleventh Five Year Plan envisages a total investment of US\$514 billion in infrastructure sector for bridging the infrastructure deficit and for sustaining a growth momentum of 9% per annum. Presently, the infrastructure sector in India accounts for 26.70% of India's industrial output and is therefore an effective tool to balance the economy.

### Opportunities and Threats

The Union Budget 2010-11 continued to lay stress on development of infrastructure, citing it as one of the key catalysts in maintaining the economic growth rate. The Finance Minister (FM) provided 46% (Rs.1,73,552 cr) of the total Plan allocation for infrastructure development in line with the yearly targets. Allocation for Road Transport was raised by over 13% to Rs. 19,894 cr, whereas allocation for improving Railway Infrastructure was increased by 6%.

The shortage of highways has been a major hurdle for attracting foreign investment. The lack of roads remains the greatest challenge. Although there are 71,000 kilometres of national highways, 16,000 are single lane roads. To embrace the challenge of building 20 kilometres of road per day, the government of India has embarked on one of the largest public-private partnership schemes in history. The cost will amount to US\$20 billion,

60% of which will be raised by the private sector. One major concern is the acquisition of land, which often results in prolonged court battles that reach up to the Supreme Court. Another issue is that estimates are often much lower than the actual cost of the project, resulting in the contractor bearing the additional costs. The government is initiating steps for addressing the challenge of land acquisition for highway construction.

### Outlook

In the light of the pivotal role that the Infrastructure Sector plays in enabling future growth, we believe that the government will continue to focus on infrastructure development in the country as was witnessed in the previous Budget. Moreover, in the long run, with the economy on a roll (India has averaged 8-9% growth in the last 4-5 years), we expect the Infrastructure Sector to attract more funds not only from the domestic market, but also from the international market. Other factors including political intent, liquidity position, commodity and crude prices, structural and procedural reforms at various government body levels (like NHAI) are also well-placed to roll out the Indian infrastructure growth story ahead.

### Risks and Concerns

In the normal course of business, the Company is exposed to certain financial risks, principally foreign exchange risk,

interest rate risk, liquidity risk and credit risk, risks associated with the economy, regulations, competition, etc. These risks are managed through risk management policies that are designed to minimise the potential adverse effects of these risks on financial performance. The policies are reviewed and approved by the Board.

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

### Income Accounting Method

Tantia prepares its financial statements on accrual basis in compliance with the requirement of the Companies Act, 1956, the Listing Agreement with Stock Exchange(s) and Generally Accepted Accounting Principles as applicable in India (Indian GAAP). The Company's business operations fall under the purview of civil construction. Wherever the treatment of accounts requires interpretation, the Company has preferred to be cautious and conservative.

### Internal Control System and

### their Adequacy

Tantia maintains a strong system of Internal Control to safeguard the Companys assets against loss from unauthorised use and ensures proper authorisation of financial transactions.

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

### Financial Performance

The performance of the Company in the previous financial year was more satisfying when viewed in the light of the challenging business environment of the Construction Industry. A comparative study of the financial performance of the Company as compared to the previous year is given here-under:

#### Turnover

The turnover of a construction company depends on the orders in hands and projects procured. The turnover of the current year 2009-10 was Rs. 56,11,729 thousand as compared to the previous years Rs. 44,94,510 thousand. The income from other sources has also increased from Rs. 16,758 thousand to

Rs. 23,055 thousand during the same period.

#### Reserves and Surplus

The balance of reserves and surplus increased from Rs. 9,45,449 thousand as on 31st March, 2009 to Rs. 11,65,362 thousand as on 31st March, 2010.

#### Margins

The Companys operating profit increased from Rs. 5,98,787 thousand in the previous year to Rs. 7,15,887 thousand as on 31st March, 2010.

#### Interest and Financial Charges

The Companys interest and financial expenses increased from Rs. 3,29,431 thousand as on 31st March, 2009 to Rs. 3,66,950 thousand as on 31st March, 2010.

#### Gross Block and Net Block

The Companys gross block of assets increased from Rs. 9,67,026 thousand as on 31st March, 2009 to Rs. 10,26,874 thousand as on 31st March, 2010. Whereas the net block increased from Rs. 6,75,191 thousand as on 31st March, 2009 to Rs. 6,91,957 thousand as on 31st March, 2010.

#### Debtors

As a business policy, the Company executes infrastructure assignments mainly commissioned by government

bodies. The Companys sundry debtors exceeding six months increased from Rs. 1,95,595 thousand as on 31st March, 2009 to Rs. 2,12,682 thousand as on 31st March, 2010 and adequate steps have been initiated for recovery of the same.

#### Inventories

The Companys inventories increased from Rs. 14,46,524 thousand as on 31st March, 2009 to Rs. 16,18,375 thousand as on 31st March, 2010.

#### Human Capital

Our Employees are the biggest and most valuable assets. We have staff strength of about 650 persons which comprises professionals from diverse backgrounds like engineering, finance, taxation, management, business, supervisors, operators and sub-staff.

#### Cautionary Statement

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

# Corporate Governance Report

## 1. Company's Philosophy on Corporate Governance

Corporate Governance is the set of processes, customs, policies, laws and institutions, affecting the way a company is directed, administered or controlled. Corporate Governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. Key elements of good Corporate Governance principles include honesty, trust and integrity, transparency and openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organisation.

Your Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of the Listing Agreement with Stock Exchange(s), but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders.

Your Company is committed to following best Corporate Governance Practices in all its pursuits and is constantly striving to better them and adopt emerging best practices.

## 2. Board of Directors

Composition and size:

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

As on date, the Company has 9 (nine) Directors of which 3 (three) are Managing/Whole-time Directors viz. Sri I. P. Tantiya, Chairman and Managing

Director, Sri Rahul Tantiya, Director (Operations) and Sri B. L. Ajitsaria, Director (Business Development). Sri Rahul Tantiya is the son of Sri I. P. Tantiya while other 6 (six) are Non-Executive Independent Directors.

Non-Executive Independent Directors do not have any pecuniary relationship and/or transaction with your Company other than payment of sitting fees which is within the limit prescribed under the Companies Act, 1956 read with Articles of Association of the Company.

The Directors of the Company met 5 (five) times during the year on 30th May, 2009, 30th July, 2009, 12th October, 2009, 31st October, 2009 and 29th January, 2010. 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, 2010 were as follows:

Name of the Directors	Category of Directors	No. of Board Meetings Attended	Attendance at the Last AGM held on 9th September, 2009	No of Directorship held outside*	Total No. of Committees held	
					As member	As Chairman
Sri I. P. Tantiya	Chairman and Managing Director	5	Yes	-	-	-
Sri B. L. Ajitsaria	Director (Business Development)	1	No	1	-	-
Sri Rahul Tantiya	Director (Operations)	3	No	3	-	-
Sri H. S. Sinha	Non-Executive (Independent)	5	Yes	4	1	1
Sri U. S. Agarwal	Non-Executive (Independent)	5	Yes	2	-	-
Sri M. P. Agarwall	Non-Executive (Independent)	1	No	20	-	-
Sri S. K. Bose	Non-Executive (Independent)	4	Yes	-	-	-
Sri P. K. Chattaraj	Non-Executive (Independent)	4	Yes	6	2	1
Sri Shaheen Khemani	Non-Executive (Independent)	5	Yes	8	-	-

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

### 3. Board Meetings

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

#### Preparation of agenda and schedules of Board Meetings:

The Chairman of the board in consultation with the Company Secretary draws the agenda for each meeting, along with explanatory notes and distributes these in advance to the directors. The Board meets at least once after closure of each quarter to review the financial performance of the Company. Additional meetings are held as and when considered necessary.

#### Information placed before the Board:

The Board has unfettered and 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 required information as enumerated in Annexure IA to the Clause 49 of the Listing Agreement with the Stock Exchange (s) and the materials required to be placed before the Board as provided in the Companies Act, 1956 are made available to the Board Members for discussion, consideration and doing the needful at its Meetings.

### 4. Committees of the Board

There are 4 (Four) committees of the Board namely- Audit Committee, Remuneration Committee, Share Transfer and Investor Grievances Committee and Treasury Management Committee. The terms of reference of Committees of Board are determined by the Board from time to time.

In conformity with Annexure IA to the

Clause 49 of the Listing Agreement, the minutes of the Committee meetings are placed at subsequent meetings of the Board of Directors. Recommendations of the committees are submitted to the Board for their approval.

The quorum for the meeting of the committees is either two members or one-third of the members of the committee, whichever is higher.

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

#### A. Audit Committee

##### Composition and size:

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

The Audit Committee consists of 3 (three) Independent Directors namely Sri U. S. Agarwal, Sri H. S. Sinha and Sri P. K. Chattaraj along with Sri Rahul Tanti, the Executive Director of the Company. Md. Jamshed Alam, the Company Secretary, is the Secretary to the Committee.

##### Terms of Reference:

The Board of Directors of the Company has constituted an Audit Committee of Director to exercise powers and discharge functions as stipulated in Section 292A of the Companies Act, 1956, Clause 49 of the Listing Agreement with the Stock Exchange (s) and other relevant statutory/regulatory provisions, as may be applicable.

##### Meetings held during the year:

The Audit Committee met 4 (four) times during the year on 30th May, 2009, 30th July, 2009, 31st October, 2009 and 29th January, 2010. Details on the composition of the committee and attendance are given below:

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

The Chairman of the Audit committee was present at the previous Annual General Meeting held on 9th September, 2009.

#### B. Remuneration Committee

##### Composition and size:

The Remuneration Committee consists of 3 (three) Independent Directors namely Sri P. K. Chattaraj, Sri H. S. Sinha and Sri Shabeni Khemani along with Sri Rahul Tanti, the Executive Director of the Company. Md. Jamshed Alam, the Company Secretary, is the Secretary to the Committee.

##### Terms of Reference:

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

##### Meeting held during the year:

The Remuneration Committee met once during the year on 29th January, 2010.

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

Member	Position	Meetings attended
Sri P K Chattaraj	Chairman	1
Sri H S Sinha	Member	1
Sri Shabeni Khemani	Member	1
Sri Rahul Tanti	Member	1

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

(Rs. In thousands)

Name of Directors	Salary and other benefits				Sitting Fees	Stock Option, if any (No.)
	Salary (including House Rent Allowance)	Commission	Contributions to Provident Fund	Other Perquisites	Board Meeting/ Committee Meetings	
Sri IP Tantiã	5,400	9,197	50	-	-	Nil
Sri B L Ajtsarã	3,000	-	9	-	-	Nil
Sri Rahul Tantiã	3,000	-	-	-	-	Nil
Sri H S Sinha	-	-	-	-	51	Nil
Sri U S Agarwal	-	-	-	-	46	Nil
Sri P K Chattaraj	-	-	-	-	30	Nil
Sri S K Bose	-	-	-	-	20	Nil
Sri M P Agarwall	-	-	-	-	5	Nil
Sri S Khemani	-	-	-	-	30	Nil

i. Service Contract: The service contracts of all Managing / Executive Directors were for 3 years (Effective from 1st April, 2007 to 31st March, 2010). Appointment has been extended for further period of 3 years w.e.f. 1st April, 2010, subject to approval of shareholders and such other authorities, as may be required.

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

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

### C. Share Transfer and Investors Grievance Committee

Composition and size:

The committee consists of 2 (two) Independent Directors namely Sri H. S. Sinha and Sri Shabben Khemani along with Sri Rahul Tantiã, the Executive Director of the Company. Md. Jamshed Alam, Company Secretary, is the Secretary to the Committee.

Terms of reference:

As per requirement of Clause 49 of the Listing Agreement with the Stock Exchange(s), committee under the chairmanship of Non-Executive Director is formed to specially look into the redressal of shareholder and investors complaints relating to transfer / transmission / consolidation / split of shares, non-receipt of Annual Report, non-receipt of declared dividends etc.

Md. Jamshed Alam, the Company Secretary is the Compliance Officer of the Company.

Meetings held during the year:

The Share Transfer and Investors Grievance Committee met 4 (four) times during the year on 30th May, 2009, 30th July, 2009, 31st October, 2009 and 29th January, 2010. Details on the composition of the committee and attendance are given below :

Member	Position	Meetings attended
Sri H S Sinha	Chairman	4
Sri Rahul Tantiã	Member	3
Sri Shabben Khemani	Member	4

The Company has a share department under the Company Secretary, who monitors the activities of Registrar and Share Transfer Agent and looks into the matters relating to the shareholders. Share transfer /

transmission are approved by the Registrar and Share Transfer Agent and ratified by the Board. Status of complaints of shareholders/investors is as under:

Number of Complaints pending on 1st April, 2009	0
Number of Complaints received during the year	1
Number of Complaints redressed during the year	1
Number of Complaints pending on 31st March, 2010	0

### D. Treasury Management Committee

Composition and size:

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

#### Terms of Reference:

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

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

d. Carry out any other function as may be delegated by the Board of Directors from time to time.

e. Delegate authorities to the Executives and/or other Authorised Representatives to implement the decisions of the Committee from time to time.

#### Meetings held during the year:

The Treasury Management Committee met 9 (nine) times during the year ended 31st March, 2010. Details on the composition of the committee and

attendance are given below:

Member	Position	Meetings attended
Sri U S Agarwal	Chairman	9
Sri H S Sinha	Member	9
Sri Rahul Tanti	Member	8

#### 4. General Body Meetings

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

Financial Year	Venue	Day & Date	Time
2008-09	Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata 700 017	Wednesday, 09.09.2009	3.00 P.M.
2007-08	Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata 700 017	Wednesday, 24.09.2008	3.00 P.M.
2006-07	Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata 700 017	Monday, 03.09.2007	3.00 P.M.

#### ii. Special Resolutions passed at previous three Annual General Meetings

The following special resolutions were passed by the members during the previous 3 (three) Annual General Meetings:

Financial Year	Special Resolutions
2008-09	None
2007-08	To issue 8,00,000 Convertible Warrants on Preferential Basis to the Promoters of the Company as per section 81(A) of the Companies Act, 1956.
2006-07	To apply for voluntary delisting of equity shares of the Company from The Calcutta Stock Exchange Association Limited and The Delhi Stock Exchange Association Limited.

#### iii. Postal Ballot

No resolution was passed through postal ballot during the previous financial year ended 31st March, 2010.

At the ensuing Annual General Meeting there is no resolution proposed to be passed by way of Postal Ballot.

#### 5. Means of communication

i. Quarterly Results	The quarterly results of the Company are being announced within 45 days of the completion of the quarter and audited annual results are announced within two months of the end of last quarter and Stock Exchange (s) are immediately intimated.
ii. Newspapers where normally results are published in	English <i>Mint (All editions)</i> <i>Business Line (All editions)</i> Bengali <i>Arthik Lipi (Kolkata)</i>
iii. Name of Websites where results are displayed	www.tantigroup.com, www.nseindia.com www.bseindia.com, www.corpfilings.in
iv. Whether Website also displays official news releases, if any.	Yes
v. Whether presentations made to institutional investors or to the analyst.	None

## 6. Disclosures

a. A Statement in summary form of transactions with related party in the ordinary course of business is placed periodically before the Audit Committee. The particulars of transactions between the Company and its related parties as per Accounting Standard (AS-18 which deals with Related Party Disclosures) are disclosed in Notes of Accounts (Note No.17) of Schedule 23 to accounts in the Annual Report.

b. The Company did not have any materially significant related party transactions, which may have potential conflict with the interest of the Company.

c. The Company has duly complied with the requirements of the regulatory authorities on Capital Markets. There were no strictures or penalties imposed by either the Securities and Exchange Board of India (SEBI), Stock Exchange(s) or any statutory authority for non-compliance of any matter related to capital markets during previous 3 years.

d. The Company does not have a Whistle Blower Policy. It is confirmed that no personnel has been denied access to the Audit Committee.

e. The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and while preparation of financial statements for the year ended 31st March 2010, the Company has not adopted a treatment different from those prescribed in an Accounting Standard.

f. The Board has received disclosures from senior management personnel relating to material financial and commercial transaction in which they and/or their relatives have personal interest and have entered into no transactions other than those reported in the Related Party Transactions as disclosed in Notes of Accounts (Note No.17) of Schedule 23 to accounts in the Annual Report.

g. All mandatory requirements have been appropriately complied with the Company and with regard to Non-Mandatory requirements; the Company has set up a Remuneration Committee. The Remuneration Committee has the overall responsibility of approving and evaluating performance appraisals for the Managing/Executive Directors of the Company. The Company does not have any qualification pertaining to the Financial Statements of the year under review in the Audit Report.

h. There was no pecuniary relationship or transactions between the Company and Non-Executive Directors other than payment of sitting fees.

i. No shares and/or convertible instruments held by Non-executive Independent Directors of the Company.

j. The Company does not have any Subsidiary Company.

k. In accordance with the requirement of Corporate Governance, the Board of Directors has formulated a code of conduct for Directors and Senior

Management Personnel of the Company and the compliance thereof has been confirmed by all concerned. The code of conduct has also been posted on Company's website. In addition to this, as per requirement of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board of Directors has formulated another Code of Conduct for prevention of Insider Trading in Equity Shares of the Company.

l. The Company laid down the procedures to inform the Board Members about the risk assessment and minimisation procedure. These procedures are periodically reviewed to ensure that executive management control risks through means of a properly defined framework.

m. Details of Directors seeking appointment /reappointment at the ensuing Annual General Meeting, as required under Clause 49 of the Listing Agreement are annexed to the Notice convening the 45th Annual General Meeting.

n. A Management Discussion and Analysis Report is given separately which forms part of this Annual Report.

## 7. Auditors Certificate on Corporate Governance

The Company has obtained certificate from Statutory Auditors M/s. S.M. Bengani & Co. on compliance of Corporate Governance. Auditors certificate on Corporate Governance forms part of Annual Report.

# General Shareholder Information

## 1. AGM Details

Date	:	15th September, 2010
Time	:	3:00 pm
Venue	:	Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata 700 017
Book Closure Dates	:	8th September, 2010 to 15th September, 2010 (Both days inclusive)
Dividend Payment Date	:	Subject to Shareholders Approval, on or after 15th September, 2010

## 2. Financial Calendar

Financial reporting for the Year 2010 -11 (tentative and subject to change)

Particulars	Quarter/half year/ year ending	Tentative Schedule*
Unaudited Financial Results (1st Quarter)	Q E. 30.06.2010	Second week of August, 2010
Unaudited Financial Results (2nd Quarter)	Q E. 30.09.2010	Second week of November, 2010
Unaudited Financial Results (3rd Quarter)	Q E. 31.12.2010	Second week of February, 2011
Audited Financial Results (Annual)	Y E. 31.03.2011	Last Week of May, 2011

\*Actual dates may vary.

## 3. Listing on Stock Exchanges and Codes

S.N	Name of Stock Exchange (s)	Code
1	The Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Ph: +91-022-2272 1234 /33. Fax: +91-022-2272 3121 Web: www.bseindia.com	532738
2	National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051. Ph: +91-022-26598100, Fax: +91-022-26598120 Web: www.nseindia.com	TANTACONS
3	Singapore Exchange Securities Trading Limited 2 Shentonway, # 19-00 SGX Centre 1 Singapore 068804 Ph: (65) 62368888; Fax: (65) 65356994 Web: www.sgx.com	Short name: Tantia 120718S Abbreviated Name: TANTCB12 ISIN Code: XS0310744106

The Listing fees for Financial Year 2010 -11 have already been paid for all the above Stock Exchanges.

#### 4 . Details of Price Movement on Stock Exchanges

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

Sl.No.	Month	Bse			Nse		
		High (Rs.)	Low (Rs.)	Volume (No.)	High (Rs.)	Low (Rs.)	Volume (No.)
1	April-2009	42.20	33.00	1,71,298	42.55	33.15	1,35,904
2	May-2009	61.50	34.80	3,23,338	59.70	34.60	3,93,554
3	June-2009	70.90	54.50	3,68,747	71.00	54.50	3,95,899
4	July-2009	98.90	57.60	5,93,359	99.00	57.60	7,25,129
5	August-2009	100.90	85.65	3,53,253	100.70	85.20	3,95,651
6	September-2009	117.65	95.35	11,34,664	116.80	94.00	11,93,465
7	October-2009	127.25	93.50	13,42,397	127.90	95.00	14,50,774
8	November-2009	131.10	90.40	16,00,506	132.00	91.00	20,39,254
9	December-2009	125.80	107.00	15,15,337	126.40	107.25	16,80,898
10	January-2010	159.00	120.00	50,48,450	158.80	116.90	78,83,084
11	February-2010	142.00	110.00	7,57,901	141.70	117.50	9,55,404
12	March-2010	137.70	115.50	6,47,712	137.00	115.10	8,40,913

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

The Company has appointed M/s. Maheswari Dataatics Pvt. Ltd., to act as Registrar and Share Transfer Agent (RTA) w.e.f. 17th March, 2007. Shareholders/Investors are requested to send share transfer related documents directly to our RTA whose address is given under the

heading Address for Correspondence. The Company has a Shareholders/Investors Grievance Committee to look into various issues relating to the investors including share transfers.

#### 6 . Dematerialisation of Shares and Liquidity

The Shares of the Company are compulsorily traded in dematerialised

form on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), RTA are entrusted with the responsibility of dematerialisation of Company's Shares. Shares held in demat and physical modes as at 31st March, 2010 are as follows:

Category	Number of		% of total Equity
	Shareholders	Shares	
Dematerialised Mode			
a) NSDL	7,356	1,42,53,038	87.0517
b) CDSL	3,429	12,26,369	7.4902
Sub Total	10,785	1,54,79,407	94.5419
Physical Mode	35	8,93,659	5.4581
Total	10,820	1,63,73,066	100.00

The International Securities Identification Number (ISIN) allotted to our Equity Shares under the Depository System is NE388G01018.

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

The exercises of share transfer/transmission/consolidation/split are handled by the Company's RTA and after completing the procedural formalities of share transfer, the share certificates are returned to the transferees within a maximum period of 21 days from the date of lodgment of

same, in case the application is otherwise in order. There are no pending share transfers as on 31.03.2010.

## 8. Investor Grievance Redressal System

The investor grievances are handled by the Company's RTA in consultation with the Shareholders/Investors Grievance Committee of the Company. The RTA, to our information has adequate skilled staff

with professional qualifications and advanced computer systems for speedy redressal of the investor grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerised to ensure timely settlement. It normally takes 15 days from the date of receipt of the complaint for disposal of investor grievances. There are no pending grievances as on 31.03.2010.

## 9. Distribution of Shareholding as on March 31, 2010

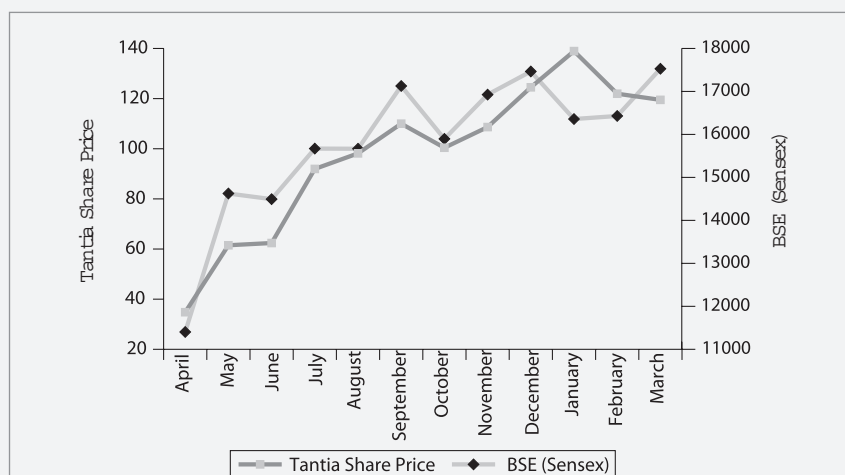
Range of Equity Shares held:

No. of shares (share range)	No. of shareholders	Percentage (%)	Number of shares	Percentage (%)
1-500	9,976	92.1996	11,47,381	7.0077
501-1000	437	4.0388	3,64,901	2.2287
1001-2000	194	1.7930	2,89,505	1.7682
2001-3000	59	0.5453	15,367	0.9306
3001-4000	28	0.2588	1,00,512	0.6139
4001-5000	27	0.2495	1,28,235	0.7832
5001-10000	30	1.2773	2,28,346	1.3946
10000 and above	69	0.6377	1,39,61,819	85.2731
Total	10,820	100.00	1,63,73,066	100.00

## Shareholding Pattern

Shares held by	Total shares	Percentage (%)
Indian Promoters	88,01,498	53.76
Foreign Promoters	0	0
Persons acting in concert	0	0
Total shareholding of Promoter and Promoter Group (A)	88,01,498	53.76
Public shareholding		
Mutual funds and UTI	10,18,900	6.22
Banks, Financial Institutions, Insurance Companies, Non-Government Institutions	3,39,182	2.07
Foreign Institutional Investors (FIIs)	10,63,688	6.50
Private Corporate Bodies	22,63,675	13.82
Indian Public	28,30,232	17.28
NRI/OCBs/Foreign National	54,891	0.34
Trusts	1,000	0.01
Grand Total	1,63,73,066	100.00

## 10 . Perform ance Chart in com parison to BSE Sensex



## 11. Outstanding GDRs/ADRs/ W arrants or any Convertible Instrum ents, Conversion Date and likely Im pact on Equity

The Company has issued on 17th July, 2007, 7500 1% Foreign Currency Convertible Bonds (FCCBs) due 2012 at 100% of US\$1000 each aggregating to US\$7.5 million. The bondholders have option of converting these bonds into shares at an initial conversion price of Rs. 140.00 per share (including the premium of Rs. 130/-each) with a fixed rate of conversion of US\$1=Rs. 40.38 at any time on or after 17th July, 2007 upto 5th July, 2012. If at any time during the conversion period, the bondholders exercises the conversion option, the paid up equity share capital of the Company will increase accordingly.

## 12 . Secretarial Audit by Practicing Com pany Secretary

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

## 13 . Designated E-m ail Address for Investor Relations

As per Clause 47(f) of the Listing Agreement with the Stock Exchange(s), the designated e-mail address for Investor Relations is: E-mail: [cs@tantiagroup.com](mailto:cs@tantiagroup.com)

## 14 . Unclaim ed Dividend

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

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2002-03	30.08.2003	30.08.2010
2003-04	24.08.2004	24.08.2011
2004-05	24.09.2005	24.09.2012
2005-06	04.09.2006	04.09.2013
2006-07	03.09.2007	03.09.2014
2007-08	24.09.2008	24.09.2015
2008-09	09.09.2009	09.09.2016

## 15 Address for correspondence

a. Secretarial Department:  
Tantia Constructions Limited  
25-27, Netaji Subhas Road, Kolkata 700 001  
Phone: +9133-2230 1896/6284  
Fax: +9133-2230 7403

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

Maheshwari Datamatics Private Limited  
6, Mangoe Lane, 2nd Floor, Kolkata 700001  
Tel No: + 91 33 2243 5029/5809; 2248 2248  
Fax: + 91 33 2248 4787  
E-mail: [mdpl@calvsnl.net.in](mailto:mdpl@calvsnl.net.in)

# Auditors Certificate on Corporate Governance

To, the Members of  
Tantia Constructions Limited

We have examined the compliance of conditions of Corporate Governance by Tantia Constructions Ltd. (the Company) for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange (s).

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

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

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

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

For and on behalf of  
For S.M. BENGANI & CO.  
Firm Registration No. 305075E  
Chartered Accountants

Hira Lal Bengani  
*Proprietor*  
M.No. 07867

Place: Kolkata  
Date: 29th May, 2010

# CEO and CFO Certification to the Board

To,  
The Board of Directors,  
Tantia Constructions Limited

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

(a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 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, 2010 fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit committee;

- i. Significant change in internal control over financial reporting during the year.
- ii. Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata

IP.Tantia

Rohini Sureka

Date: 29th May, 2010

*Chairman and Managing Director*

*Vice-President (Finance & Accounts)*

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## Annual Certificate under Clause 49 (I) (D) of the Listing Agreement with the Stock Exchange (s)

All the members of the Board and Senior Management Personnel of the Company have confirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2010 in terms of certificates received.

Place: Kolkata

IP.Tantia

Date: 29th May, 2010

*Chairman & Managing Director*

# Financial section



# Auditor's Report

To  
The Members of  
Tantia Constructions Limited

1. We have audited the attached balance sheet of TANTIA CONSTRUCTIONS LIMITED, KOLKATA as at 31st March, 2010, 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 misstatements. 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 (Auditors 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, 2010 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, 2010,
  - 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  
Firm's Registration No. 305075E  
Chartered Accountants

Room No. 57, 1½ floor  
187, Rabindra Sarani  
Kolkata - 700 007  
Dated : 29th May, 2010

CA. Hiralal Bengani  
Proprietor  
Membership No. 07867

## Annexure to Auditors Report for the year ended on 31st March, 2010

(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, firms 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 31st March, 2010 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

(Rs. in Lakhs)

Name of the Statute	Nature of Dues	Amount in Rs.	Periods to which the amount relates	Forum where dispute is pending
West Bengal	Appeal Dem and	210.32	2005-06	Revisionary Board
West Bengal	Normal Asstt Dem and	343.31	2006-07	Joint Commissioner (Appeal)
West Bengal	Penalty Under WB VAT Act 2003	384.82	2008-09	Joint Commissioner Central Section

- 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  
Firm's Registration No. 305075E  
Chartered Accountants

Room No. 57, 1<sup>1/2</sup> floor  
187, Rabindra Sarani  
Kolkata - 700 007  
Dated : 29th May, 2010

CA. Hirakal Bengani  
Proprietor  
Membership No. 07867

# Balance Sheet As at 31st March, 2010

		(Rs. in Thousands)	
	Schedule	31st March, 2010	31st March, 2009
<b>I. SOURCES OF FUNDS</b>			
1) Shareholders' Fund			
Share Capital	1	165,131	157,131
Share Warrant			7,130
Reserves & Surplus	2	1,165,362	945,449
		1,330,493	1,109,710
2) Loan Funds			
Secured Loans	3	1,997,930	1,363,073
Unsecured Loans	4	1,906,663	1,714,979
		3,904,593	3,078,052
3) Deferred Tax Liabilities			
Total		49,707	43,218
		5,284,793	4,230,980
<b>II. APPLICATION OF FUNDS</b>			
1) Fixed Assets <span style="float: right;">5</span>			
Gross block		1,026,874	967,026
Less: Depreciation		342,170	275,069
Net block		684,704	691,957
Plant & Machinery in Stock			487
		684,704	692,444
2) Investments <span style="float: right;">6</span>			
		18,380	139,060
3) Current Assets, Loans & Advances			
Inventories	7	1,618,375	1,446,524
Sundry debtors	8	1,943,450	1,240,790
Cash & bank balances	9	368,067	249,543
Other Current Assets	10	6,168	8,739
Loans and Advances	11	1,421,396	1,063,077
		5,357,456	4,008,673
Less: Current Liabilities and Provisions			
Liabilities	12	595,780	501,436
Provisions	13	179,967	107,761
		775,747	609,197
Net Current Assets		4,581,709	3,399,476
Total		5,284,793	4,230,980
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.

Firm's Registration No. 305075E

Chartered Accountants

CA. Hirab Bengani

Proprietor

Membership No. 07867

I. P. Tanti

Chairman & Managing Director

B. L. Ajtsaria

Director (Business Development)

Place : Kolkata

Dated : 29th May, 2010

Rahul Tanti

Director (Operations)

Md. Jamshed Alam

Company Secretary

## Profit and Loss Account For the period ended 31st March, 2010

		(Rs. in Thousands)	
	Schedule	31st March, 2010	31st March, 2009
<b>I. INCOME</b>			
Income From Operation	14	5,611,729	4,494,510
Increase/Decrease in Work in Progress	15	91,655	156,412
Other Income	16	23,055	16,758
<b>Total</b>		<b>5,726,439</b>	<b>4,667,680</b>
<b>II. EXPENDITURE</b>			
Material Consumption	17	2,402,350	1,665,352
Contract Operating Expenses	18	2,312,865	2,141,605
Payments to & Provisions for Employees	19	133,259	113,149
Administrative & Other Expenses	20	162,078	148,787
<b>Total</b>		<b>5,010,552</b>	<b>4,068,893</b>
<b>III. PROFIT</b>			
Profit before Interest, Depreciation & Tax		715,887	598,787
Interest & Financial Expenses	21	366,950	329,431
Profit before Depreciation & Tax		348,937	269,356
Depreciation/Amortisation		68,166	65,540
Profit before Taxation		280,771	203,816
Provision for Taxation	22	98,085	33,673
		182,686	170,143
Profit of Joint Venture (Net of Tax)		2,837	2,443
Profit After Tax		185,523	172,586
Profit brought forward		420,996	288,937
Profit for Appropriation		606,519	461,523
<b>IV. APPROPRIATION</b>			
General Reserve		18,500	13,000
Dividend on Cumulative Preference Share		147	147
Proposed Dividend on Equity shares		24,560	23,360
Income Tax on Proposed Dividend		4,199	4,020
Balance Carried Forward		559,113	420,996
		606,519	461,523
<b>V. Earnings Per Share</b>			
Basic (Rs.)		11.33	11.07
Diluted (Rs.)		10.14	9.61
Number of shares for calculating EPS			
Basic		16,373,066	15,573,066
Diluted		18,540,352	18,282,831
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.

Firm's Registration No. 305075E

Chartered Accountants

CA. Hiralal Bengani

Proprietor

Membership No. 07867

I.P. Tanti

Chairman & Managing Director

B.L. Ajitsaria

Director (Business Development)

Place : Kolkata

Dated : 29th May, 2010

Rahul Tanti

Director (Operations)

Md. Jamshed Alam

Company Secretary

## Cash Flow Statement For the period ended 31st March, 2010

(Rs. in Thousands)

	2009-10		2008-09	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax and extra ordinary item		280,771		203,816
Add/ (Less) Adjustm ent for :				
Depreciation	68,166		65,540	
(Profit)/Loss on sales of Fixed Assets	528		304	
Foreign Exchange Fluctuation	(820)		19,830	
Interest Incom e	(16,168)		(13,427)	
Interest on Bonow ings	366,950	418,656	329,432	401,678
Operating Profit before working Capital changes		699,427		605,494
Add/ (Less) (Increase)/decrease in Assets/Liabilities :				
Debtors	(702,660)		18,545	
Loans & advances	(858,319)		(283,058)	
Other Current assets	2,571		1,169	
Inventories	(171,851)		(320,772)	
Advances from custom ers	10,014		(195,252)	
Trade payables, Liabilities & Provisions	166,550	(1,053,696)	(21,773)	(801,142)
Cash Generated from Operations		(354,268)		(195,648)
Direct Taxes paid		(91,595)		(24,632)
Cash Flow before extra ordinary item s		(445,864)		(220,279)
Extra-Ordinary item s				
Net Cash From Operating Activities		(445,864)		(220,279)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Add/ (Less) (Increase)/decrease in Assets/Liabilities :				
Additions of Fixed Assets (net)	(62,566)		(82,764)	
Sale/discard of Fixed Assets	1,612		240	
Interest Incom e	16,168		13,427	
Investm ent in Joint Ventures & others	123,518	78,732	41,218	(27,879)
Net Cash used in investing Activities.		78,732		(27,879)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Add/ (Less) (Increase)/decrease in Assets/Liabilities :				
Share Capital issue	870		7,130	
Share Prem ium Account	63,296			
Secured Loans	(3,341)		243,549	
Unsecured Loans	181,669		(32,746)	
Interest Paid	(366,950)		(329,432)	
Dividend Paid	(24,707)		(23,507)	
Tax on Dividend	(4,199)	(153,363)	(4,020)	(139,025)
Net Cash from financing Activities.		(153,363)		(139,025)
<b>D Net increase/ (Decrease) in Cash and Cash equivalent (A+B+C)</b>		<b>(520,495)</b>		<b>(387,183)</b>

## Cash Flow Statement (Contd...)

(Rs. in Thousands)

	As on 31st March, 2010	As on 31st March, 2009
<b>E. CASH AND CASH EQUIVALENT</b>		
Cash In Hand	32,653	41,111
Cash at Bank	335,414	208,432
Dem and Loan from Schedule Banks	(1,939,826)	(1,301,628)
Foreign Exchange Fluctuation A/c	(820)	19,830
	(1,572,579)	(1,032,254)

	As on 31st March, 2009	As on 31st March, 2008
Cash In Hand	41,111	29,931
Cash at Bank	208,432	384,596
Dem and Loan from Schedule Banks	(1,301,628)	(1,059,598)
	(1,052,085)	(645,071)
Difference	(520,495)	(387,183)

In terms of our report of even date

For S.M. Bengani & Co.

Firm's Registration No. 305075E

Chartered Accountants

CA. Hiral Bengani

Proprietor

Membership No. 07867

I.P. Tanti

Chairman & Managing Director

B.L. Ajisaria

Director (Business Development)

Place : Kolkata

Dated : 29th May, 2010

Rahul Tanti

Director (Operations)

Md. Jamshed Alam

Company Secretary

## Schedules forming part of the Balance Sheet As at 31st March, 2010

(Rs. in Thousands)

	31st March, 2010	31st March, 2009
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
290,00,000 Equity Shares (Prev. Yr. 290,00,000) of Rs. 10/- each	290,000	290,000
10,00,000 10.5% Cumulative Preference Shares (Prev. Yr. 10,00,000) of Rs. 10/- each	10,000	10,000
	<b>300,000</b>	<b>300,000</b>
<b>Issue, Subscribed and paid up</b>		
1,63,73,066 nos. of Equity Shares (Prev. Yr. 1,55,73,066 nos.) of Rs. 10/- each	163,731	155,731
(Note: The above shares include 33,60,000 Equity shares issued as fully paid up Bonus shares by way of capitalisation of accumulated General Reserve)		
1,40,000 nos. of 10.5% Cumulative Preference Shares (Prev. Yr. 1,40,000) of Rs. 10/- each fully paid up (Refer Note : B (2) of Schedule 23)	1,400	1,400
	<b>165,131</b>	<b>157,131</b>

<b>2 RESERVES &amp; SURPLUS</b>		
Capital Reserve	10,000	10,000
(Refer Note : B (3) of Schedule 23)		
Securities Premium Account	494,749	431,453
General Reserve		
Balance as per last account	83,000	70,000
Add : Transfer from Profit & Loss Account	18,500	13,000
	<b>101,500</b>	<b>83,000</b>
Balance in Profit & Loss Account	559,113	420,996
	<b>1,165,362</b>	<b>945,449</b>

<b>3 SECURED LOANS</b>		
(Refer Note : B (4) of Schedule 23)		
Working Capital Loans in the form of Cash Credit from Scheduled Banks	1,939,826	1,301,628
Term Loans from Non-Banking Finance Companies	58,104	61,445
	<b>1,997,930</b>	<b>1,363,073</b>

<b>4 UNSECURED LOANS</b>		
From Bodies Corporates	158,558	255,628
From Non-Banking Finance Companies	80,000	
Short Term Loans from Scheduled Banks	532,382	333,642
Advance against materials	117,391	174,657
Advance against contracts	715,332	648,052
Foreign Currency Convertible Bonds (Refer Note : B (5) of Schedule 23)	303,000	303,000
	<b>1,906,663</b>	<b>1,714,979</b>

## Schedules forming part of the Balance Sheet As at 31st March, 2010

(Rs. in Thousands)

5 FIXED ASSETS										
Particulars	GROSS BLOCK				DEPRECIATION /AMORTISATION				NET BLOCK	
	Cost as at 31st March, 2009	Additions during the year	Sales / Adj. during the year	Cost as at 31st March, 2010	As on 31st March, 2009	For the year	Withdrawn/ written back during the year	Total upto 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
A) Tangible Assets										
Land & Shed	2,500			2,500					2,500	2,500
Work shop & Office Shed	10,342			10,342	632	340		972	9,370	9,710
Plant & Machinery	873,420	47,940	1,838	919,522	246,330	59,595	189	305,736	613,786	627,090
Vehicles	46,955	7,965	1,367	53,553	16,198	4,282	876	19,604	33,949	30,757
Office Equipments	2,844	701		3,545	351	143		494	3,051	2,493
Computer Equipments	8,939	2,308		11,247	4,634	1,445		6,079	5,168	4,305
Testing & Survey Equipments	11,332	1,381		12,713	2,657	559		3,216	9,497	8,675
Air Conditioner	921	1,814		2,735	185	73		258	2,477	736
Furniture & Fixtures	1,773	944		2,717	882	129		1,011	1,706	891
Sub Total A	959,026	63,053	3,205	1,018,874	271,869	66,566	1,065	337,370	681,504	687,157
B) Intangible Assets										
Software	8,000			8,000	3,200	1,600		4,800	3,200	4,800
Sub Total B	8,000			8,000	3,200	1,600		4,800	3,200	4,800
GRAND TOTAL (A+ B)	967,026	63,053	3,205	1,026,874	275,069	68,166	1,065	342,170	684,704	691,957
Previous Year	885,193	82,849	1,016	967,026	210,002	65,540	473	275,069	691,956	675,191

31st March, 2010 31st March, 2009

6 INVESTMENTS		
(Unquoted, Trade, Long Term at Cost)		
Investment in Associate Companies		
InfraVision Developers (P) Ltd.		
4,95,000 Equity Shares (P.Yr. - 4,95,000 shares) of Rs.10/- each, fully paid up	4,950	4,950
Andromeda Communications (P) Ltd.		
7,000 Equity Shares (P.Yr. - 7,000 shares) of Rs.10/- each, fully paid up	2,962	2,962
Investment in Shares		
Universal Realtors (P) Ltd.		
40,000 Equity shares (P.Yr. 40,000 shares) of Rs. 10/- each, fully paid up	400	400
Investment in Government Securities		
National Saving Certificate, Deposited with Sales tax Authorities, Mizoram	1	
Investment in Joint Ventures		
	10,067	130,748
	18,380	139,060

7 INVENTORIES		
As taken, valued and certified by the management)		
Construction Contract Work-in-progress		
	908,507	816,853
Raw Materials		
	561,767	473,761
Stores & Spares		
	64,439	61,393
Loose Tools		
	83,662	94,517
	1,618,375	1,446,524

8 SUNDRY DEBTORS		
(Unsecured, considered good)		
Exceeding Six Months		
	212,682	195,595
Other Debts		
	1,730,768	1,045,195
	1,943,450	1,240,790

## Schedules forming part of the Balance Sheet As at 31st March, 2010

(Rs. in Thousands)

	31st March, 2010	31st March, 2009
<b>9 CASH AND BANK BALANCES</b>		
Cash-in-hand	32,653	41,111
Balances with scheduled banks;		
In current Accounts	70,938	5,211
In Deposit Accounts	264,476	203,221
(Pledged with Bank as Margin money for BG Limit & Lien with Client for earnest money deposit)		
	368,067	249,543
<b>10 OTHER CURRENT ASSETS</b>		
Interest accrued but not due on Bank deposits	6,168	8,739
	6,168	8,739
<b>11 LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
Advance to Associate Companies, (Refer Note B (7) of Schedule 23)	56,794	56,794
Advances recoverable in cash or in kind or for value to be received	546,588	384,176
Income Tax Advance (including Income Tax Deducted at Source)	256,630	190,729
Security Deposits & Earnest Money	383,907	300,947
Works Contract Tax receivable	177,477	130,431
	1,421,396	1,063,077
<b>12 CURRENT LIABILITIES</b>		
Sundry Creditors (Refer Note B (8) of Schedule -23)	502,056	412,363
Other Liabilities (Refer Note B (9) of Schedule -23)	92,651	88,303
Interest accrued but not due	1,073	770
	595,780	501,436
<b>13 PROVISIONS</b>		
Proposed Dividends		
Equity Shares	24,560	23,360
Cumulative Preference Shares	147	147
	24,707	23,507
Provision for		
Tax on Dividends	4,199	3,995
Income Taxes	138,821	71,533
Retirement Benefits	12,240	8,726
	179,967	107,761

## Schedules forming part of the Profit and Loss Account For the year ended 31st March, 2010

		(Rs. in Thousands)	
		31st March, 2010	31st March, 2009
<b>14</b>	<b>INCOME FROM OPERATION</b>		
	Contract Receipts (Gross)	5,013,448	4,112,875
	(IDS-Rs.99,766, Previous Year Rs. 86,587)		
	Contract Receipts of Joint Venture	595,689	379,645
	Misc. Business income	2,592	1,990
		5,611,729	4,494,510
<b>15</b>	<b>INCREASE/DECREASE IN WORK IN PROGRESS</b>		
	Closing work in progress	908,507	816,852
	Less: Opening work in progress	816,852	660,440
		91,655	156,412
<b>16</b>	<b>OTHER INCOME</b>		
	Interest on Fixed Deposits (Gross)	8,428	11,759
	(IDS-Rs.2,664, Previous Year Rs. 2,170 )		
	Miscellaneous Income	6,067	3,330
	Interest on Fixed Deposits (USD) (IDS - Nil)	457	1,669
	Gain from Foreign Exchange Fluctuations	820	
	Interest from others (IDS Rs. 730, Previous Year Nil)	7,283	
		23,055	16,758
<b>17</b>	<b>MATERIALS CONSUMPTION</b>		
	Raw Materials	2,139,702	1,405,882
	Consumable Materials	132,186	163,260
	Stores & Spares	36,386	20,107
	Material Re-handling	46,816	30,235
	Tools & Tackles	47,260	45,868
		2,402,350	1,665,352
<b>18</b>	<b>CONTRACT OPERATING EXPENSES</b>		
	Contract Execution Expenses	1,220,404	1,363,167
	Contract Operating expenses of JW.	595,690	379,645
	Carriage Inwards	37,147	35,107
	Equipment Maintenance	66,469	54,183
	Machinery Repairing Charges	98,304	56,705
	Other Repairs & Maintenance	12,661	10,295
	Power & Fuel	132,481	136,009
	Site Expenses	3,399	6,763
	Works Contract Tax & Other Taxes	88,356	74,438
	Consultancy Fees	47,126	22,720
	Testing Expenses	9,583	1,473
	Survey & Inspection Expenses	1,245	1,100
		2,312,865	2,141,605
<b>19</b>	<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
	Salary and Bonus	113,700	97,904
	Contribution towards Employees Provident Fund, ESIC and other funds	4,331	4,146
	Staff Welfare Expenses	11,541	11,389
	Employees Retirement Benefits	3,687	(290)
		133,259	113,149

## Schedules forming part of the Profit and Loss Account For the year ended 31st March, 2010

(Rs. in Thousands)

	31st March, 2010	31st March, 2009
<b>20   ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Rent	15,559	12,421
Rates and Taxes	30,613	17,072
Service Tax	898	1,045
Insurance	6,589	5,682
Printing & Stationery	3,484	3,132
Directors' Remuneration (Refer :Note B (10) of Schedule 23)	20,656	17,414
Directors' Fee	182	170
Auditor's Remuneration		
Audit Fees	200	140
Tax Audit Fees	25	25
Out of Pocket Expenses	15	15
Certificates	67	63
Light Vehicles Running Expenses	3,290	3,280
Internal Audit & Other Certificate Fees	473	611
Travelling & Conveyance	27,902	24,023
Loss on Sale of Fixed Assets (Net)	528	304
Advertisement	4,018	1,524
Computer Maintenance	628	647
Legal Expenses	3,909	4,010
Security Guard Expenses	10,492	5,044
Telephone Expenses	6,391	6,630
SAP Maintenance	1,259	940
Miscellaneous Expenses	24,900	22,699
Donation		2,066
Foreign Exchange Fluctuation		19,830
	162,078	148,787
<b>21   INTEREST &amp; FINANCIAL EXPENSES</b>		
To Banks on Working Capital Loan	179,002	126,172
To Bank on Term Loan	36,135	44,024
To Non-Banking Finance Companies on Equipment Finance Loan	7,818	11,282
To Others	87,384	104,753
Interest on FCCB	3,651	3,597
Bank Commission & Other Charges	52,960	39,603
	366,950	329,431
<b>22   PROVISION FOR TAXATION</b>		
Income tax for the year	89,763	23,093
Income tax for earlier year	1,683	18
Deferred taxes	6,489	9,041
Wealth tax	150	125
Fringe Benefit tax		1,396
	98,085	33,673

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(8C) 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 recognised in the period in which the results are known.

4. Inventories

a) Stock of raw materials, stores and spares, other construction materials and fuel are valued at cost (weighted average basis) or net realisable value whichever is lower.

b) Work-in-progress is valued at cost and reflects the work done but not certified.

5. Depreciation / Amortisation

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

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

Intangible Assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated Amortisation.

6. Revenue Recognition

On Construction Contracts:

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

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 amount 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 off 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 foreign



## Schedules forming part of the Account For the year ended 31st March, 2010

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

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 recognised in the Profit & Loss Account.

#### 9. Investment

Long-term investments are stated at cost, provision is made to recognise 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-inbursement 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-inbursement 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 independent actuary valuation subject to minimum of the premium claimed by LIC (as on 31st March).

#### 11. Borrowing Costs

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

#### 12. 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.

#### 13. Taxation

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

i) 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 80 IA of the Income Tax Act, 1961 for the eligible projects.

ii) Deferred tax is recognised, subject to consideration of prudence, on timing difference being the difference between taxable income and accounting income that originates in one period and are capable of being set off in one or more subsequent years and is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are reviewed at each balance sheet date to and are recognised only if there is reasonable certainty that they will be realised.

#### 14. Accounting of Joint Venture contracts

a) 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.

b) 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.

#### 15. 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 recognised, if the carrying amount of those assets exceeds their recoverable amount. The impairment loss recognised in prior accounting period is adjusted if there has been a change in the estimate of recoverable amount.

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

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of

## Schedules forming part of the Account For the year ended March 31, 2010

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

past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes to accounts. Disputed demands in respect of Income Tax, Sales Tax are disclosed as contingent liability. Payments in respect of such demands, if any, are shown as advance, till the final outcome. Contingent Assets are neither recognised nor disclosed in the financial statements.

#### B. NOTES OF ACCOUNTS

(Amounts are presented in Rs. in Thousands, except for per share data and as otherwise stated)

##### 1. Contingent Liabilities

		(Rs. in Thousands)	
Sl.	Particulars	March 31, 2010	March 31, 2009
1	Counter guarantees given to Consortium Banks in respect of Contracts in India. Rs. 1,53,324 (Previous year 1,19,285) are held by banks as margin money against the guarantees given by them in addition to the counter guarantees offered by the company for the total non-fund based limit for Bank guarantee of Rs. 47,83,900.	47,83,900	23,10,214
2	Sale tax liability / works contract tax liability for which the company has preferred an appeal before the appellate authority.	93,845	46,418
3	The demand, if any, that may arise out of search and seizure proceedings initiated by the Income tax authority	Amount not ascertainable	
4	The company had issued in 2007-08 the 7500, 1% Foreign Currency Convertible Bond of USD \$ 1000 each due 2012 @ 100% , redeemable only if there is no premature conversion. The payment of premium on redemption of Rs.59,303 (Previous year 42,401) is therefore contingent in nature as the outcome of which depends on uncertain future events and so not provided for.		

2. The Company has issued and allotted on 8th January, 2005, 10 50% 1,40,000 cumulative redeemable preference shares of Rs. 10 each fully paid up, redeemable at the option of the shareholder within 90 days notice or at the option of the Company within 30 days notice within a maximum period of 10 (ten) years. There was no redemption during the year.

##### 3. Issue of Share Warrants

The Company had received Rs.10,000 being 10% value against future call option of 7,14,285 Share warrants at a price of Rs.140/- each (including the premium of Rs.130/- each) convertible on or before 31st August, 2008. The call was not exercised by the applicants and as per the terms of the issue of warrant, the said amount was forfeited and credited to Capital Reserve during the year 2008-09.

During the year 2008-09, the company has made fresh issue of 8,00,000 shares warrants @ Rs. 89.12/- each (including premium of Rs. 79.12/- each). The allottees of Share warrants issued on September 29, 2008 have paid the total value. The option was exercised by the applicants and 8,00,000 Equity shares are issued @ Rs. 89.12/- each (including premium of Rs. 79.12/- each) during the year.

##### 4. Secured Loans

From Banks & Financial Institutions:

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

These facilities are collaterally secured

- By way of charge on the fixed assets 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)

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.50,300 (Previous Year: Rs. 58,961)

5. The company has issued on 17th July, 2007, 7500, 1% Foreign Currency Convertible Bonds 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 (including the premium of Rs.130/- each) 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 and up to 5th July, 2012. If redeemed, converted or repurchased and cancelled as on 31st March, 2010, it would have redeemed at Rs. 3,96,016 being the intrinsic/book value. Unless previously redeemed, converted or repurchased and cancelled, the bonds will be redeemed at 137.92% of

## Schedules forming part of the Account For the year ended 31st March, 2010

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

its principal amount on the maturity date. No conversion, redemption, re-purchases and cancellation has been exercised by either party during the year.

Out of the above proceeds and in terms of the objects of the issue, the Company has utilised Rs. 2,81,200 (Pr. Year Rs. 2,81,200) for financing capital expenditure and Rs 11,513 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. 29,339 (Pr. Year Rs. 21,801) has been kept in current account and deposit account with State Bank of India, London Branch

6. Intangible asset, shown under Fixed Assets (Schedule 5) include the ERP Implementation Expenses (SAP) of Rs 8,000 which has been amortised as depreciation over a period of five years, being the estimated life.

7. Loans & Advances includes advances given to the Associate Companies as follows: (Rs. in Thousands)

Group Companies	Maximum Balance		Balance	
	2009-10	2008-09	2009-10	2008-09
Infra Vision Developers (P) Ltd.	56,794	81,294	56,794	56,794
Nigolke Trading (P) Ltd	(7,465)	8,305		

8. Based on the information received from the vendors the Company has not come across any vendor who is covered under the Micro, Small and Medium Enterprise Development Act 2006 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.

9. Current Liabilities (others) includes Unclaimed Dividend and Unclaimed Share Application amounting to Rs. 378 (Pr. Year Rs. 283) and Rs. 144 (Pr. Year Rs. 144) respectively at the end of the financial year and the corresponding amount are lying in the designated bank accounts.

10. Managerial Remuneration: (Rs. in Thousands)

Sl.	Particulars	2009-10	2008-09
1	Salary paid to Chairman & Managing Director and Whole time Directors	9,600	10,550
2	HRA paid to Chairman & Managing Director and Whole time Directors	1,800	1,800
3	Provident Fund - Chairman & Managing Director and Whole time Directors	59	46
4	Medical Reimbursement to Chairman & Managing Director and Whole time Directors	00	31
5	Commission to Chairman & Managing Director	9,197	4,987
	Total:	20,656	17,414

### Computation of Net Profit in accordance with Section 309 (5) of the Companies Act, 1956 (Rs. in Thousands)

	2009-10	2008-09
Profit before Taxation and Exceptional Items	2,80,771	2,03,816
Add:		
Loss on sale of Fixed assets (Net) under Section 349 of the Companies Act, 1956	528	304
Depreciation / Amortization provided in books	68,166	65,540
Directors Remuneration	11,460	12,427
Director Sitting Fees	182	170
Less:		
Depreciation as per section 350 of Companies Act, 1956 (including amortization of Intangibles) (Rate specified in Schedule XIV)	68,166	65,540
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	2,92,941	2,16,717
Managerial Remuneration to MD - Maximum of 5% of Net Profit	14,647	10,837
Remuneration Paid to CMD	5,450	5,850
Commission Payable for the year	9,197	4,987

## Schedules forming part of the Account For the year ended 31st March, 2010

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

11. 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)

	2009-10		2008-09	
(Rs. in Thousands)				
A Value of imports calculated on CIF Basis:				
i) Capital Goods	1,576			
B Expenditure in foreign currencies:				
i) Travelling expenses	597		302	
ii) Consultancy Charges	8,688			
iii) Tender Application expenses	9			
iv) Books and Periodicals	6			
C Value of Raw Materials consumed:				
i) Imported				
ii) Indigenous	24,02,350	100.00%	16,65,352	100.00%
D Value of Spare Parts & Components consumed:				
i) Imported				
ii) Indigenous				
E Earnings in foreign currency (on accrual basis)	457		1,669	
Export of goods or services on F.O.B. basis and work bills realised on contracts			1,478	

12. Current tax is determined in respect of taxable income for the year based on applicable tax rates and Laws.
13. The contract awarded to the Company by the Bihar State Government for development and widening of roads in Patna has been prematurely terminated by the Govt. of Bihar on 30th of April, 2008. The company has taken necessary remedial measure through Honorable High Court of Kolkata. Arbitrator has been appointed in the matter to adjudicate the claim filed by the Company and the hearings are in process.
14. 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:

	2009-10		2008-09	
(Rs. in Thousands)				
Particulars				
Contract Revenue	1,70,45,489		1,14,33,760	
Contract Costs incurred	1,53,13,604		1,03,03,870	
recognised Profits/ Losses	17,31,885		11,29,890	
Advances received	8,32,724		8,22,709	
Retention Money	3,44,821		2,77,542	
Gross amount due from Customer for Contract work	14,24,742		1,640,967	
Gross amount due to Customer for Contract work				

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

	March 31, 2010		March 31, 2009	
(Rs. in Thousands)				
Particulars				
Defined Contribution Plan				
Company has recognised the following amounts in the Profit & Loss Account for the year.				
Contribution to employees Provident fund -	2,204		2,336	
Contribution to Employees State Insurance	162		146	



Schedules forming part of the Account For the year ended 31st March, 2010

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

(Rs. in Thousands)

	Gratuity (Funded)		Leave encashment (Non Funded)	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Reconciliation of opening and closing balances of the present value of the Defined benefit obligation				
Obligation at the period beginning (April 1)	8,617	7,726	3,180	2,880
Current Service Cost	889	870	1,381	1,648
Interest Cost	689	581	233	205
Actuarial (gain)/loss	888	42	(294)	(1,553)
Benefits paid	(146)	(142)		
Obligation at the year end (March 31)	10,937	8,617	4,499	3,180
Change in Plan Assets				
Plan assets at period beginning, at fair value	3,070	2,949		
Expected return on plan assets	272	264		
Actuarial (gain)/loss			NA	NA
Contributions				
Benefits paid	(146)	(143)		
Plan Assets at the year end, at fair value	3,196	3,070		
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	3,196	3,070	Nil	Nil
Present value of the defined benefit obligations at the end of the year	10,937	8,617	4,499	3,180
Liability/ (Assets) recognised in the Balance Sheet	7,740	5,547	4,499	3,180
Cost for the year				
Current service cost	889	870	1,381	1,648
Interest cost	689	581	233	205
Expected return on plan assets	(272)	(263)	000	
Actuarial (gain)/loss		42	(294)	(1,553)
Net Cost recognized in the Profit and Loss Account	2,194	1,230	1,319	300
Assumptions used to determine the benefit obligations:				
Interest rate	8.00%	8.00%	8.00%	7.12%
Estimated rate of return on plan assets	8.94%	8.94%	NA	NA
Expected rate of increase in Salary	4.00%	5.00%	5.00%	5.00%

16. 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 in India hence it is treated as a single geographical segment.

17. 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:	Negolite Trading (P) Ltd.
	Infia Vision Developers (P) Ltd.
	Monobal Vayapar (P) Ltd.
	Castal Extrusion Private Limited
	Alvany Systems (P) Ltd.
	Andromeda Communications (P) Ltd.
B Joint Ventures:	Harsh Leisure (P) Ltd.
	RBM Tantiã (JV)
	Tantiã BSBK (JV)
	JMC Tantiã (JV)
	Tantiã DBC (JV)
	Tantiã Simplex (JV)
	Tantiã Soma (JV)
	Tantiã Nayak (JV)
	Tantiã TBL (JV)
	Tantiã SPML (JV)
	Tantiã Freyssinet Gibon (JV)
	Tantiã Gondwana (JV)
	Tantiã CCIL (JV)
Tantiã EDCL (JV)	

## Schedules forming part of the Account For the year ended 31st March, 2010

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

C Key Management Personnel and Relatives:	Sri I. P. Tanti (Chairman & Managing Director)
	Sri B. L. Ajtsaria (Director - Business Development)
	Sri Rahul Tanti (Director - Operations)
	M/s Rohini Sureka (Vice President Finance & Accounts)

Particulars of Transactions during the year:					(Rs. in Thousands)
Nature of Transactions	Year	Fellow / Company	Joint Venture	Key Management Personnel	Total
Rendering of Services	2009-10	30	80,992		81,022
	2008-09	85	2,48,566		2,57,066
Remuneration Paid/payable	2009-10			12,000	12,000
	2008-09			13,111	13,111
Purchase of Goods	2009-10				
	2008-09	1,184			1,184
Rent paid	2009-10	3,236			3,236
	2008-09	825			825
Re-inbursement of expenses	2009-10	1,918			1,918
	2008-09	4,921			4,921
Dividend Paid	2009-10				
	2008-09	5,591		446	6,037
Advances given	2009-10	18,667			18,667
	2008-09	1,64,959			1,64,959
Refund of Advances	2009-10	18,667			18,667
	2008-09	1,79,522			1,79,522
MD Commission	2009-10			9,197	9,197
	2008-09			4,987	4,987
Investment in Joint Ventures	2009-10		8,495		8,495
	2008-09		1,28,995		1,28,995
Outstanding balances receivable	2009-10	74,256	1,03,951	1,214	1,79,421
	2008-09	77,996	1,94,936	564	2,73,496
Outstanding balance payable	2009-10	5	1,350	734	2,089
	2008-09	940		722	1,662

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

Particulars	(Rs. in Thousands)	
	March 31, 2010	March 31, 2009
<b>BASIC</b>		
Net Profit after tax for the year attributable for equity shareholders	1,85,522	1,72,414
Weighted number of shares for EPS computation	1,63,73,066	1,55,73,066
Earnings Per Share	11.33	11.07
<b>DILUTED</b>		
Net Profit after tax for the year	1,85,522	1,72,586
Expenses on FCCB (net of tax)	2,410	3,190
Adjusted profit after tax for the year available for equity shareholders	1,87,932	1,75,776
Weighted average number of shares for EPS computation	1,85,40,352	1,82,82,831
Diluted Earnings Per Share	10.14	9.61

## Schedules forming part of the Account For the year ended 31st March, 2010

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

19. Disclosure on Deferred tax as per AS 22 on Accounting for Taxes on Income . (Rs. in Thousands)

Particulars	March 31, 2010	March 31, 2009
Deferred Tax Liability		
Fixed Assets as per Accounts	6,84,704	6,91,956
Fixed Assets As Per Income Tax	5,19,561	5,51,220
Deferred Tax Liability (Timing Difference)	1,65,143	1,40,736
Deferred Tax Asset		
- Provisions for Employee benefits	12,240	8,727
- Bonus Provision	6,664	4,860
Deferred Tax Asset (Timing Difference)	18,904	13,586
Net Deferred Tax Liability	1,46,240	1,27,150
Tax Impact On Net Liability @ 33.99%	49,707	43,218
Deferred Tax Liability	49,707	43,218

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

i. Details of Joint Ventures entered into by the Company

Sl. No.	Name of JV	Description of Interest	% of Share	Investment	
				March 31, 2010	March 31, 2009
1	RBM Tantiã (JV)	Jointly Controlled Entity	99.999%	(1,350)	1,15,012
2	Tantiã BSBK (JV)	Jointly Controlled Operation	50%	(431)	1,162
3	JMC Tantiã (JV)	Jointly Controlled Operation	50%	3,594	3,470
4	Tantiã DBC (JV)	Jointly Controlled Operation	75%	321	250
5	Tantiã Simplex (JV)	Jointly Controlled Operation	88.43%	106	45
6	Tantiã Soma (JV)	Jointly Controlled Operation	50%	1,876	4,558
7	MRCL Tantiã (JV)	Jointly Controlled Operation	50%	206	217
8	Tantiã TBL (JV)	Jointly Controlled Operation	50%	2,264	2,506
9	Tantiã Freyssinet Gilcon (JV)	Jointly Controlled Operation	50%	1,611	1,475
10	Tantiã Nayak (JV)	Jointly Controlled Operation	51%	-	-
11	Tantiã SPM L (JV)	Jointly Controlled Operation	50%	298	298
12	Indu Tantiã (JV)	Jointly Controlled Operation	47.50%	-	-
13	Satish Tantiã (JV)	Jointly Controlled Operation	49%	-	-
14	Tantiã Gondwana (JV)	Jointly Controlled Operation	99.80%	269	1,753
15	Tantiã CCIL (JV)	Jointly Controlled Operation	74%	906	-
16	Tantiã EDCL (JV)	Jointly Controlled Operation	51%	397	-
	Total Investment in Joint Venture			10,067	1,30,748

ii. Financial interest in the Jointly controlled Entities

Name of the JV	Year	Assets	Liabilities	Turnover	Other Income	Expenses
RBM Tantiã (JV)	2009-10	NA	NA	NA	NA	NA
	2008-09	2,80,134	1,28,513	3,44,849	-	3,39,111

Pending finalisation of the JV partners account, current years figures are not given.

21. 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.

## Schedules forming part of the Account For the year ended 31st March, 2010

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

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

Particulars	Dividend including Corporate Tax on Dividend (including Preference shares)	Employee benefits
Balance as on 14 2009	27,525	8,727
Balance as on 14 2008	27,477	9,205
Add: Provisions made (2009-10)	28,906	3,513
(2008-09)	27,575	(478)
Less: Payments (2009-10)	27,501	
(2008-09)	27,502	
Less: Adjustments (2009-10)	24	
(2008-09)	25	
Closing Balance as on 31.03.2010	28,906	12,240
Closing Balance as on 31.03.2009	27,525	8,727

23. Previous years figure have been re-grouped and rearranged wherever necessary.

In terms of our report of even date

For S.M .Bengani & Co.

Firm's Registration No. 305075E

Chartered Accountants

CA. Hiralal Bengani

Proprietor

Membership No. 07867

I. P. Tanti

Chairman & Managing Director

B. L. Ajitsaria

Director (Business Development)

Place : Kolkata

Dated : 29th May, 2010

Rahul Tanti

Director (Operations)

Md. Jamshed Alam

Company Secretary

# Balance Sheet Abstract

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

### I. Registration Details

Registration No. 

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

Balance Sheet as at 

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

Date                      Month                      Year

State Code 

2	1
---	---

(Refer code list)

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

Public Issue

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

Bonus Issue

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

Rights Issue

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

Private Placement

						8	0	0	0
--	--	--	--	--	--	---	---	---	---

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

Total Liabilities

		5	2	8	4	7	9	3
--	--	---	---	---	---	---	---	---

Total Assets

		5	2	8	4	7	9	3
--	--	---	---	---	---	---	---	---

#### Sources of Funds

Paid-up Capital

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

Secured Loans

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

Share Capital Pending Allotment

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

Reserves & Surplus

		1	1	6	5	3	6	2
--	--	---	---	---	---	---	---	---

Unsecured Loans

		1	9	0	6	6	6	3
--	--	---	---	---	---	---	---	---

Deferred Tax Liability

						4	9	7	0	7
--	--	--	--	--	--	---	---	---	---	---

#### Application of Funds

Net Fixed Assets

		6	8	4	7	0	4
--	--	---	---	---	---	---	---

Net Current Assets

		4	5	8	1	7	0	9
--	--	---	---	---	---	---	---	---

Accumulated Losses

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

Investments

						1	8	3	8	0
--	--	--	--	--	--	---	---	---	---	---

Misc. Expenditure

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

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

Turnover

		5	6	3	4	7	8	4
--	--	---	---	---	---	---	---	---

+ Profit / (Loss) Before Tax

+				2	8	0	7	7	1
---	--	--	--	---	---	---	---	---	---

Total Expenditure

		5	3	5	4	0	1	3
--	--	---	---	---	---	---	---	---

+ Profit (Loss) After Tax

+				1	8	2	6	8	6
---	--	--	--	---	---	---	---	---	---

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

#### Earning per Share in Rs.:

Basic

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

Diluted

				1	0	.	1	4
--	--	--	--	---	---	---	---	---

Dividend Rate %

										1	5
--	--	--	--	--	--	--	--	--	--	---	---

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

Item Code no. (ITC Code) 

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

Service Description 

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

In terms of our report of even date

For S.M. Bengani & Co.  
Firm's Registration No. 305075E  
Chartered Accountants

CA. Hirab Bengani  
Proprietor  
Membership No. 07867

I. P. Tanti  
Chairman & Managing Director

B. L. Ajitsaria  
Director (Business Development)

Place : Kolkata  
Dated : 29th May, 2010

Rahul Tanti  
Director (Operations)

M. d. Jamshed Alam  
Company Secretary

A **TRISYS** PRODUCT

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