



TINNA OVERSEAS LIMITED

**NINETEENTH
ANNUAL REPORT
2005-2006**

NINETEENTH ANNUAL REPORT 2005-2006

TINNA OVERSEAS LIMITED

Contents	Page No(s)	BOARD OF DIRECTORS	
Notice	1		
Directors' Report	2-14	SH. BHUPINDER KUMAR	Chairman
Auditors' Report & Annexure	15-17	SH. ANIL KUMAR SEKHRI	Director
Balance Sheet	18	SH. K. L. MEHTA	Director
Profit & Loss Account	19	SH. VIJAY K. SEKHRI	Director
Schedules Forming Part of the Accounts	20-43	SH. RAVINDRA CHHABRA	Director
Consolidated Accounts & Auditors Report thereon	44-70	SH. JAGAT MOHAN PUSHKARNA	Director
Accounts of Subsidiary Companies :			
Duraflex Services & Construction Technology Ltd.	71-96	SH. ANIL KUMAR GROVER	Director
Tinna Finex Limited	97-127	SH. RONAK SEKHRI (resigned w.e.f. 15.7.2006)	Director

REGISTERED OFFICE

NO. 6, SULTANPUR (MANDI ROAD)
MEHRAULI, NEW DELHI-110030.

WORKS

A-185, Industrial Area
MIDC, Kherne
Navi Mumbai 400705

Village Mavza Rampur Jattan
Near IIT Engg. College
Kalamb, Distt. Sirmaur
Himachal Pradesh

Refinery Road
Rajapur,
Panipat 132103

D.No. 2-7 (H)
Sri Parimalanilaya
Near NMPT Colony
Post. Kulai Hosabettu
Mangalore-575026

No.42-43, Manali,
Oil Refinery Road
Ernavoor, Chennai

CPCL Complex
Manali Oil Refinery Road
Chennai-600057

Vill/ Basuderpur
Post Khanjanehak
Dist. Purba Midnapur
West Bengal-721602

AUDITORS

RAWLA & COMPANY
Chartered Accountants

BANKERS

SYNDICATE BANK
PUNJAB NATIONAL BANK
CANARA BANK
HDFC BANK

Survey No166/3&4
Village Naroli, Silvassa
UT of Dadra Nagar Haveli

Village Kini,
Osmanabad
Maharashtra

SUBSIDIARIES

DURAFLEX SERVICES
& CONSTRUCTION
TECHNOLOGIES LIMITED
(EARLIER TINNA SHIPPING &
WAREHOUSING LIMITED)

TINNA FINEX LIMITED

TINNA OVERSEAS LIMITED

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Shareholders of **Tinna Overseas Ltd.** will be held on Saturday, the 30th September, 2006 at 9:00 A.M. at No. 6, Sultanpur (Mandi Road), Mehrauli, New Delhi-110030 to transact the following business:

ORDINARY BUSINESS

01. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2006, and Profit & Loss Account for the year ended on that date together with the reports of Directors and Auditors thereon.
02. To appoint a Director in place of Shri Vijay K. Sekhri who retires by rotation and being eligible offers himself for re- appointment.
03. To appoint a Director in place of Shri Ravindra Chhabra who retires by rotation and being eligible offers himself for re-appointment.
04. To appoint a Director in place of Shri Anil Kumar Sekhri who retires by rotation and being eligible offers himself for re-appointment.
05. To appoint M/s Rawla & Co., Chartered Accountants, New Delhi, the retiring Auditors as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors.

**By Order of the Board of Directors
for Tinna Overseas Limited**

Place : New Delhi

Dated : 22nd August, 2006

**Anil Kumar Sekhri
Director**

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member.
2. **The proxy in order to be effective must be lodged at the Regd. Office of the Company at No. 6, Sultanpur (Mandi Road), Mehrauli, New Delhi -110030 at least 48 hours before the commencement of the meeting.**
3. Members are requested to bring their copies of the Annual Report to the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 25th September, 2006 to Friday the 29th September, 2006 (both days inclusive).
5. Members who are holding Company's shares in dematerialization form are requested to bring details of their depository A/c Number for identifications.
6. Members holding equity shares in physical form are hereby requested to notify change of their address, if any, quoting folio number.

DIRECTORS' REPORT

The Members

Your Directors are pleased to present the 19th Annual Report and the Audited Statement of Accounts of the Company for the financial year ended on 31st March, 2006.

FINANCIAL RESULTS

	(Rs. in lacs)	
	2005-2006	2004-2005
Total Income	4371.80	4776.21
Profit before Interest,	439.21	704.82
Depreciation & Taxation		
Interest	103.99	68.07
Depreciation	74.29	60.07
Tax	7.45	237.79
Profit/(loss) after interest,	253.48	338.89
Depreciation & taxation		
Reserves & Surplus	4168.38	3914.24

REVIEW OF OPERATIONS

During the year under review, the Company achieved a level of total income to the tune of Rs. 4371.80 lacs as against Rs. 4776.21 lacs in the previous year. This year the Company could generate profit of Rs. 253.48 lacs as against profit of Rs. 338.89 lacs in the previous year. The shortfall in turnover and profit has been mainly resulted due to dip in sale price of bitumen modifier, which is specified as per tender terms of the refineries, resulting into both reduction in margin of profit & turnover in terms of value. Further, shortfall in profit was also mainly attributed due to increase in procurement prices of raw material/chemicals used in manufacturing activities.

During the year under review the Company has also undertaken the plantation of Jatropha which the Company believes has a great potential in the coming years.

The main thrust of the Company is on bitumen related activities wherein the Company finds a great potential. The Company's recently developed Bitumen Modifier, trade named "TBM SUPER" which substantially improves the vital properties of Bitumen and in turn quality and life of roads as evidenced by laboratory reports of Central Road Research Institute (CRRI), New Delhi, Highway Research Station, Chennai, Gujarat Engineering Research Institute, Vadodra, Indian Institute of Technology, Kharagpur & Bangalore University, Department of Civil Engineering, Bangalore etc., etc., after being test launched/ successful test tracks being undertaken by them at various places. The Company has been getting good enquiries/ response

from various bodies and also picking up the orders. Various tracks have been laid with the use of TBM at Delhi, Haryana, Border Roads at Rajasthan J&K, Mizoram, Leh, Arunachal Pradesh and many other places and they have been performing satisfactorily. National Highway Authority has been using our product after being satisfied on number of successful trial runs. Various other Govt authorities/ bodies have/ have been recommending the use of TBM in their projects/proposed projects. The Company has also tied up with the refineries of Chennai Petroleum Corporation Ltd. (CPCL), Indian Oil Corporation Ltd. (IOCL) Hindustan Petroleum Corporation Ltd. (HPCL), Bharat Petroleum Corporation Ltd. (BPCL) & Mangalore Refinery & Petrochemicals Limited (MRPL) for supply of bitumen modifier to manufacture modified bitumen at their refineries level and in the process has already set up manufacturing facilities at Chennai, Mumbai & Panipat to cater the needs of IOCL, CPCL, HPCL & BPCL. The Company has also set up its manufacturing facilities at Silvassa (Dadra Nagar Haveli) and Kalamb (Himachal Pradesh). The Company has further setup/in the process of setting up its manufacturing facilities at Mangalore, Haldia & Mathura to meet the requirements of MRPL at Mangalore & IOCL at Haldia & Mathura. In view of the scope in TBM the Company is contemplating to further set up/enhance its manufacturing facilities, even abroad. It is expected that the Company would be able to further improve its position in the coming years..

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as amended, regarding conservation of energy and technology absorption & foreign exchange earnings & outgo is given in the annexure forming part of this Report.

SUBSIDIARY COMPANIES

As required under Section 212 of the Companies Act, 1956, the audited statement of accounts along with the Reports of the Board of Directors of Tinna Finex Limited, Duraflex Services & Construction Technologies Ltd., and their respective Auditors' Reports thereon for the year ended 31st March, 2006 are annexed.

FIXED DEPOSITS

The Company has not accepted deposits from the public. Hence, the provisions of Section 58A of the Companies Act, 1956 and the Rules made under the Companies (Acceptance of Deposits), Rules, 1975, as amended with

TINNA OVERSEAS LIMITED

regard to the deposits accepted from the public are not applicable.

AUDITORS

M/s Rawla & Co., Chartered Accountants, New Delhi retire at the conclusion of this Annual General Meeting & being eligible have offered themselves for re- appointment.

AUDITORS' REPORT

The Auditors' observations on the accounts have been extensively dealt with in the notes. The Directors wish to further state that the Company is continuously making efforts for further streamlining the internal audit and other systems. Further, Management's comments are ; (i) it is appropriate to value long term investments at cost (ii) the Company has recovered a part of recoverable amount and may get the balance recovered (iii) in view of practical difficulties balances are still subject to confirmation & reconciliation.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2006 , the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have 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 at the end of the financial year and of the profit or loss of the Company for the year under review.
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2006, on a 'going concern basis'.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates, your Directors have pleasure in attaching the

Consolidated Financial Statements which form part of the Annual Report and Accounts.

PARTICULARS OF EMPLOYEES

The Company has not paid any remuneration attracting the provisions of the Companies (Particulars of Employees) Rules, 1975 read with section 217 (2A) of the Companies Act, 1956 as amended. Hence, no information is required to be appended to this report.

DIRECTORS

Shri Vijay K. Sekhri, Shri Ravindra Chhabra & Shri Anil Kumar Sekhri retire by rotation and being eligible offer themselves for re-appointment.

The resignation of Shri Ronak Sekhri from the directorship of the Company has been accepted w.e.f. 15.07.2006. The Board places on record its appreciation for the valuable contribution received from him during his tenure as Director of the Company.

DELISTING

The Company has requested for voluntary delisting of equity shares from Delhi Stock Exchange Association Limited (DSE), The Calcutta Stock Exchange Association Limited (CSE) & The Stock Exchange Ahmedabad (ASE). The equity shares are yet to be delisted from these exchanges. But, even after delisting from these exchanges the equity shares will continue to be listed at the Mumbai Stock Exchange (BSE) having nation wide terminals.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement (a) Management Discussion & Analysis Report (b) Report on Corporate Governance (c) the auditors' certificate on Corporate Governance are given in the annexure to this report.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the assistance and co-operation extended to the Company by the Banks/ Govt. Authorities and other agencies. The Directors also thank all the employees of the Company at every level for their valuable services and continued support during the year.

For & on behalf of the Board

Place : New Delhi

Dated: 22nd August, 2006

sd/-
BHUPINDER KUMAR
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended on 31st March, 2006.

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken : The imported and indigenous machinery is of latest technology and conserving energy to the maximum.
- (b) Additional investments & proposals, if any, being implemented for reduction of consumption of energy : During the period the Company has made additions in the machinery to the extent of Rs. 156.69 lacs.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : The machines used by the Company are of latest technology and conserving energy to the maximum. The Company further continues to improve productivity by employing trained manpower for efficient utilization of machinery.
- (d) Not applicable.

B. FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION

1. RESEARCH & DEVELOPEMENT (R & D)

- (a) Specific areas in which R & D is being carried out by the Company : The Company is making continuous efforts to improve the quality of bitumen modifier and other related products.
- (b) Benefits derived as a result of above R & D.
 - Products developed are of better quality.
 - This has resulted in reduction in cost.
- (c) Future plan of action : Continuous efforts are being made to improve the quality and reduce the cost so as to expand our market.
- (d) Expenditure on R & D : The Company incurred Rs. 8.34 lacs on R & D during the year.

2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

- (a) The Company is using latest technology/ machinery. Further the Company interacts with parties/buyers for product improvement.
- (b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc : The results are encouraging. Use of latest developed techniques has enabled the Company to improve quality of its products and productivity of factory staff.
- (c) Not applicable.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Activities relating to export, initiatives taken to increase exports, development of new export markets for products and services, and export plan : The Company has abandoned the shoe business and not very keen in export business.
2. Total Foreign Exchange Used and Earned (Rs.in lacs)

(a) Total Foreign Exchange Used	753.89
(b) Total Foreign Exchange Earned	3.64

For & on Behalf of the Board of Directors
for Tinna Overseas Limited

Place : New Delhi
Dated : 22nd August, 2006

BHUPINDER KUMAR
Chairman

TINNA OVERSEAS LIMITED

REPORT ON CORPORATE GOVERNANCE

A) Company's Philosophy

The Company believes in meeting all its obligations, in terms of its size, as a corporate entity to the best of its spirit. The Company also believes in transparency, accountability and equity in all facets of its operations. The Company is further committed to make continuous efforts for further improving the level of corporate governance.

B) Board of Directors

The Board of Directors consists of seven directors of which five are Non – Executive Directors and two are Executive (paid) Directors. Out of the seven Directors four Directors are independent Directors and three from promoters group.

Nine Board Meetings were held during the financial year 2005-2006 on 30.04.2005, 13.06.2005, 30.07.2005, 22.08.2005, 03.09.2005, 29.10.2005, 01.12.2005, 31.01.2006 & 24.02.2006 The composition of Board of Directors and the related information as on 31st March, 2006 is as follows :

Name of Director	Attendance At last AGM	No. of Board Meetings Attended	Category of Director	Other directorships	Other Board's Committees	
					Member	Chairman
Sh. Bhupinder Kumar	Yes	8	WTD/PG	2	-	-
Sh. Anil Kr. Sekhri	Yes	8	WTD/PG	-	-	-
Sh. K. L. Mehta	No	5	NED/ID	1	5	-
Sh. Vijay K. Sekhri	Yes	7	NED/PG	3	-	4
Sh. Ravindra Chhabra	Yes	8	NED/ID	-	1	2
Sh. J.M. Pushkarna	Yes	8	NED/ID	-	2	-
Sh. Anil Kr. Grover	Yes	5	NED/ID	-	1	-
Sh. Ronak Sekhri*	No	1	NED/PG	-	-	-

PG – Promoter Group

NED – Non Executive Director

ID – Independent Director

WTD – Whole Time Director

* resigned w.e.f. 15.07.2006

** Directorships in private companies, associations are excluded.

Committees of the Board

1. Audit Committee

I Terms of reference

Apart from all the matters provided in clause 49 of the listing agreement and Section 292A of the Companies Act, 1956, the Committee reviews reports of Internal Audit, meets Statutory Auditors periodically and discusses their findings, suggestions, internal control systems, scope of audit, observations of auditors and other related matters and reviews major accounting policies followed by the Company.

II Composition

The Committee comprises 3 Non – Executive Directors. The Committee met 5 times during the year and the attendance of the members at the meetings was as follows :

Name of the Member	Status	No. of meetings Attended	Remarks
Sh. Ravinder Chhabra	Chairman	5	
Sh. K. L. Mehta	Member	5	
Sh. J.M.Pushkarna	Member	5	

2. Remuneration Committee

I Terms of reference

The remuneration committee has been constituted to recommend/ review the remuneration package of Managing/ Whole Time Directors.

II Composition

The Committee comprises 3 Non – Executive Directors. The Committee met 2 times during the year and the attendance of the members at the meeting was as follows :

Name of the Member	Status	No. of meetings Attended	Remarks
Sh.Ravindra Chhabra	Chairman	2	
Sh. K. L. Mehta	Member	2	
Sh. J. M. Pushkarna	Member	2	

III Details of remuneration paid to Directors

i Executive Directors

Name of Director	Salary (Rs. in lacs)	Other perquisites
Sh. Bhupinder Kumar	15.00	
Sh. Anil Kr. Sekhri	15.00	
	<u>30.00</u>	

ii Non- Executive Directors

The Company does not pay any remuneration to its Non- Executive Directors.

Remuneration Policy

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis, keeping in mind the position of the Company and practice prevalent in industry. The Company does not have an Employee Stock Option Policy.

Shareholding of Directors as on 31st March, 2006

Sr. No.	Name	No. of Shares Held
1.	Shri Bhupinder Kumar	10,000
2.	Shri K.L. Mehta	100
3.	Shri Ronak Sekhri*	4,81,800

*Since resigned w.e.f. 15.07.2006

TINNA OVERSEAS LIMITED

3. Investors Grievance Committee**I Terms of reference**

The Committee has been formed to review the functioning relating to redressal of investors services/grievances and make suggestions for further improving system, follow up on the implementation of suggestions for improvement, periodically report to the Board about serious concerns, if any, and deal/review other related matters.

II Composition

The Committee comprises 3 Directors and all are Non- Executive Directors. The Committee met three times during the year and the attendance of the members at the meeting was as follows :

Name of the Member	Status	No of Meetings Attended
Sh. Vijay K. Sekhri	Chairman	3
Sh. Ravindra Chhabra	Member	3
Sh. Anil Kumar Grover	Member	3

The Company has about 6233 shareholders. During the year under review very few requests/ complaints were received and they were attended/ resolved. Further, no securities were pending for transfer for more than 15 days as on 31-03-06

C. General Body Meetings

The last three Annual General Meetings of the Company were held as under :

Financial Year	Date	Time	Location
2004-2005	30th Sept., 2005	9:00 a.m.	Royal Dakshin Restaurant, Seasons Complex, DDA Picnic Hut, Near Andheria Mor New Delhi-110030
2003-2004	30th Sept., 2004	9:30 a.m.	Royal Dakshin Restaurant, Seasons Complex, DDA Picnic Hut, Near Andheria Mor New Delhi-110030
2002-2003	30th Sept., 2003	9:30 a.m.	Royal Dakshin Restaurant, Seasons Complex, DDA Picnic Hut, Near Andheria Mor New Delhi-110030

No postal ballots were used/ invited for voting at these meetings in respect of special resolutions passed as there were no such provisions in the Companies Act, 1956. The Company will comply with the requirements relating to postal ballots as and when the requirement arises.

D. Disclosures

- (i) There are no materially significant transactions with the related parties viz. promoters, directors or the management, their subsidiaries or relatives etc. that may have a conflicting potential conflict with the interest of the Company at large, except non provision of interest on advances to subsidiary company (TFL).

- (ii) No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital market for non compliance by the Company. However, the Company could not pay listing fees regularly. Further there has been no trading of Company's shares.

E. Means of Communication

The Company has been disclosing corporate financial performance/financial results to the stock exchange after being approved by the Board.

F. General Shareholders' Information

i 19th Annual General Meeting

Venue : No.6, Sultanpur (Mandi Road), Mehrauli ,New Delhi-110030
Time : 09:00 AM
Date : 30th Sept., 2006

ii Tentative Financial Calendar

1st Quarter Results	-	end July 2006
2nd Quarter Results	-	end Oct 2006
3rd Quarter Results	-	end Jan 2006
4th Quarter Results	-	end April 2007

iii Book Closure

The register of members and share transfer books of the Company shall remain close from Monday, the 25th September, 2006 to Friday, the 30th September, 2006 (both days inclusive).

iv Listing on Stock Exchanges

The names and addresses of the stock exchanges at which the equity shares of the Company are listed are as under:

S.No.	Name of Stock Exchange
1.	*The Delhi Stock Exchange Association Ltd. DSE House, 3/1 Asaf Ali Road, New Delhi-110002
2.	The Calcutta Stock Ex. Association Ltd. 7, Lyons Range, Kolkata- 700001
3.	BSE, Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street, Mumbai-400001
4.	The Stock Exchange, Ahmedabad Kamdhenu Complex, Panjara Pole Ahmedabad 380015

*Regional Stock Exchange of the Company.

G. Market Price Data

During the year under review there has been no trading in the scrip of the company.

H. Registrar & Transfer Agent and Share Transfer System

Physical shares of the Company being handled "In House" by the Company. The Company is availing the services of M/s Alankit Assignments Ltd. for the purpose of electronic connectivity with the depositories for dematerialized shares. Normally, the physical shares are transferred within 15-30 days, if found in order. The dematerialized shares are directly transferred to the beneficiaries by the Depositories. In view of negligible trading and low volume of share transfer activities, the Company did not thought it appropriate to appoint separate Share Transfer Agent and therefore handling the activities In House.