



TINNA OVERSEAS LIMITED

**TWENTY THIRD
ANNUAL REPORT
2009-2010**

TWENTY THIRD ANNUAL REPORT 2009-2010

TINNA OVERSEAS LIMITED

Contents	Page No(s)	BOARD OF DIRECTORS	
Notice	1-3	SH. BHUPINDER KUMAR	Chairman
Directors' Report	4-16	SH. GAURAV SEKHRI	Director
Auditors' Report & Annexure	17-19	(resigned w.e.f. 26.07.2010)	
Balance Sheet	20	SH. KAPIL SEKHRI	Director
Profit & Loss Account	21	SH. D. P. L. NANDA	Director
Schedules Forming Part of the Balance sheet	22-44	(resigned w.e.f. 26.07.2010)	
		SH. ANIL KUMAR GROVER	Director
		SH. MADAN KUKREJA	Director
		SH. RAJESH GARG	Director
		SH. RAHUL GARG	Company Secretary

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

AUDITORS
RAWLA & COMPANY
Chartered Accountants

BANKERS
SYNDICATE BANK
HDFC BANK

WORKS

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

Refinery Road
Rajapur
Panipat 132103

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

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

Village Mavza Rampur Jattan
Near IIT Engg. College
Kalamb, Distt. Sirmaur, H. P.

CRMB Unit
BDF Plnt
Mathura Oil Refinery
Mathura-281006

Kuthethoor Bala Post
Via Katipalla
Mangalore-575026

CRMB Plant
Haldia Oil Refinery
(IOCL) Campus, Haldia
Purba Medinipore-721606
West Bengal

Taluka - Tuljapur
Distt-osmanabad
Maharashtra

Block Oil Plant
Phase-I, IOCL
Panipat Refinery
Panipat

Plot No. 2693, 2694, 269^a & 2697
Mauza, Dighasipur,
PO-Chakdwipa, Dist. Purba,
Medinipur, West Bengal

Tinna Overseas Limited

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Shareholders of **Tinna Overseas Ltd.** will be held on Thursday, the 30th September, 2010 at 9.00 A.M. at 18 South Drive Way, DLF Farms, Chhattarpur, New Delhi 110074 to transact the following business:

ORDINARY BUSINESS

01. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, 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 Kapil Sekhri who retires by rotation and being eligible offers himself for re- appointment.
03. To appoint a Director in place of Shri Anil Kumar Grover who retires by rotation and being eligible offers himself for re- appointment.
04. 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.

SPECIAL BUSINESS

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

"Resolved That pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII & other applicable provisions, if any, of the Companies Act, 1956(including any statutory modification or re-enactment thereof, for the time being in force) & subject to such other approvals/sanctions, if any, Shri Bhupinder Kumar be and is hereby

re-appointed as Whole Time Director w.e.f. 01st September, 2010 for a period of three years on the following terms & conditions :

1. **Period of Re-appointment** : Three years w.e.f. 01st September, 2010
2. **Remuneration:** Shri Bhupinder Kumar shall be entitled for/given overall remuneration of 5% of net profits of the Company calculated in terms of the applicable provisions of the Companies Act, 1956 for the financial year ending 31st March, 2011 and for subsequent financial years.

Further Shri Bhupinder Kumar, Whole Time Director may be paid remuneration either by way of a specified monthly remuneration or in lump sum at year end or partly by one way and partly by the other.
3. **Telephone** : Provision of mobile phone/ telephone at the residence will not be considered as perquisite, subject to the provisions of the Income Tax Rules, but personal long distance calls shall be billed by the Company.
4. **Conveyance:** Provision of conveyance for official purpose and the same shall not be considered as perquisite as permissible under the Income Tax Rules.

Resolved Further That Shri Bhupinder Kumar shall be entitled to other benefits/ perquisites like expenditure on gas, electricity, water, re-imbursement of medical benefits for self & family, LTA for self & family, club fee, personal accident insurance & mediclaim insurance & other benefits in terms of the rules of the Company and these benefits/ perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. However, the overall remuneration shall not exceed the limits as stated above.

Resolved Further That in case there are no profits or profits are inadequate in the

Tinna Overseas Limited

Company during the currency of the tenure of Shri Bhupinder Kumar then his remuneration shall be governed by Schedule XIII of the Act as amended from time to time or he shall be given remuneration as sanctioned/approved by the Central Government as applicable at that point of time.

Resolved Further That the terms of conditions of the appointment/re-appointment / remuneration may be altered and varied so as not to exceed the limits specified herein above or in terms of Schedule XIII of the Companies Act, 1956 or any amendments hereto or by other concerned authorities and as may be agreed to between the Board of Directors and Shri Bhupinder Kumar."

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

Place: New Delhi

Dated: 29th July, 2010

Rahul Garg
Company Secretary

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. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
4. Members are requested to bring their copies of the Annual Report to the meeting.
5. The Register of Members and Share Transfer Books of the Company remained close from Saturday the 25th September, 2010 to Wednesday the 29th September, 2010 (both days inclusive).
6. Members who are holding Company's shares in dematerialization form are requested to bring details of their depository A/c Number for identifications.
7. Members holding equity shares in physical form are hereby requested to notify change of their address, if any, quoting folio number.

Tinna Overseas Limited

**Explanatory Statement
Pursuant to Section 173(2)
of the Companies Act, 1956**

Item No. 5.

Shri Bhupinder Kumar is the principal promoter of your Company. He is a graduate. He is also Director/ Chairman of other group companies. He is visionary leader. Under his leadership, the Company has achieved enviable growth. He has been the driving force in successful implementation of various initiatives and strategies, which positioned the Company to this level. He is 59 years old having vast and varied experience of the business/industry over 39 years. Your Directors consider that his re-appointment as Whole Time Director shall be of immense help to the Company & further he be suitably rewarded in terms of profitability of the Company in terms of the provisions of the Act and accordingly proposed for re-appointment/ remuneration as provided in the resolution.

The principal terms of appointment/ remuneration of Shri Bhupinder Kumar are as under :

- (i). **Period of Re-appointment** : Three years w.e.f. 01st September, 2010
- (ii) **Remuneration**: Shri Bhupinder Kumar shall be entitled for/given overall remuneration of 5% of net profits of the Company calculated in terms of the applicable provisions of the Companies Act, 1956 for the financial year ending 31st March, 2011 and for subsequent financial years.
- (iii) Shri Bhupinder Kumar may be given remuneration either by way of specified monthly remuneration or in lump sum in year end or partly by one way and partly by the other way.
- (iv) **Telephone** : Provision of mobile phone/ telephone at residence will not be considered as perquisite, subject to the provisions of the

Income Tax, but personal long distance calls shall be billed by the Company.

- (v) **Conveyance** : Provision of conveyance for official purposes and the same shall not be considered as perquisite subject to the provisions of the Income Tax.
- (vi) Shri Bhupinder Kumar Shall be entitled to other benefits/perquisites like expenditure on gas, electricity, water, re-imbursement of medical benefits for self & family, LTA for self & family, club fee, personal accident insurance & medical claim insurance & other benefits in terms of the rules of the Company and these benefits/ perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. However, the overall remuneration shall not exceed the limits as stated the resolution.
- (vii) In case there are no profits or profits are inadequate in the Company during the currency of the tenure of Shri Bhupinder Kumar then his remuneration shall be governed by Schedule XIII of the Act as amended from time to time or he shall be given remuneration as sanctioned/approved by the Central Government as applicable at that point of time
- (viii) Shri Bhupinder Kumar shall be liable to retire by rotation.
- (ix) Shri Bhupinder Kumar shall not be paid sitting fees for attending the meetings of the Board of Directors and/ or committees thereof.

None of the Directors except, S/Shri Bhupinder Kumar & Kapil Sekhri, is directly or indirectly interested in the proposed Special Resolution at Item No.5 of the Notice and the Board recommends your acceptance thereof in the interest of the Company.

This may also be treated as an abstract of the terms of appointment of Shri Bhupinder Kumar in terms of Section 302 of the Companies Act, 1956.

DIRECTORS' REPORT**The Members**

Your Directors are pleased to present the 23rd Annual Report and the Audited Statement of Accounts of the Company for the financial year ended on 31st March, 2010 (01-04-2009 to 31-03-2010)

FINANCIAL RESULTS

	(₹ in lacs)	
	2009-2010	2008-2009
Total Income	15819.65	5472.17
Profit before Interest, Depreciation & Taxation	679.02	1190.12
Interest	119.49	64.22
Depreciation	98.38	96.01
Tax	125.54	157.43
Profit/(loss) after interest, Depreciation & taxation	335.61	872.46
Reserves & Surplus	2816.07	2480.46

REVIEW OF OPERATIONS

During the year under review, the Company achieved a level of total income to the tune of ₹15819.65 lacs as against ₹ 5472.17 lacs in the previous year. This year the Company earned a profit of ₹ 335.61 lacs as against a profit of ₹ 872.46 lacs in the previous year.

During the year under review in the bitumen division the Company did a business of ₹ 7410.77 lacs as against a business of ₹ 5455.62 lacs in the previous year. In this division, during the year under review the Company earned a profit of ₹ 318.93 lacs as against a profit of ₹ 872.60 lacs in the previous year. The increase in turnover is due to sale of Modified Bitumen. The reduction in profit mainly resulted due to lowering of profit margins & the Company could get lesser direct business from refineries & could get business as sub contractor which also resulted in lowering of profit margins.

The Company has been making continuous efforts to get the direct business from refineries & has succeeded to a great extent & is hopeful to maintain profitability in future & even perform better in the coming years.

During the year the Company has also undertaken trading of Soyabean meal to the extent of ₹ 8302.73 lacs and earned a profit of ₹ 16.68 lacs.

The plantation of Jatropha activity is in early stages but the Company believes it has a great potential in the coming years.

The Company is also contemplating to undertake business of bitumen emulsion. The Company sees a great scope in these business activities. As with the help of bitumen emulsion even roads can be repaired/maintained in rainy / winter season which will be a positive step in India.

As backward integration Company is also contemplating to undertake manufacturing of Crumb Rubber.

The main thrust of the Company is on bitumen related activities wherein the Company finds a great potential. The Company's 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 various reputed Government/ other laboratory reports such as; 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. 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 their requirements. It is expected that the Company would be able to further improve its position in the coming years.

CLB MATTER/ ORDER

There arose a dispute/mis-understanding among the family directors/ promoters and the petitions were filed before the Hon'ble Company Law Board, New Delhi. After number of hearings the Hon'ble Company Law Board, New Delhi, vide its Order dated 09th June, 2009 (effective from 05th January, 2009) directed for division in group business/activities in the overall interest of the group and

Tinna Overseas Limited

public at large. The necessary steps have been taken in conformity with the CLB Order.

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.

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 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 & further necessary corrective actions are being taken. The Directors wish to further state that the Company is continuously making efforts for further streamlining/improving the internal audit and other systems.

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, 2010, 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, 2010, on a 'going concern basis'.

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 Kapil Sekhri & Shri Anil Kumar Grover retire by rotation and being eligible offer themselves for re-appointment.

The resignations of S/Shri Gaurav Sekhri & D.P.L. Nanda from directorship have been accepted w.e.f. 26th July, 2010. The Board places on record its appreciation for the valuable contribution made by them during their 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) in 2003. 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 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: 29th July, 2010

Bhupinder Kumar
Chairman

Anil Kumar Grover
Director

Tinna Overseas Limited

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, 2010.

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 year the Company has made additions in the machinery to the extent of Rs. 191.00 lacs which are of improved technology.
- (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 & DEVELOPMENT (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 ₹ 9.49 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
(₹ in lacs)

(a) Total Foreign Exchange Used	528.06
(b) Total Foreign Exchange Earned	nil

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

Place : New Delhi
Dated : 29th July, 2010

Bhupinder Kumar
Chairman

Anil Kumar Grover
Director

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 consisted of seven directors as on 31st March, 2010 out of which four were Non – Executive Directors and three were Executive (paid) Directors. Out of the seven Directors four Directors were independent Directors and three from promoters group.

Fourteen Board Meetings were held during the financial year 2009-2010 (01-04-2009 to 31-03-2010) 01-04-2009, 15-04-2009, 30-04-2009, 04-05-2009, 03-07-2009, 20-07-2009, 31-07-2009, 28-08-2009 at 1:30 PM, 28-08-2009 at 3:30 PM, 31-10-2009, 14-11-2009, 03-12-2009, 29-12-2009 & 30-01-2010. The composition of Board of Directors and the related information as on 31st March, 2010 was 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	14	WTD/PG	2	-	-
Sh. Anil Kr. Grover	Yes	14	NED/ID	-	1	2
Sh. D.P.L.Nanda*	No	14	ED/ID	-	3	-
Sh. Gaurav Sekhri*	Yes	14	NED/PG	1	-	-
Sh. Kapil Sekhri	No	10	WTD/PG	1	-	-
Sh. Madan Kukreja+	No	10	NED/ID	-	-	-
Sh. Rajesh Garg\$	Yes	7	NED/ID	-	2	1

PG – Promoter Group NED – Non Executive Director

ID Independent Director

WTD – Whole Time Director

+ appointed w.e.f. 15/04/09

\$ appointed w.e.f. 28/08/09

* resigned w.e.f. 26/07/10

** 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. But in view of family dispute, till it was settled as mentioned elsewhere in the report the committee could not meet and review in the desired manner.

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:

Tinna Overseas Limited

Name of the Member	Status	No. of meetings Attended	Remarks
Shri Rajesh Garg%	Chairman	3	
Shri Anil Kumar Grover	Member	5	
Shri D.P.L. Nanda	Member	5	
Shri Ravindra Chhabra*	Chairman**	2	
% inducted w.e.f. 28/08/2009			
*resigned w.e.f. 28.08.2009 & committee reconstituted			
** ceased w.e.f. 28.08.2009			

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 1 time 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
Shri Anil Kumar Grover	Chairman	1	
Shri Rajesh Garg %	Member	-	
Shri D.P.L. Nanda	Member	1	
Shri Ravindra Chhabra*	Member**	1	

% inducted w.e.f. 28/08/2009

*resigned w.e.f. 28.08.2009 & committee reconstituted

** ceased to be Member w.e.f. 28.08.2009

III Details of remuneration paid to Directors**I Executive Directors**

Name of Director	Salary (₹ in lacs)	Other perquisites
Sh. Bhupinder Kumar	21.40	
Sh. Kapil. Sekhri	21.40	
Sh. D.P.L. Nanda	3.60	
TOTAL	46.40	

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, 2010

Sr. No.	Name	No. of Shares Held
1	Shri Bhupinder Kumar	10,000
2	Shri Kapil Sekhri	10000
3.	Shri Gaurav Sekhri	10000