



25TH ANNUAL REPORT (2011-12)



TINNA OVERSEAS LIMITED

TINNA OVERSEAS LIMITED

(At a glance)

INCEPTION

Founded in 1987, Tinna Overseas Limited is professionally managed, rapidly expanding manufacturing and marketing organisation headed under the dynamic leadership of Mr. Bhupinder Kumar Sekhri, who lays strong emphasis on utilisation of modern technology for qualitative services and business efficiency geared towards complete customer satisfaction and achieving milestones.

PRESENCE

The Company is having its registered office situated at New Delhi and its equity shares are listed on the Bombay Stock Exchange, The Calcutta Stock Exchange Association Ltd., The Delhi Stock Exchange Association Limited and The Ahmedabad Stock Exchange. The Company has plants across India at Panipat, Haldia, Wada, Chennai, Silvassa, Kalamb (Himachal Pradesh), Bangalore, Mathura, Purba Medinipore (West Bengal).

MARKET REACH

The Company's reach extends across the length and breadth of the country with wide network of mobile units, dealers, sub-dealers, etc. The Company caters brand enhancing various leading infrastructure companies, other corporate clients and government agencies such as NHAI, IOCL among others.

MARKET POSITION

The Company is one of the largest bitumen modifier manufacturer and supplier in the country. The company has successfully marketed its bitumen modifiers, which have been proven to enhance quality of roads laid in India.

CERTIFICATIONS

- The manufacturing and supply of paving grade and Modified bitumen are ISO 9001:2008 Certified to quality.
- The certificate of merit has been awarded to "Tinna Overseas Limited" for Best performance (Contractors) competition held during 36th National Safety Day from *Mangalore Refinery Petrochemicals Limited*.

CHAIRMAN'S MESSAGE



Dear Shareholders,

I am delighted to connect with you through this 25th annual report of the Company.

It gives me great pleasure in welcoming you all to the 25th Annual General Meeting of your Company, a momentous year in the TINNA history as we celebrate completion of 25 years of operation. Your Company has crossed many impressive milestones in this journey which has made us the most dominant player in the sector. With the clear goal of taking the business of your company to a position of strength, your company steadily increasing its market share in the industry.

While our sector continues to face unprecedented competitive pressures and policy uncertainties, the company has maintained the profitability in comparison to last year. We have made significant progress in bringing the business expansions of the company by opening and positioning Rubber Crumbing Plants to be made from Scrap Tyres at 4 strategic locations in North, West, South and Eastern part of India) viz., Panipat (Haryana), Wada, Dist. Thane (Maharashtra), Gummidipundi, Distt. Thiruvallur (Tamilnadu), Haldia (West Bengal). These backward integration units are aimed to enhance profitability and stable supply of main raw material Crumb Rubber for the Modifier and CRMB Plants of the company.

The company plans to diversify its marketing options by supplying crumb rubber to various tyre companies in addition to in house use for the company. Due to strategic locations of its units, we fully expect your company to continue to dominate the crumb rubber modifier business across India. With setting up of crumbing plants, the company is now positioned better to deal with cyclical nature of raw material availability shall have an advantage in terms of reducing manufacturing costs.

The company leadership team is constantly looking at ways to better internal efficiencies and operational effectiveness with a clear focus on product and process quality. The company continues to build upon and deepen its existing relationships with road contractors, infrastructure companies and petroleum majors. While doing so, Tinna Overseas Limited continued its commitment as a responsible corporate citizen and its obligations towards society and environment.

The business of the company mainly consists of manufacturing of crumb rubber, crumb rubber modifier and processing and mixing of bituminous products. The existing name of the company is not properly reflecting the major activities/businesses of the company. To reflect the business of the company in the name, the board recommends to change the name of the company from Tinna Overseas Limited to Tinna Rubber and Infrastructure Limited.

The year gone by was indeed full of challenges. Estimated GDP growth rate at merely 6.5% was considerably lower than the previous year. Depreciation of rupee in the second half of the year led to costlier imports and higher domestic input costs. This impacted profitability. Yet the company has performed better than last year across various parameters.

I urge you to read the details of the developments and performance of the various businesses in the chapter on Management Discussion and Analysis. We are confident of continuing the growth story backed by good performance across businesses.

The board of the company has broadened its structure by inducting professionals with rich experience to serve the company by contributing in financial, legal and industrial areas. CA Bishnu Agarwalla, Mr. Vivek Kohli and Mr. Maneesh Mansingka joined the Board of the company. CA Bishnu Agarwalla is a Chartered Accountant by profession. Mr. Vivek Kohli is a renowned advocate and he has wide and varied experience of legal, indirect taxation & related matters. Mr. Maneesh Mansingka is a successful entrepreneur with great skill in building businesses and forming strategic partnerships with global companies. We welcome them to our Board.

I would like to express our delight at presenting you the financial result of your company. We commit to deliver value to all stakeholders and renew our promise to constantly focus on exceeding customer's expectations by providing world class product and services.

While your Company is committed to accelerate growth, your Company will continue to achieve the best standards of Corporate Governance with emphasis on authority and freedom of the management coupled with transparency, accountability and professionalism in their working with the aim of enhancing long term economic value of all the stakeholders and the society at large.

Before I conclude, I would like to take this opportunity to thank all our stakeholders- Shareholders, customers, business partners and bankers – for being with us through the turbulences of the recent years. My unreserved thanks to the management team and all employees of the company for having put in tremendous efforts and sacrifices in making an admired company.

Thank you for your participation in the evolution of the company so far.

Best Wishes & Regards,

Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Bhupinder Kumar Sekhri
Chairman

Shri Kapil Sekhri
Director

Shri Vivek Kohli
Director

CA Bishnu Agarwalla
Director

Shri Maneesh Mansingka
Director

Shri Kulbir Singh
Director

Choudhary Runveer Krishanan
Company Secretary & Compliance Officer

BOARD COMMITTEES

AUDIT COMMITTEE

CA Bishnu Agarwalla
Chairman

Shri Vivek Kohli
Member

Shri Maneesh Mansingka
Member

REMUNERATION COMMITTEE

Shri Maneesh Mansingka
Chairman

Shri Kulbir Singh
Member

CA Bishnu Agarwalla
Member

SHAREHOLDERS'/INVESTORS' / GRIEVANCES COMMITTEE

Shri Kulbir Singh
Chairman

CA Bishnu Agarwalla
Member

Shri Maneesh Mansingka
Member

REGISTERED OFFICE

No. 6, Sultanpur (Mandi Road)
Mehrauli, New Delhi - 110030

STATUTORY AUDITORS

Rawla & Company
Chartered Accountants

BANKERS

Syndicate Bank

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NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Shareholders of Tinna Overseas Limited will be held on **Saturday, 29th September, 2012 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, 2012, 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 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

04. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"Resolved That Shri Bishnu Agarwalla be and is hereby appointed as a Director of the company liable to retire by rotation."

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

"Resolved That Shri Vivek Kohli be and is hereby appointed as a Director of the company liable to retire by rotation."

06. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

Resolved That Shri Maneesh Mansingka be and is hereby appointed as a Director of the company liable to retire by rotation."

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

Resolved in terms of clause 6 of Chapter III and other applicable provisions of Securities And Exchange Board Of India (Delisting Of Equity Shares) Regulations, 2009 and subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, Listing Agreement, and any directions or modifications as may be issued by any regulating authority and other Acts, Rules and Regulations and subject to the approval, consent, permission or sanction of the SEBI, Stock Exchanges where the Shares of the company are listed, Reserve Bank of India and other appropriate authority, Institutions or regulators as may be necessary and subject to such other conditions as may be prescribed by any one of them in granting such approval, consent, permission or sanction, approval of the company be and is hereby granted to the Board of Directors, to de-list in accordance with the Securities And Exchange Board Of India (Delisting Of Equity Shares) Regulations, 2009, the Equity Shares of the company from Calcutta stock Exchange Limited, The Delhi Stock exchange Association Limited and The Stock exchange, Ahmedabad on such terms and condition as it may in its absolute discretion deem fit and so required to cause the de-listing of the Equity Shares of the Company."

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

Resolved in continuation of special resolution passed at the annual general meeting of the company held on 30th September, 2011 and pursuant to the provision of section 198, 269, 309, 310, 311, 315 and all other applicable Section of the Companies Act, 1956 read with Schedule XIII to the said Act, as amended up-to-date, and as per Article 138 of the Article of Association of the company, consent of the Company be and is hereby accorded for the appointment of Shri Bhupinder Kumar Sekhri as Managing Director of the company with effect from 27th August, 2012 till 31st March, 2014.

Resolved Further That Shri Bhupinder Kumar Sekhri be and is hereby given/entitled to the remuneration as per the limit as calculated in terms of the special resolution as earlier approved at annual general meeting on 30th September, 2011.

Resolved Further That the Board of Directors of the Company be and is hereby authorized to take all

such steps as may be necessary, proper or expedient to give effect to this resolution."

09. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a 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 Kapil Sekhri be and is hereby re-appointed as Whole Time Director w.e.f. 01st April, 2012 till 31st March, 2014.

Resolved Further 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 Kapil Sekhri shall be given/entitled to remuneration w.e.f. 01st April, 2012 of ₹ 3,00,000/- pm or such other amount as permissible in terms of Section II of Part 2 of Schedule XIII of the Companies Act, 1956.

Resolved Further That the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Resolved Further That in terms of Section II of Part II of Schedule XIII of the Companies Act, 1956, the required disclosure be and is hereby also given."

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

"Resolved That pursuant to Section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the name of the Company be changed from **TINNA OVERSEAS LIMITED** to **TINNA RUBBER AND INFRASTRUCTURE LIMITED**.

Resolved Further That pursuant to section 16 of the companies Act 1956, clause I (Name clause) of Memorandum of Association of the Company be and is hereby attached by substituting the same with the following:

"Clause I, the name of the company is **TINNA RUBBER AND INFRASTRUCTURE LIMITED**."

Resolved Further That the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board thereof) be and is hereby authorized to do all such acts, deeds matters or things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution."

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

**New Delhi
August 27, 2012**

**Choudhary Runveer Krishanan
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 of the company.
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. Corporate members are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.
4. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
5. Members are requested to bring their copies of the Annual Report to the meeting.
6. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, the 25th September, 2012 to Saturday, the 29th September, 2012 (both days inclusive).
7. Members who are holding Company's shares in dematerialization form are requested to bring details of their depository A/c Number for identifications.
8. Members holding equity shares in physical form are hereby requested to notify change of their address, if any, quoting folio number.
9. Keeping in view the "Green Initiative in Corporate Governance" of Ministry of Corporate Affairs, the company proposes to send important communications such as un-audited financial results, press releases and other similar information soon after these are intimated to the stock exchanges including annual reports, etc. to the members in electronic form. Members who have still not registered their e-mail addresses are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the company Registrar and Share Transfer Agents.
10. The Company has a dedicated e-mail address "**investor@tinna.in**" for shareholders to mail their queries or lodge complaints, if any. We will endeavour to reply to your queries at the earliest.
11. The Company's website "**www.tinna.in**" has a dedicated section on investors.
12. Considering the advantages of scripless trading like exemption from stamp duty, elimination of bad deliveries, reduction in transaction costs, improved liquidity etc., members are requested to consider dematerialisation of their shareholding, if not already done, to avoid inconvenience in future.
13. The Annual Report for FY 2011-2012 of the company circulated to the members of the company, will be made available on the company's website at **www.tinna.in**.

STATEMENT CONTAINING FOLLOWING INFORMATION PURSUANT TO SECTION II OF PART II OF SCHEDULE XIII OF THE COMPANIES ACT, 1956

Item No. 9.

In terms of the Section II of Part II of Schedule XIII, the following Information as listed:-

I. General Information:

- (1) **Nature of industry-** To deal in all kind of rubbers, rubber sheets, rubber products and P.V.C. Chemicals, Bituminous Products;
- (2) **Date or expected date of commencement of commercial production-** The Company was incorporated on 04th March, 1987 and is an existing company and production activities already commenced many years back.
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus-** The Company is an existing company and hence, the para is not applicable to the company.
- (4) **Financial performance based on specified indicators-** The total turnover of the company in the financial year is ₹ 10,618.37 lacs. During the year the total turnover from bitumen activity is increased by 16 % and the company has now entered into manufacturing of quality bitumen Emulsions at our Panipat central plant where we have installed a state of the art plant. The company is also entering into manufacturing of crumb rubber powder from scrap tyres at Panipat, Wada, Haldia, Thiruvallur (Tamilnadu).
- (5) **Export performance and net foreign exchange collaborations-** There is no export in the company during the financial year.
- (6) **Foreign investments or collaborators, if any-** There is no foreign investment or collaborators in the company.

II. Information about the appointee:

- (1) **Background details-** Shri Kapil Sekhri is principal promoter and whole time director of the Company. He is on the board of other group companies. He is a BBA from Richmond College London (UK). 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 young, energetic and is also one of the leading force for the company. He is 37 years old and having vast and varied experience of the industry over 17 years.

- (2) **Past remuneration-** Shri Kapil Sekhri was given remuneration of ₹ 3,00,000/- pm and such other amount as permissible in terms of Section II of Part 2 of Schedule XIII of the Companies Act, 1956
- (3) **Recognition or awards-** 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.
- (4) **Job profile and his suitability-** He was Whole Time Director of the company upto 31st March, 2012 and looking after/guiding entire operations/ policy matters. The Board commends his reappointment as Whole Time Director w.e.f. 01st April, 2012 for shareholder's approval in coming Annual General Meeting of the Company.
- (5) **Remuneration proposed-** Shri Kapil Sekhri shall be given/entitled to remuneration w.e.f. 01st April, 2012 of ₹ 3,00,000/- pm or such other amount as permissible in terms of Section II of Part 2 of Schedule XIII of the Companies Act, 1956.
- (6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)-** The Company is a market leader in the Bitumenus Product as well as the Company is having major investment in Warehousing & Agro Products. In current business performance of the company the remuneration designed is very competitive keeping in view the growth of the Company. In last few years the management is having very disciplined approach towards the remuneration policy. The phenomenal growth in activity and the increase in investment in

different sectors viz., agro product, warehousing, etc. have substantially increased the responsibility and accountability of the management and its directors.

- (7) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any-** Except specified remuneration, there is no pecuniary relationship directly or indirectly with the company or with the managerial personal.

III. Other information:

- (1) **Reasons of loss or inadequate profits -** The reduction in profit mainly resulted due to lowering of margin as due to increased competition, selling price/job work charges of refineries has remained same/reduced but operational cost has increased. Due to inflation manpower cost has also increased. Financial cost has increased due to increased lending rate. Price of scrap rubber has gone up. Being the second year of site mixing, there was higher cost of site mixing operation (Mobile Blending Units) and the profit from this activity was less than expected. The Company also booked bad debts /provision for doubtful debts ₹ 5.998 lacs. The company has earned profit before tax and before exceptional items ₹ 269.05 lacs as compare to ₹ 173.19 lacs in previous year. Although result is better than the last year but inadequate due to continuous increasing material and other costs. Company is making efforts to improve the price/margin.
- (2) **Steps taken or proposed to be taken for improvement-** During the year the total turnover from bitumen activity is increased by 16 % and the company has now entered into manufacturing of quality bitumen Emulsions at our Panipat central plant where we have

installed a state of the art plant. The Company is making efforts to improve the price/margin. Now, company is also setting up crumb rubber modifier plant (backward integration) at Panipat, Wada, Haldia, Thiruvallur (Tamilnadu).

- (3) **Expected increase in productivity and profits in measurable terms-** Above steps of new plant and better utilization of existing assets expected to give improvements in results.

IV. Disclosures:

The information pertaining to remuneration package of the managerial person is disclosed separately in the column "Report on Corporate Governance" of this annual report.

The following disclosures are mentioned in the Board of Director's report under the heading "Report on Corporate Governance" attached to this annual report:-

- (i) *All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
- (ii) *Details of fixed component and performance linked incentives along with the performance criteria;
- (iii) *Service contracts, notice period, severance fees;
- (iv) *Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

[* Please refer the Sub Para III of Para 2 of "Report on Corporate Governance"]