

26TH ANNUAL REPORT (2012-13)



TINNA RUBBER AND INFRASTRUCTURE LIMITED

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, Kalam (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 playing an important role in disposal of used tyres in an environmental friendly manner. The backward integration has started showing positive result in first year itself and we are confident that the present activities due to start of new crumb Rubber plant will give better returns in the years to come.

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 Rubber And Infrastructure Limited (formerly known as Tinna Overseas Limited)” for Best performance (Contractors) competition held during 36th National Safety Day from *Mangalore Refinery Petrochemicals Limited*.



I am delighted to connect with you through this 26th Annual Report of the Company.

First, I take this opportunity to thank our Customers, Partners, Banker and Shareholders for reposing their confidence in the Company and providing their unstinted support. My unreserved thanks to the management team and all employees of the company for having their enthusiasm and dedication towards the growth of the company.

It gives me great pleasure in welcoming you all to the 26th Annual General Meeting of your Company. The company is a market leader in the field of rubber & bituminous products, the company has captured substantial share in the market by maintaining high quality, reliability and customer satisfaction. As a market leader in the field of manufacturing & marketing of bituminous products and after crossing one million tons mark so far in the field of Modified Bitumen production, the company has now started manufacturing crumb rubber powder having capacity to produce 2500 Tonne per month of crumb rubber of specified quality in an environmental friendly manner. As a rubber compounder your company is playing a big role in caring for environment around the Globe by using scraps tyres and avoid serious environmental hazard and save cost also. Due to our recent initiative to backward integration, our business and ability to produce high quality crumb rubber from recycling used tyres,

after a lot of research which included laying a number of trial streets with Crumb Rubber Modifier across the country. These tracks were monitored by industry regulatory agencies and its products and technology was accepted by the Government of India. It is being supplied to Public Sector Undertakings, Refineries like IOCL Panipat, Mathura, Haldia & MRPL, Mangalore.

The business of the company mainly consists of manufacturing of crumb rubber, crumb rubber modifier and processing & mixing of bituminous products and therefore to reflect the present activities of the company, the name of the company has been changed from 'Tinna Overseas Limited' to 'Tinna Rubber & Infrastructure Limited'.

I urge you to go through the chapter of Management Discussion and Analysis wherein the details of the developments and performance of the various business activities of the company have been narrated. We are confident of contributing the growth story backed by good performance across businesses.

I would like to express our delight at presenting you the financial results of your company. We commit to deliver value to all stakeholders and renew our promise to constantly focus on exceeding customers' 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.

We stay committed to deliver value to our stakeholders and renew our promise to constantly focus on exceeding customers' expectations by providing world class product and services.

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

Best Wishes & Regards,

Chairman

Shri Rajni Sekhri
Director

Shri Vivek Kohli
Director

CA Bishnu Agarwalla*
Director

Shri Maneesh Mansingka
Director

Shri Kulbir Singh
Director

Shri Anand Kumar Singh#
Director

Raghuvansh Mani
Company Secretary & Compliance Officer

appointed on 29th May, 2013

Shri Vivek Kohli
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

* resigned on 29th May, 2013

REGISTERED OFFICE

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

STATUTORY AUDITORS

V. R. Bansal & Associates
Chartered Accountants

BANKERS

Syndicate Bank

CONTENTS	Page No. (s)
Tinna Overseas Limited (At a glance)	
Chairman's Message	
Corporate Information	
Notice	1 - 3
Directors' Report	4 - 7
Report on Corporate Governance	8 - 16
Management Discussion and Analysis	17 - 19
Auditors' Report & Annexures	20 - 24
Balance Sheet	25
Profit & Loss Account	26
Cash Flow Statement	27
Notes Forming Part of the Financial Statements	28 - 59
Consolidated Accounts & Auditor Reports Thereon	60 - 97
Accounts on Subsidiary Company :	
B.G.K. Infrastructure Developers Pvt. Ltd.	98 - 113
Form of Proxy and Attendance Slip	

ORDINARY BUSINESS

01. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013, 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 Bhupinder Kumar Sekhri who retires by rotation and being eligible offers himself for re-appointment.
03. To appoint a Director in place of Shri Maneesh Mansingka who retires by rotation and being eligible offers himself for re-appointment.
04. To re-appoint M/s V. R. Bansal & Associates, 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 an Ordinary Resolution:
"RESOLVED THAT Shri Kulbir Singh 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 Anand Kumar Singh 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 an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310, 311, 315 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approvals,

(iii) **Telephone:** Provision of mobile phone/ telephone at 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.

- (iv) **Conveyance:** Provision of conveyance for official purposes and the same shall not be considered as perquisite subject to the provisions of the Income Tax Rules.

"RESOLVED FURTHER THAT Shri Anand Kumar Singh shall be entitled to other benefits/ perquisites like annual increment, provident fund, expenditure on gas, electricity, water, re-imbursement of medical benefits for self, personal accident insurance and 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 ₹ 1,00,000/- p.m.

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby given liberty to alter and vary the terms & conditions of the appointment / remuneration 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 as may be agreed to between the Board of Directors and Shri Anand Kumar Singh."

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to these resolutions."

08. 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 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members of the company be and is hereby accorded to carry on the business activities as covered under Other Objects Clause vide following clause no. 26 (a to f) of the Memorandum of Association of the company:

by the Company.

- (c) To hold, maintain, sell, allot houses, flats or parts thereof to the share holders or any other person on such terms and conditions as may deemed fit by the Company.
- (d) To purchase, sell and otherwise to carry on the business of buildings, surveyors, bricks and tile makers, line burnisher, house and estate agents.
- (e) To lend or advance money to builders and other persons or securities of all descriptions whether real or personal and to grant loans upon mortgage of any lands, building and hereditaments, or whatever tenure, for the improvements thereof or otherwise.
- (f) To acquire, improve, manage, develop all rights in respect of leasehold and freehold rights of properties and to seel and dispose of, turn to account and otherwise deal with the property of all kinds including any real or personal estate, including lands, agricultural or others farm houses, mines, business, building, factories, mill, houses, cottages, shops, depots, warehouses, machinery, plant, stock in trade, mineral rights, patents copy rights, concessions, privileges licences, easement or interest in or with respect to any property whatsoever.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such effective steps to implement the decision of the members of the company as they may consider appropriate in the interest of the company and to do all such acts, deeds and things from time to time for and on behalf of the company."

**By Order of the Board of Directors
For Tinna Rubber And Infrastructure Limited**

**New Delhi
August 12, 2013**

Raghuvansh Mani
Company Secretary

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 26th September,2013 to 30th September 2013(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 dematerialization of their shareholding, if not already done, to avoid inconvenience in future.
- 13. The Annual Report for FY 2012-2013 of the company circulated to the members of the company, will be made available on the company's website at **www.tinna.in**.

holds the office upto the date of ensuing Annual General Meeting. As required under section 257 of the Companies Act, 1956 the company has received notices from some members proposing his candidature as director of the Company. Shri Kulbir Singh aged about 44 years having wide and varied experience of accounting, finance & related matters. He is a post graduate. He is not holding any equity share in the company. He is also member of following committees of the Board of Tinna Rubber And Infrastructure Limited:

Sl. No.	Name of Committee	Designation
1.	Investor Greivance Committee	Chairman
2.	Remuneration Committee	Member

Except, Mr. Kulbir Singh, none of the Directors of the company is, in any way, concerned or interested in the resolution.

The Board of Directors commends the resolution for approval.

Item No. 6.

The Board of Directors of your company at its meeting held on 29th May, 2013 appointed Shri Anand Kumar Singh as an Additional Director w.e.f. 29th May, 2013. He holds the office upto the date of ensuing Annual General Meeting. As required under section 257 of the Companies Act, 1956 the company has received notices from some members proposing his candidature as director of the Company. Shri Anand Kumar Singh aged about 47 years is a graduate and is having wide and varied experience of marketting & related matters. He is holding 1000 equity shares in the company and also not member/ chairman of any Committee of the Board of any company..

Except, Mr. Anand Kumar Singh, none of the Directors of the company is, in any way, concerned or interested in the resolution.

The Board of Directors commends the resolution for approval.

Item No. 7.

The Board of Directors of your company at its meeting held on 29th May, 2013 appointed Shri Anand Kumar Singh as Whole- Time Director w.e.f. 01st June, 2013.

Your Directors consider that his appointment as Whole Time Director shall be of immense help to the Company and accordingly proposed for his appointment as provided in the resolution.

- (iv) Conveyance: Provision of conveyance for official purposes and the same shall not be considered as perquisite subject to the provisions of the Income Tax Rules.
- (v) Shri Anand Kumar Singh shall be entitled to other benefits/ perquisites like annual increment, provident fund, expenditure on gas, electricity, water, reimbursement of medical benefits for self, personal accident insurance and 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 ₹ 1,00,000/- p.m.
- (vi) Shri Anand Kumar Singh shall be liable to retire by rotation.
- (vii) Shri Anand Kumar Singh shall not be paid sitting fees for attending the meetings of the Board of Directors and/ or committees thereof.

Except, Mr. Anand Kumar Singh, none of the Directors of the company is, in any way, concerned or interested in the resolution.

The Board of Directors commends the resolution for approval.

Item No. 8.

The Board of Directors in its meeting held on 12th August, 2013 have decided and approved to commence the activities relating to purchase, sale & development of land & other related activities which are covered under clause-26(a to f) of the Other Objects of the Company in the Memorandum of Association of the Company.

The Companies Act, 1956, vide its section 149(2A) has provided that a public company, having a share capital, shall not at any time commence any such business, if such company is a company formed after the commencement of the Companies Act, 1956, in relation to any of the objects stated under Other Objects in the Memorandum of Association of the Company unless the Company has approved the commencement of any such business by special resolution passed in that behalf by it in general meeting.

Hence, the Board of your Company has recommended the proposed resolution to be passed by the members of the Company.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

FINANCIAL HIGHLIGHTS

	(₹ in lacs)	
	2012-2013	2011-2012
Total Income	9,036.70	10,618.37
Profit/(loss) before interest, Depreciation & Taxation	644.81	602.27
Interest & Other borrowing costs	276.79	212.87
Depreciation	222.37	120.35
Profit Before Exceptional Items	145.65	269.05
Exceptional Gain (net)	---	473.77
PBT	145.65	742.82
Tax	(13.24)	121.17
Profit/ (loss) after interest, Depreciation & Taxation	158.89	621.65
Reserves & Surplus	3526.13	3366.56

REVIEW OF OPERATIONS

During the year under review, the Company earned total income to the tune of ₹ 9036.70 lacs as against ₹ 10,618.37 lacs in the previous year. This year the Company earned a Profit (PAT) of ₹ 158.89 lacs as against ₹ 621.65 lacs (including Exceptional gain of ₹ 473.77 lacs) in the previous year.

During the year under review, the Company did a business of ₹ 8,359.96 lacs as against a business of ₹ 10,195.21 lacs in the previous year from its bitumen division. The company also started trading of construction chemicals in the year 2011-12 and during the year under review, achieved a turnover of ₹ 125.73 lacs as compared to ₹ 23.23 lacs in previous year. With all these activities, the Company, during the year under review, although earned a lesser profit of ₹ 145.65 lacs as against a profit of ₹ 269.05 lacs in the previous year, but has achieved better PBIDT (Profit before Interest, Depreciation & Tax) to the tune of ₹ 644.81 lacs as compared to ₹ 602.27 lacs in previous year. Depreciation & Interest are higher due to start of new Crumb Rubber Plant. As backward integration the Company

cost of raw material. Production at Haldia plant has also started in May, 2013 and production at Gummidipundi plant is likely to start within the current financial year.

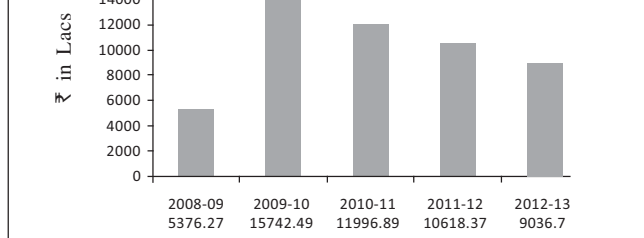
Since the business of the company mainly consists of manufacturing of crumb rubber, crumb rubber modifier and processing & mixing of bituminous products and therefore to reflect the present activities, the name of your company has been changed from 'Tinna Overseas Limited' to 'Tinna Rubber And Infrastructure Limited.'

The product wise quantitative statement showing turnover of the company for the last two years is depicted as under which shows that from its new activities, your company is achieving positive response and will achieve better results in next year itself:

Sl. No.	Name of product	2012-13 (QTY. In MT)	2011-12 (QTY. In MT)
1.	Crumb Rubber Modifier to Oil Refineries	9240	13919
2.	Job work (Oil Refineries)	90952	135584
3.	Fine Crumb Rubber for Site Mixing	5289	4656
4.	Job work (Site Mixing)	43581	36323
5.	Crumb Rubber / Polimer Modifier Bitumen	7312	14112
6.	Bitumen Emulsion	3985	1358
7.	Steel	1537	Nil
8.	Crumb Rubber	388	Nil
9.	Others	101	20

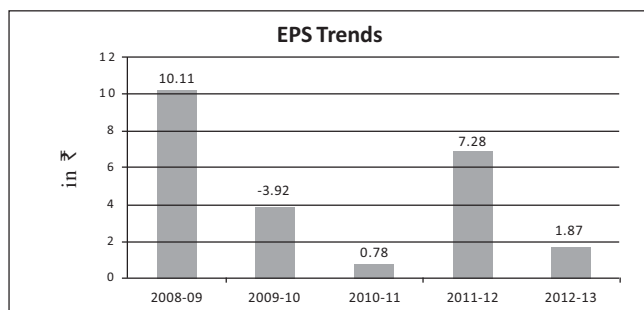
The Company lays strong emphasis on utilization of modern technology for qualitative services and business efficiency geared towards complete customer satisfaction and achieving milestones. This is reflective in company's plans to add state of the art crumbing units at its various locations.

The Company is operating in single segment mainly Crumb Rubber, Crumb Rubber Modifier and Modifier Bitumen &



TRENDS OF EARNING PER SHARES OF LAST FIVE YEARS:

The earning per share depicts the proportion of profits of the Company in a financial year with each shares held by the shareholders. The EPS Trends for the last five years remained as under:



CLB MATTER/ORDER

In view of family dispute, the Hon'ble Company Law Board, New Delhi, vide its Order dated 09th June, 2009 directed for division in group business/activities in the overall interest of the group and public at large. The settlement is fully in place and has been acted upon and as such all the major issues have been resolved. Some minor issues are pending for which petition (s) / application (s) was filed by/against the company before the Hon'ble Supreme Court of Delhi. These matters are pending before the court and being taken care of properly in the interest of the company and public at large.

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 V.R. Bansal & Associates, Chartered Accountants, New Delhi retires 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 & 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. Regarding the comment about short provisions of depreciation for the assets at Mangalore Refinery Petro Chemical Limited, Mangalore, the Company would re-negotiate due to less than assured business as explained in the note 12(a) of Fixed Assets.

There was slight delay in payment mainly owing to non-adherence of delivery schedule by the suppliers However the company has paid the principal amount during the year.

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: