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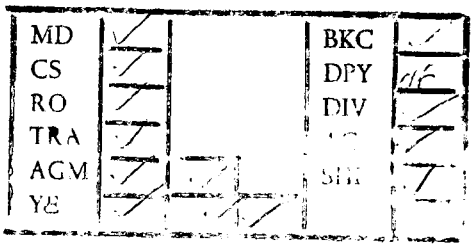

39TH ANNUAL REPORT 1996-97

Certified to be true Copy
Hindustan Tin Works Ltd,

D. V[illegible]
(Company Secretary)

HINDUSTAN TIN WORKS LIMITED

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HINDUSTAN TIN WORKS LIMITED

BOARD OF DIRECTORS	:	Mr. Vijay Kumar Bhatia	(Chairman)
		Mr. Sanjay Bhatia	(Managing Director)
		Mr. S. S. Kanwar	
		Mr. P. Murari	
		Mr. Rajinder Somani	
		Mr. R. K. Miglani	
		Mr. Ashok Kumar Bhatia	(Whole Time Director)
		Mr. Anil Bhatia	
		Mr. Gaurav Bhatia	(Whole Time Director)
		Mr. B. L. Moza	(Nominee Director HSIDC)
MANAGEMENT COUNCIL	:	Mr. Paras Bhatia	
		Mr. J. B. Kapil	
		Mr. R. K. Gulati	
		Mr. Rajiv Aggarwal	
		Mr. R. L. Sabharwal	
COMPANY SECRETARY	:	Mr. D. Varshney	
AUDITORS	:	M/S. M. L. Puri & Co. Chartered Accountants 7, Netaji Subhash Marg, New Delhi-110002.	
BANKERS	:	1. Punjab National Bank 2. The Bank of Rajasthan Ltd.	
SHARE TRANSFER AGENTS	:	Beetal Financial & Computer Services Pvt. Ltd. 321-S Chirag Delhi, (Near Shahid Bhagat Singh College) New Delhi-110017.	
REGISTERED OFFICE	:	488 Bartan Market, Sadar Bazar, Delhi-110006.	
FACTORIES	:	1. A-10, Site IV, Industrial Area, Sahibabad, Ghaziabad (U.P.)	
		2. Village & Post Office, Bhigan, Dhatoori Road, Tehsil Ganour, Murthal, Distt. Sonepat (Haryana).	
		3. Village - Jharmajhri Barotiwala, Distt.-Solan (H. P.)	

Certified to be true C...
Hindustan Tin Wo... Ltd.

D. V...
(Company Secretary)

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 39th Annual General Meeting of the Members of Hindustan Tin Works Limited will be held at Asha Farms, Palla Gaon Road, Bakhtawar Pur, Delhi on Tuesday, the 30th day of September, 1997 at 10.00 a.m. to transact the following business.

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended on the date and the report of the Directors and the Auditors thereon.

2. To declare dividend for the year ended 31st March, 1997.

3. To appoint a Director in place of Mr. P. Murari who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. S. S. Kanwar who retires by rotation and being eligible, offers himself for re-appointment.

5. To appoint Auditors' to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. M. L. Puri & Co. retires and eligible for re-appointment.

B. SPECIAL BUSINESS

6. To consider and if thought fit to pass, with or without modification, the following Resolution as a SPECIAL RESOLUTION :-

   "RESOLVED THAT pursuant to section 370 and other applicable provisions, if any, of the Companies Act, 1956 the Board of Directors of the Company be and is hereby authorised to give, on behalf of the Company, any guarantee or provide any security in connection with a loan or loans made by any other person to or to any other person by any Body Corporate from time to time on such terms and conditions as the Board of Directors may deem fit provided that the aggregate amount of all such guarantee given or securities provided in respect of any loan or loans outstanding at any time shall not exceed Rs. 500 lacs at any time.

7. To consider and, if thought fit to pass, with or without modification, the following Resolution as a SPECIAL RESOLUTION :-

   "RESOLVED THAT pursuant to Section 314(1B) of the Companies Act, 1956 and other applicable provisions, if any, consent is hereby accorded and power to Board of Directors is vested to increase the salary of Mr. Paras Bhatia, Executive Vice President within the limit of Rs. 19,000/- to Rs. 50,000/- including the perquisites from time to time and based on the performance and policy of the Company."

   "FURTHER RESOLVED that pursuant to Section 314(1B) necessary approval be taken from the Central Goverment to effect the increase in salary of Mr. Paras Bhatia in excess of Rs. 20,000/-."

8. To consider and if thought fit to pass with or without modification, the following resolution as a SPECIAL RESOLUTION.

   "RESOLVED THAT subject to all or any of the provision of the Companies Act, 1956 or any statutory modification of any repeal thereof or any re-enactment thereof as would be enforced from time to time and further subject to such other approvals, consent, permission, if any, of the Central Government or any other statutory authority on such terms and conditions and restrictions as may be imposed which the Board of Directors of the Company be and is hereby authorised, the approval of the shareholders of the Company be and is hereby accorded for purchase of Equity Shares, or any other instrument or security as would be on sale from time to time, either through the members of the recognised stock exchange or through any authorised and permissible intermediary and purchase of shares would be in accordance with the maximum permissible limits and at such a price and in such trenches or instalments as the Board of Directors deem fit and proper under the circumstances."

   "FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to take all or any such action, steps or deeds as would be necessary for the purpose of acquisition of shares."

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9. To consider and if thought fit to pass with or without modifications(s) the following resolution as an ordinary resolution :-

"RESOLVED THAT authorised capital of the Company be raised from Rs. 6,25,00,000 (Six Crore Twenty Five Lakhs) to Rs. 11,25,00,000 (Eleven Crore Twenty Five Lakhs) consisting of 60,00,000 equity shares of Rs. 10/- each. 5,25,000 preference shares of Rs. 100/- each.

i) RESOLVED FURTHER THAT clause V of the Memorandum of Association of the Company be substituted by the following :-

"The Share Capital of the Company is Rs. 11,25,00,000 (Rupees Eleven Crores and Twenty Five Lakhs) divided into 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- each and 5,25,000 (Five Lakhs Twenty Five Thousand) Preference Shares of Rs. 100/- each."

ii) RESOLVED FURTHER THAT the Article No. 3 of the Articles of Association of the company be substituted by the following :-

The Share Capital of the Company is Rs. 11,25,00,000 (Rupees Eleven Crores and Twenty Five Lakhs) divided into 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- each and 5,25,000 (Five Lakh Twenty Five Thousand) Preference Shares of Rs. 100/- each with the power to increase, reduce, consolidate, sub-divide its capital in accordance with the provisions of the Companies Act, 1956.

10. To consider and if thought fit to pass with or without modification the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company and subject to such approvals, consents, permissions and/or sanctions as may be necessary from various authorities. Institutions or Bodies (hereinafter collectively referred to as the appropriate authorities) and also subject to such conditions as may be specified, prescribed, imposed or advised by any of the them while granting such approvals, consents, permissions and/or sanctions, the Board of Directors be and is hereby authorised to offer, issue and allot out of the existing authorised Preference Share Capital of the Company 5,25,000 Preference Shares of Rs. 100/- each (hereinafter referred to as "The Shares").

i) Conferring on the holders thereof the right to a fixed Non-Cumulative Preferential Dividend at such rate as may be determined by the Board of Directors of the Company on the Capital for the time being paid up thereon, payable as regards each financial year out of the profits of such year available for dividend and out of the reserves representing profits of previous financial years but with the right in case of deficiency to resort to the profits of the subsequent financial years and the right in a winding up of the repayment of Capital in priority to all other shares but not conferring any further or other right to participate in profits or assets of the Company.

ii) With recourse to one or more public or private offering(s), including in one or more markets, whether Indian or Foreign.

iii) To any person(s), including members of the Company, members of general public in India, Foreign Investors (whether Institutions, incorporated entities, Trust Funds and/or individuals) Foreign Institutional Investors (FIIs) and Mutual Funds, Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs) or any person whomsoever, (whether or not such person/s are the present Equity Shareholders of the Company) as the Board in its absolute discretion deems fit.

iv) Through Prospectus and/or Offer Letter or Circular or Memorandum and/or on Private Placement basis.

v) At such time/s, in such tranche/s, at such price/s, at such Premium and on such terms and conditions including the number of Shares to be issued, rate of Dividend, Period/Dates of Redemption of the Shares and in such manner as the Board may, in its absolute discretion think fit, as per guidelines of SEBI or according to prevalent law at the time of issue of such shares.

vi) With an authority to the Board to retain over subscription upto 10% or such other percentage

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of the issue as may be permitted or to dispose off those shares which are not subscribed, in such manner which in its absolute discretion, is most beneficial to the Company.

"RESOLVED FURTHER THAT the Board may delegate such authority to such Person(s) as it may deem fit, for exercising any authority, for the aforesaid purpose for and on behalf of the Company."

"RESOLVED FURTHER THAT in order to give effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things which it may in its absolute discretion deem to be necessary and to settle all questions and matters arising out of and incidental to the proposed Offer(s) and Issue(s) of the Shares, allotment of Shares. Utilisation of the proceeds, to finalise and execute all such documents as may be necessary/required and to take all steps which the Board in its absolute discretion considers necessary and expedient for implementing this Resolution or any part thereof."

Registered Office :-
488, Bartan Market,
Sadar Bazar, Delhi.
Dated : 6th Aug., 1997

By order of the Board

D. VARSHNEY
Company Secretary

NOTE :

1. A member entitled to attend and vote at this Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.

2. The instrument appointing a proxy should however be deposited at the Registered Office of the Company duly completed, not less than Forty Eight hours before the Commencement of the meeting.

3. The Register of members and share transfer books of the Company will remain closed from 22nd September to 30th September, 97 (both days inclusive).

4. The members are requested to notify immediately any change in their address exclusively on separate letter without clubbing it with any other request, for quicker attention, directly to the Company's registrar.

M/s. Beetal Financial & Computer Services (P) Ltd.,
321-S, Chirag Delhi, IIIrd Floor,
Near Bhagat Singh College,
New Delhi - 110 017.
Phones : 6231990, 6231991, 6232390.

The relative explanatory statement pursuant to the section 173(2) of the Companies Act, 1956 in respect of special business above is annexed hereto.

5. The Members are requested to bring their copy of Annual Report while attending the 39th Annual General Meeting of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)

ANNEXURE TO THE NOTICE

ITEMS NO. 6

Company is targeting high growth and growth of the Company is a combination of several factors. Company in its business operation has to associate with number of Companies and dealing of the Company is guided by the philosophy of give and take. By virtue of business association, the Company is sometimes called upon to assist their bodies corporate by way of giving loans/ guarantees or providing securities in connection with loans made by any other person to such bodies corporate. Your Directors consider that it is in the interest of the Company to give such guarantee or provide securities. It may not be possible for the Company to obtain permission of the shareholders every time such transactions take place, especially in view of the time factor involved. It is, therefore, proposed to obtain a general sanction.

Members are, therefore, requested to approve the Special Resolution set out above.

None of the directors of the Company is, in any way concerned or interested in resolution

ITEM NO. 7

Mr. Paras Bhatia is a young and dynamic executive and within short span of time, he was promoted as Executive Vice President. Mr. Paras Bhatia at present is looking after Murthal unit and he is head of Commercial Operation. He has been rendering

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dedicated services to the Company. In order to inculcate further sense of dedication, he needs to be adequately remunerated. Your Board of Directors seek your approval to increase his salary within aforesaid limits.

Members are, therefore, requested to approve the Special Resolution set out above.

None of the directors of the Company except Mr. Ashok Bhatia is, in any way concerned or interested in resolution

ITEM NO. 8

Your Company is proposing this resolution for purchase of its own Equity Shares from the potential sellers as would be permitted, in future, either under Companies Act, 1956 or any re-enactment thereof.

Your Company has been performing well during the last couple of years and has been regularly paying dividend to the shareholders of the Company. Notwithstanding this, at times operators on the Stock Exchange with vested interests, makes an attempt to depress the real share prices for oblique motive. In the event the price of shares of your Company being depressed, this gives wrong and fallacious signal which substantially cause the damage to the reputation and goodwill of the Company.

Therefore, this resolution is proposed for your consideration and authorising the Board of Directors to buy the Equity Shares of the Company either through the intermediaries of the Stock Exchange or through the private negotiations at the best available price.

ITEM NO. 9

The existing Authorised Share Capital of the Company is Rs. 6,25,00,000 divided into 60,00,000 Equity Shares of Rs. 10/- each and 2,50,000 Preference Shares of Rs. 10/- each. Your Company is expanding its operations. To finance its capital requirement, Company is going to issue Preference Shares. Hence Company needs to increase its authorised Share Capital from existing Rs. 6,25,00,000 to 11,25,00,000 for issuing Preference Share Capital. The proposed increase in authorised share capital requires the approval of shareholders in their general meeting, consequent upon the increase in Authorised Share Capital Clause V of the Memorandum of Association and Article No. 3 of Articles of Association of the Company are required to be suitably altered so as to reflect the increase in authorised capital.

The Board recommends the adoption of the said resolution.

None of the directors of the Company is interested or concerned in the resolution.

ITEM NO. 10

Cost of Finance is the vital factor for the Company's profitability. In a bid to reduce the finance cost, Company is planning to issue preference shares capital. Terms loans cost dearly to the Company. Saving in finance cost would result in increase in shareholders wealth. Board of Directors of the Company request you to approve the aforesaid resolution as Special Resolution.

None of the directors of the Company is interested or concerned in the resolution.

Registered Office :-
488, Bartan Market,
Sadar Bazar, Delhi.
Dated : 6th Aug., 1997

By order of the Board

D. VARSHNEY
Company Secretary

Certified to be true Copy
Hindustan Tin Works Ltd.

D. VARSHNEY
(Company Secretary)

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DIRECTORS' REPORT

Dear Shareholders,

Your directors have great pleasure to present you the 39th Annual Report on the activities of the Company together with Audited Statement of Accounts for the year ending 31st March, 1997.

1. FINANCIAL RESULTS

	Rupees in Lacs 1996-97	1995-96
Profit before Interest, Depreciation & Tax	825.28	548.33
Less : Financial charges	370.78	164.58
Less : Depreciation	110.99	41.56
Less : Miscellaneous expenses written off	9.33	9.10
	334.18	333.09
Add : Balance brought forward from previous year	114.86	0.73
Balance available for appropriation	449.04	333.82
Less : Appropriations :		
Dividend	118.96	118.96
Transfer to General Reserve	200.00	100.00
Balance carried forward	130.08	114.86

Comparison of Projected Vs. Actual Performance (Clause 43 of Listing Agreement)

	(Rupees in Lacs) Projected	Actual
Total Income	6095.00	7530.00
Profit before tax	561.00	334.00
Profit after tax	427.00	334.00
Earning per share	7.89	6.18

The variation between projected and actual figures of profits is due to change in location of project and expansion of project at impliment stage which is in turn delayed the commercial production.

2. DIVIDEND

The Directors are pleased to recommend dividend at the rate of 22%.

3. PERFORMANCE

Your Company has performed consistently excellent and has registered around 37% growth in sales and other income as compared to the year 1995-96. Your Company's operating profit also went up from Rs. 235.45 lacs to Rs. 321.29 lacs and cash accruals have also gone up from Rs. 374.66 to Rs. 454.50. Your Company has been able to grow albeit overall industrial growth in the country is not very encouraging.

4. DIRECTORS

In accordance with the provisions of Companies Act, 1956 and the Company's Articles of Association, Shri P. Murari and Mr. S. S. Kanwar retire by rotation and being eligible offer themselves for re-appointment.

5. AUDITORS

M/s. M. L. Puri & Company Chartered Accountants, the auditors of the Company, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The requisite certificate required under Section 224(1B) of the Companies Act, 1956 has been received from them.

6. REHABILITATION - CUM-AMALGAMATION/ MERGER OF CONWEL CANS (INDIA) LTD.

M/s. Conwel Cans (India) Ltd., stands merged with the Company pursuant to order of the Board for Industrial and Financial Reconstruction dated 9th December, 1996 w.e.f. 31.3.96. In accordance with the said scheme of merger, the entire undertaking and assets and liabilities of the said erstwhile Conwel Cans India Limited have now vested with the Company.

7. AWARDS

Your Company has been accredited with slew of awards in the past and has been regular winner of "Award for Export Excellence" conferred by Engineering Export Promotion Council in recognition of export performance. Your Company also has been winner of Cannex Gold Award for the year 1997 for 3 piece beverages can.

8. PERSONNEL

The Industrial relations with the employees during the year under review continue to be cordial.

A list of employees covered under the Companies (Particulars of employees) Rules, 1975, pursuant to Section 217 (2A) is enclosed as Annexure "A" forming part of the Report.

9. HUMAN RESOURCES DEVELOPMENT PROGRAMME.

Company has always treated Human Resources as vital assets. Company's management has introduced HRD programmes at all level in order to sharpen and update the knowledge and skills. Management expect that wider participation of employees in HRD programme would help them to achieve desired goal.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

Information pursuant to Section 217 (1)(c) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988 is given in Annexure B and forms part of this report.

11. ACKNOWLEDGEMENT

In conclusion, the Board gratefully acknowledges the support given by employees, shareholders, Banks, Financial Institutions and looks forward to their continued support.

For and on behalf of the Board

Place : Delhi
Dated : 6th Aug., 1997

VIJAY BHATIA
Chairman

Certified to be true Copy
Hindustan Tin Works Ltd,

D. VARSHNEY
(Company Secretary)

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