

44th
Annual Report
2001-2002



HINDUSTAN TIN WORKS LIMITED



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BOARD OF DIRECTORS

1. Shri Vijay Kumar Bhatia (Chairman)
2. Shri Sanjay Bhatia (Managing Director)
3. Shri Ashok Kumar Bhatia (Whole Time Director)
4. Shri Gaurav Bhatia (Whole Time Director)
5. Shri J. B. Kapil (Whole Time Director)
6. Shri Rajinder Somani
7. Shri P. V. Narayanan
8. Shri R. K. Miglani
9. Shri Kishan Mehta
10. Shri S. L. Kapur
11. Shri B. K. Batra
12. Shri Harish Malhotra

COMPANY SECRETARY

Shri D. Varshney

AUDITORS

M/s. M. L. Puri & Company
Chartered Accountants
7, Netaji Subhash Marg,
New Delhi-110002.

BANKERS

Punjab National Bank
State Bank of India

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. Sonapat (Haryana)



HINDUSTAN TIN WORKS LIMITED

FINANCIAL HIGHLIGHTS

PARTICULARS	(Amount Rs. in Lakhs)				
	2001-2002	2000-2001	1999-2000	1998-99	1997-98
A. SALES AND EARNINGS					
Sales and other Earnings	11428.07	9542.66	8997.93	8466.33	7943.65
Profit before taxes	266.88	231.45	204.84	177.42	402.35
Profit after taxes	212.88	217.26	157.62	163.22	363.95
Dividend	27.17	* 65.76	* 71.74	* 83.68	* 131.15
Retained Earnings	185.71	151.50	85.88	79.54	232.44
Cash Accruals	494.71	486.25	375.99	343.08	563.44
* inclusive of Dividend Tax					
B. ASSETS AND LIABILITIES					
A. Fixed Assets (Gross)	3808.02	3758.89	3462.07	3421.44	3386.85
Net	2365.44	2440.41	2534.81	2447.15	2570.36
B. Net Current Assets	4257.46	3745.91	3505.66	3344.20	2845.33
C. Investment	15.08	5.07	5.00	5.00	5.00
Total Assets (A + B + C)	6637.98	6191.39	6045.47	5796.35	5420.69
C. NET WORTH					
A. Share Capital	543.46	543.46	543.46	543.46	543.46
B. Reserve and Surplus	2243.09	2344.69	2355.09	2305.81	2224.99
TOTAL (A + B)	2786.55	2888.15	2898.55	2849.27	2768.45
** Deferred Taxation	298.00	--	--	--	--
D. BORROWINGS					
A. Long Term Loan	1244.42	1417.28	1378.44	992.22	975.59
B. Short Term Loan	2309.01	1885.96	1768.48	1954.84	1676.65
TOTAL BORROWING	3553.43	3303.24	3146.92	2947.06	2652.24
TOTAL FUND	6637.98	6191.39	6045.47	5796.33	5420.69
EARNING/EQUITY SHARE	3.92	3.99	2.90	3.00	6.70
BOOK VALUE/EQUITY SHARE (Incl. Revaluation Reserve)	56.76	53.14	53.33	52.43	50.94
2					

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 44th Annual general Meeting of the Members of Hindustan Tin Works Limited will be held at Asha Farms, Palla Gaon Road, Bakhtawar Pur, Delhi on Monday, 30th September 2002 at 10.00 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive approve and adopt the Audited Balance Sheet as at 31 st March, 2002 and the Profit and Loss Account for the year ended on that date and the report of the Directors and the Auditors thereon.
2. To declare dividend for the year ended 31st March, 2002.
3. To appoint a Director in place of Mr. Rajendra Somani who is retiring by rotation as per the provisions of section 256 of the Companies Act, 1956 and being eligible offer himself for re-appointment.
4. To appoint a Director in place of Mr. S.L. Kapoor who is retiring by rotation as per the provisions of section 256 of the Companies Act, 1956 and being eligible offer himself for re-appointment.
5. To appoint Mr. Harish Malhotra as director of the Company in place of Mr. P. V. Narayanan who is retiring by rotation as per the provision of section 256 of the Companies Act, 1956 and has expressed unwillingness to be re-appointed as Director of the Company.
6. To appoint Auditors M/s M. L. Puri & Co., Chartered Accountants, New Delhi to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise board of directors of the company to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass the following resolution with or without modification as 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. Saket Bhatia, Marketing Manager within the scale of Rs. 20000-10000- 70000/-P.M. plus H.R.A. @ 50% and other perquisites as admissible to status and grade" w.e.f. 1-4-2002.

"FURTHER RESOLVED THAT pursuant to Section 314(1B) necessary approval be taken from the Central Govt. for increasing the salary in excess of Rs. 20000/- p.m.

8. To consider and if thought fit to pass with or without modification, the following Resolution as ORDINARY RESOLUTION:

RESOLVED That pursuant to Section 198,269,309 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, and subject to other approvals as are necessary, the Company hereby approves the re-appointment of Mr. Gaurav Bhatia as Whole time director of the Company for a period of five years w.e.f. 30-6-2001 to 29-6-2006 on remuneration and terms and conditions as set out in the explanatory statement annexed.

NOTES:-

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 relative explanatory statement pursuant to the section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto.
4. The register of members and share transfer books of the Company will remain closed from 16th September till 30th September (both days inclusive)
5. The members are requested to notify immediately any changes in their address exclusively on separate letter without clubbing it with any other request, for quicker attention, directly to the Company's share transfer agent.
M/s Beetal Financial & Computers (P) Ltd.
321-S, Chirag Delhi, Near Shahid Bhagat Singh Collage
New Delhi-110017.
Phone No. 6231990, 6231991, 6232390
6. The members are requested to bring their copy of Annual Report while attending the 44th Annual General Meeting of the Company.

By order of the Board
for **Hindustan Tin Works Ltd.**

D. Varshney
(Company Secretary)

Place : New Delhi
Date : 30th July, 2002

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT.****ITEM NO. 5**

Mr. Harish Malhotra has been appointed as additional director of the Company w.e.f. 30th July, 2002 in the meeting of Board of Directors held on 30th July, 2002 with a view to draw talent to guide the management of the Company and also to induct independent directors with a view to enforce Corporate Governance code in the Company. The Company has received notice along with deposit from member proposing their candidature for the office of the Directors in terms of section 257 of the Companies Act, 1956.

Mr. Harish Malhotra is a practicing advocate. He has 27 years of experience with him. He has expertise in legal matters.

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

ITEM NO. 7

Mr. Saket Bhatia is a young dynamic person. He is a Commerce graduate. He has tremendous ideas and vision for increasing the market both at national and international level. He has established excellent relationships with export customers and is working hard to give a new fillip in the arena of export. He also has plans to make the company. I.T. savvy. Your board of directors has already approved the proposal for his increase in salary, and seek your approval for the increase.

Members are requested to approve the special resolution set out above.

None of the directors of the company except Mr. Sanjay Bhatia, Ashok Bhatia and Vijay Bhatia is in any way concerned or interested in the resolution.

ITEM NO. 8

Mr. Gaurav Bhatia, whose term expired on 29-6-2001 has been re-appointed as Whole Time Director of the Company for further period of five years commencing from 30-6-2001 to 29-6-2006. The material provisions of the agreement to be entered into with Mr. Gaurav Bhatia are as under:

- A. Salary :-** Minimum Rs.20,000/- per month but not exceeding Rs. 50,000/- per month with the authority granted to the Board of Directors to determine the salary and grant such increases from time to time within the aforesaid limit.
- B. Perquisites:-** In addition to the salary, the Whole time Director shall be entitled to the perquisites which will include bonus, medical reimbursement, medical insurance, hospital benefits, leave travel concession, leave encashment and education, for himself and his family, personal accident insurance, club fees, car with driver and any other reimbursement and allowances or perquisites in terms of the Company's rules or as may be decided by the Board within the limit upto amount not exceeding Rs.50,000/- per month.
- C. The total remuneration including perquisites shall not exceed the limit specified in Schedule XIII to the Companies Act, 1956.**
 'Family' mentioned above means the spouse, dependent parents and dependent children, of the Whole-time Director as mentioned in the applicable Rules or schemes.
 For the purpose of calculating the above ceiling, perquisites shall be evaluated in accordance with the Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.
 The following shall not be included for the purpose of computation of the Whole-time Director's remuneration or perquisites as aforesaid:
 - (i) The Company's contribution to Provident Fund and Superannuation Fund pursuant to the Rules of the Company.
 - (ii) Gratuity payable to the Whole-time Director pursuant to the Rules of the Company.
 - (iii) Encashment of leave at the end of tenure or ceasing to be Whole-time Director.

As required by the Companies Act, 1956, approval of the members is being sought, to the Whole-time Directors remuneration.

The draft Agreement between the Company and the Whole-time Director is available for inspection by the members at the Company's Registered Office between 10 a.m. to 5 p.m. on any working day upto the date of the Annual General Meeting.

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

This may also be treated as an abstract of the draft Agreement to be entered into between the Company and Mr. Gaurav Bhatia, pursuant to section 302 of the Companies Act, 1956.

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have great pleasure in presenting the 44th Annual Report together with Audited Accounts of the Company for the financial year ending 31st March, 2002.

FINANCIAL RESULTS

	(Rupees in Lacs)	
	2001-2002	2000-2001
Profit before interest, Dep. & Tax	978.78	978.48
Less : Financial Charges	484.07	492.23
Less : Depreciation	165.79	192.76
Less : Misc. expenses written off	62.03	62.03
Less : Provision for Tax	49.00	14.20
Less : Deferred Tax	5.00	-
Profit after Tax	212.89	217.26
Add : Balance brought forward from last year	442.52	316.02
Balance available for appropriation	655.40	533.28
Less : Appropriations :		
Dividend (incl. Div. Tax)	27.17	65.76
Transfer to General Reserve	25.00	25.00
Balance carried forward	603.23	442.52

DIVIDEND

The year just gone by was marked by slowdown of economy both at national and international level and business sentiment was too depressed. But your company manages to retain its foothold in the turbulent atmosphere. Keeping in view the shareholders expectation, your directors have recommended dividend of Rs. 0.50 per share for the year 2001-2002.

OPERATIONS OF THE COMPANY

Your Company has posted the turnover of Rs. 11428.08 lacs as compared to previous year turnover of Rs. 9542.65 lacs. Company's profit before taxation which was Rs. 231.45 lacs during the previous year has gone upto Rs 266.25 lacs during the year 2001-2002.

This year though the company has put up good results and turnover went up by Rs. 1885.41 lacs which is 20% higher as compared to previous year, sales and profit before taxation also went up by 15.58% but profit after tax remain almost stagnant due to higher provision for taxation. Your management has taken several steps to reduce the expenses which would go a long way in reducing expenses and increasing profitability of the company.

ISO 9002 CERTIFICATION

It is matter of pride for all of you that Your company has been accredited as ISO 9002 company for international quality certification. Your management believe that the said accreditation would further help the management of the company in augmenting the business prospects.

**EXPORTS**

Your company has achieved the export target of 547 Lacs during the period under review against the previous year turnover of Rs. 389 lacs. The company has registered 40% increase in its turnover which is significant from the point of view of foreign exchange earning. Your company is seriously engaged in the task of further increasing the export in the current year.

DIRECTORS

In the ensuing Annual General Meeting of the Company, Directors Mr. Rajendra Somani, Mr. P.V. Narayanan and Mr. S.L. Kapoor are retiring by rotation as per the provisions of section 256 of the Companies Act, 1956. They are eligible for re-appointment and except Mr. P. V. Narayanan all others have offered themselves for the appointment. Board of the Company place on record the sincerity, devotion and dedication shown by Mr. Narayan during his terms as director of the Company. All the three directors are independent directors.

DIRECTORS RESPONSIBILITY STATEMENT

- (a) In the preparation of Annual accounts, the applicable accounting standard have been followed alongwith proper explanation relating to material departures, if any.
- (b) We have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year 2001-2002 and of the Profit of the company for that period.
- (c) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) We have prepared accounts on going concern basis.

AUDITORS

M/s M. L. Puri & Co., Chartered Accountants, the auditors of the Company, retiring 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.

PERSONNEL

As required by the provision of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 197, as amended, the names and other particulars of the employees are set out as per annexure 'A' to the report.

ACKNOWLEDGMENT

The Board wishes to place on record with deep sense of satisfaction for the guidance, co-operation and assistance extended to the Company by its Bankers, shareholders, customers and our dedicated team of employees.

For & on behalf of Board

Place : Delhi
Dated : 29th July, 2002

VIJAY BHATIA
Chairman

**ANNEXURE TO THE DIRECTOR'S REPORT****ANNEXURE "A"**

Name	Age	Designation	Rem.	Qualification	Experience	Relationship with other Directors
Sanjay Bhatia	50	Managing Director	1357410	B.Com., LL.B.	25	Brother of Mr. Vijay Bhatia and Mr. Ashok Bhatia, Uncle of Mr. Gaurav Bhatia

ANNEXURE "B"**A. CONSERVATION OF ENERGY****a) Energy conservation measures taken :-**

- 1) Installation of frequency converter on welding machine.
- 2) Restructuring of production facilities.
- 3) Rearranging lighting in various non-productive areas.
- 4) Energy Audit.

- b)** Additional Investment and proposals, if any, being implemented for reduction of consumption of energy. : Company has made no investment for reduction of conservation of energy.
- c)** Impact of the measures at (a) and (b) above for reduction of energy consumption and subsequent impact on cost of production of goods. : The measures stated above would help the company to save the power but since our industry is not power intensive, therefore, cost of production would not be effected substantially.

B. TECHNOLOGY ABSORPTION

- (a)** Specific areas in which R&D is carried out by the Company. : (1) Development of new size for exports.
(2) New size to pack vegetable, beans in OTS 65MM with neck.
(3) Introduction of 73MM paint can for export.
(4) 99mm single tight safety ring with double tight lid for export.
(5) 153mm RLT for export.
- (b)** Benefit derived as a result of the above R&D. : (1) Increase in Exports Sales.
(2) Saving in Raw Material.
- (c)** Future plan of action : (1) Pesticides can to be developed round/rectangle.
(2) Fancy can to be introduced for export to pack scotch etc.
(3) Auto-Robotic press installation which would save the material.
(4) Scroll sharing of the tin plate sheet.
(5) Reduction in thickness.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- 1)** Efforts, in brief, made towards technology absorption, adoption and innovation. : Company has undertaken the study for the technology absorption, adoption and innovation.
- 2)** Benefit derived as a result of the above efforts. : (a) Cost reduction.
(b) Cost control.
(c) Development of new product.
(d) Improvement in quality.



REPORT BY DIRECTORS ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Corporate Governance is viewed by our Company as tool for the achievement of organizational goals and objectives. We believe governance is a system of practice aimed at ensuring transparency, fairness, independence, accountability and social responsibility.

Hindustan Tin Works Limited has well articulated policy for implementing the governance code. The Company already has a Management Council consisting of Executive Director, VP (Finance), VP (Marketing), VP (Quality Assurance), Director (Technical). The management council's role has been carved out in a manner which has helped the management to achieve its organisational goals.

Management Council closely works with the top level and middle level of the management. Management Council identifies the priorities of the Company and integrates these in line with the objectives of the company. Your Company believes in following a strict governance rules.

As per clause 49 of the Listing Agreement, Company has taken all steps for implementing the Corporate Governance code. These steps are as follows.

Composition of the Board

The Board of Directors has eleven Directors, six of them are non executive Directors. Thus Board comprises of more than half Directors as non executive directors. None of the non executive directors has any pecuniary relationship or transactions with the company, its promoters or its management.

1. Board Meeting and AGM

The Board meetings held last year discussed all matters like financial performance, statutory matters and other matters referred to the Board. The Board of Directors of the Company met on 20th April 2001, 30th July 2001, 29th October 2001 and 29th January 2002 i.e. once in each quarter.

Record of attendance of Directors at the Board Meeting and the Annual General Meeting held during the year ended 31st March 2002 is as follows :

Directors	No. of Board Meetings held during the Directors tenure	No. of Board Meetings attended	Attendance at AGM held on 29th Sept. 2001
Mr. Vijay Bhatia	Four	Two	Absent
Mr. Sanjay Bhatia	Four	Four	Present
Mr. Ashok Bhatia	Four	Four	Present
Mr. Gaurav Bhatia	Four	None	Absent
Mr. J. B. Kapil	Two	Two	Absent
Mr. R. K. Somani	Four	None	Absent
Mr. R. K. Miglani	Four	None	Absent
Mr. B. K. Batra	Two	One	Absent
Mr. P. V. Narayanan	Two	Two	Absent
Mr. Kisan Mehta	Two	One	Absent
Mr. S. L. Kapur	Two	Two	Absent

Holding Directorship and Membership in Committees in other Companies

MR. SANJAY BHATIA

Name of Companies in which directorship held

Sl. No.	Name of Company	Designation
1.	Hi-Tech Detergents Pvt. Ltd.	Director
2.	Hi-Tech Surfactants Pvt. Ltd.	Director

Committee Membership/Chairmanship held : None

**MR. VIJAY BHATIA**

Name of Companies in which directorship held

<u>Sl. No.</u>	<u>Name of Company</u>	<u>Designation</u>
1.	Indian Delco Ltd.	Director

Committee Membership/Chairmanship held

<u>Sl. No.</u>	<u>Name of Company</u>	<u>Name of Committee</u>	<u>Member/Chairman</u>
1.	KDL Biotech Ltd.	Audit Committee	Member

MR. ASHOK BHATIA

Name of Companies in which directorship held

<u>Sl. No.</u>	<u>Name of Company</u>	<u>Designation</u>
1.	Indian Delco Ltd.	Director
2.	Hi-Tech Detergents Pvt. Ltd.	Director

Committee Membership/Chairmanship held : None

MR. GAURAV BHATIA

Name of Companies in which directorship held

<u>Sl. No.</u>	<u>Name of Company</u>	<u>Designation</u>
1.	Indian Delco Ltd.	Director

Committee Membership/Chairmanship held : None

MR. RAJENDRA SOMANI

Name of Companies in which directorship held

<u>Sl. No.</u>	<u>Name of Company</u>	<u>Designation</u>
1.	Oriental Containers Ltd.	Managing Director
2.	G. Claridge & Co. Ltd.	Director
3.	Kopran Ltd.	Director
4.	Svaraj Trading & Agencies Ltd.	Director
5.	S. V. Trading & Agencies Ltd.	Director
6.	Sarvamangal Mercantile Co. Ltd.	Director
7.	Sampada Chemicals Ltd.	Director
8.	Parijat Shipping & Finale Ltd.	Director
9.	Parijat Media Ltd.	Director
10.	Van Leer Moulded Fibres India Ltd.	Director
11.	USL Shinrai Automobile Ltd.	Director
12.	USI Motor Cycles Ltd.	Director
13.	Debonair Publications Pvt. Ltd.	Director
14.	Advance Transformers Pvt. Ltd.	Director
15.	Shreeniwas Ispat Udyog Pvt. Ltd.	Director
16.	Rajasthan Construction Co. Pvt. Ltd.	Director
17.	The Gujrat Textile Co. Pvt. Ltd.	Director
18.	Mascot Construction Pvt. Ltd.	Director