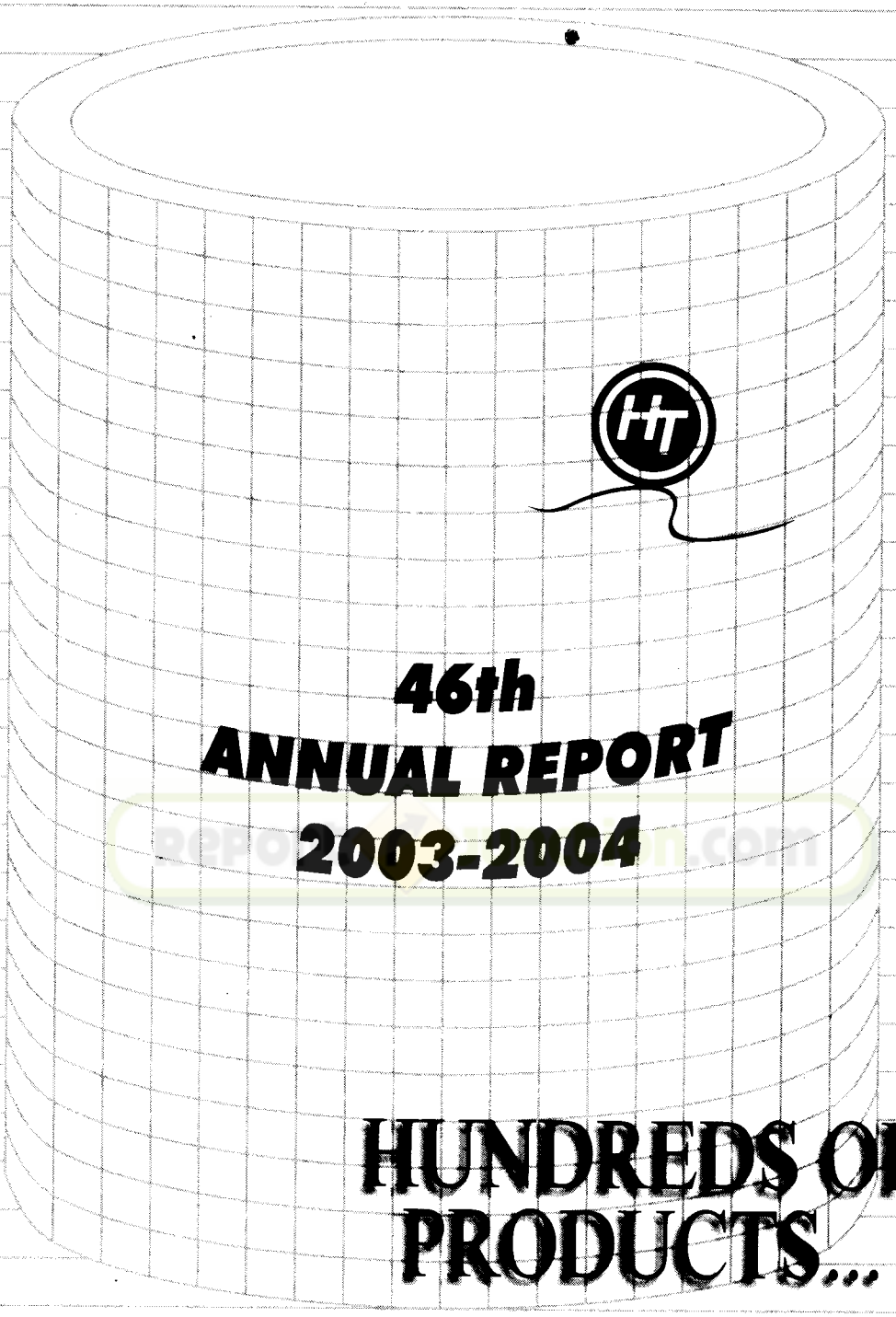
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HINDUSTAN TIN WORKS LIMITED

46th Annual Report 2003-2004

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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 Rajinder Somani
6. Shri B. K. Batra
7. Shri Harish Malhotra
8. Shri Vijay Handa
9. Sh. R. K. Miglani (Resigned w.e.f. 31.7.2004)
10. Sh. J. B. Kapil (Resigned w.e.f. 30.9.2004)

COMPANY SECRETARY

Shri Rajiv Choubey

AUDITORS

M/s. M. L. Puri & Company
Chartered Accountants
407, New Delhi House,
Barakhamba Road,
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.
Ph. No. : 011-29251990, 29255230

REGISTERED OFFICE

488, Bartan Market,
Sadar Bazar, Delhi-110006.

CORPORATE OFFICE

UGF, Antriksh Bhawan,
22, K. G. Marg, New Delhi-110001.
Ph. No. 23357276-79

WORKS

Village & Post Office - Bhigan,
Dhatoori Road, Tehsil Ganour,
Murthal, Distt. Sonepat (Haryana)
Ph. No. : 0130-2475771-73
Website : hindustantin.biz
Email : info@hindustantin.co.in

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FINANCIAL HIGHLIGHTS

(Amount Rs. in Lakhs)

PARTICULARS	2003-2004	2002-2003	2001-2002	2000-2001	1999-2000
A. SALES AND EARNINGS					
Sales and other Earnings	**13696.34**	12218.43	11425.51	9542.66	8997.93
Profit before taxes	**260.98**	250.83	266.88	231.45	204.84
Profit after taxes	**190.22**	162.06	212.88	217.26	157.62
Dividend	**30.72**	* 30.65	* 27.17	* 65.76	* 71.74
Retained Earnings	**159.50**	131.41	185.71	151.50	85.88
Cash Accruals	**508.85**	493.76	494.71	486.25	375.99
* inclusive of Dividend Tax					
B. ASSETS AND LIABILITES					
A. Fixed Assets (Gross)	**4038.50**	3958.32	3808.02	3758.89	3462.07
Net	**2234.30**	2337.34	2365.44	2440.41	2534.81
B. Net Current Assets	**4777.44**	4550.50	4257.46	3745.91	3505.66
C. Investment	**21.07**	19.65	15.08	5.07	5.00
Total Assets (A + B + C)	**7032.81**	6907.49	6637.98	6191.39	6045.47
C. NET WORTH					
A. Share Capital	**543.46**	543.46	543.46	543.46	543.46
B. Reserve and Surplus	**2719.73**	2568.19	2243.09	2344.69	2355.09
TOTAL (A + B)	**3263.19**	3111.65	2786.55	2888.15	2898.55
** Deferred Taxation	**268.20**	298.69	298.00	–	–
D. BORROWINGS					
A. Long Term Loan	**950.54**	1225.13	1244.42	1417.28	1378.44
B. Short Term Loan	**2630.95**	2411.66	2309.01	1885.96	1768.48
TOTAL BORROWING	**3581.49**	3636.79	3553.43	3303.24	3146.92
TOTAL FUND	**7112.88**	7047.13	6637.98	6191.39	6045.47
EARNING/EQUITY SHARE	**3.50**	2.98	3.92	3.99	2.90
BOOK VALUE/EQUITY SHARE (Incl. Revaluation Reserve)	**60.04**	54.68	51.27	53.14	53.33

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of the Members of Hindustan Tin Works Limited will be held at Asha Farms, Palla Gaon Road, Bakhtawar Pur, Delhi on Wednesday, 29th September 2004 at 10.30 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2004 and the Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2004.
3. To re-appoint a Director in place of Mr. Harish Malhotra who is retiring by rotation as per the provisions of Section 256 of the Companies Act, 1956 and being eligible for reappointment, offers himself for re-appointment.
4. To re-appoint Auditors M/s. M.L. Puri & Company, 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 the Board of Directors of the Company to fix their remuneration.

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

Place: New Delhi
Date : 31st July, 2004

Rajiv Choubey
(Company Secretary)

NOTES :-

1. A Member entitled to attend and vote at this Annual 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 16th September to 29th September, 2004 (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 Share Transfer Agent,

   M/s Beetal Financial & Computer Services (P) Ltd.,
   321-S, Chirag Delhi, IIIrd Floor,
   Near Shahid Bhagat Singh College,
   New Delhi-110017
   Phone : 26231990, 26231991, 26232390.

5. Claims of Unclaimed Dividend, if any, for the financial year 1997-98, 1998-99, 1999-2000, 2000-01, 2001-02, 2002-03 shall be made to the company or Share Transfer Agent. The shareholders may kindly note that the amount in unpaid dividend account relating to the financial year 1996-97 is due for transfer during October 2004 to "Investor Education and Protection Fund" established by the Central Government under section 205C of the Companies Act, 1956.
6. The members are requested to bring their copy of Annual Report while attending the 46th Annual General Meeting of the Company.

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the 46th Annual Report together with the Audited Annual Accounts of the Company for the financial year ending 31st March, 2004.

FINANCIAL RESULTS

	(Rupees in Lacs)	
	2003-2004	2002-2003
Profit before Interest, Depreciation & Tax	**824.04**	863.45
Less : Financial Charges	**315.19**	369.68
Less : Depreciation	**185.83**	180.90
Less : Misc. expenses written off	**62.03**	62.03
Less : Provision for Tax	**101.25**	88.12
Add/(Less) : Deferred Tax	**30.49**	(0.69)
Profit after Tax	**190.23**	162.03
Add : Balance brought forward from last year	**709.60**	603.23
Balance available for appropriation	**899.83**	765.26
Less : Appropriations :		
Dividend (Incl. Div. Tax)	**30.72**	30.65
Transfer to General Reserve	**25.00**	25.00
Balance carried forward	**844.11**	709.61

DIVIDEND

Your Directors are pleased to recommend dividend at the rate of Rs. 0.50 per share for the year 2003-2004.

OPERATIONS

Your Company has achieved a turnover of Rs. 13,065.63 lacs as against the previous years, turnover of Rs. 11,611.43 lacs. This year, the Company has achieved an increase in sales and net profit after tax. The Company has been successful in reducing interest cost considerably by Rs. 54.49 lacs approx. The Company is also putting up considerable efforts to augment its exports sales.

DIVERSIFICATION

The management of the Company was engaged to diversify the business of the Company. The diversification in new business is a daunting task and the challenge of diversification has to be met with utmost caution, careful planning, co-ordination and risk bearing capacity of the company. Your company has been successful in making inroads in the area of flexible packaging. Your Company has made arrangement with M/s Nutech Packaging Limited, Industrial Area, Ghaziabad to manufacture the flexible packaging on jobwork basis. Your company has also planned to set up a separate unit as a Green Field Project in the second stage.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. R. K. Miglani and Mr. Harish Malhotra shall retire by rotation and are eligible for re-appointment. However Sh. R. K. Miglani has expressed his unwillingness for his re-appointment and has resigned from the directorship which was accepted by the Board in their meeting held on 31st July, 2004. Further, Mr. J.B. Kapil, Whole Time Director has also resigned from his directorship which was accepted by Board of Directors in their meeting dated 31.07.2004 to be effective fro 30.9.2004. Mr. Harish Malhotra has offered himself for the re-appointment.

The Board places on record the invaluable contribution made by Mr. R. K. Miglani and Mr. J. B. Kapil during their term as Director.

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DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to directors' responsibility statement, it is hereby confirmed that :

(a) In the preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

(b) We have selected such accounting policies and applied them consistently and made judgements 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 2003-2004 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 any possible fraud and other irregularities.

(d) We have prepared account on going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report in the form of Management Discussion and Analysis pursuant to Clause 49 of the Listing Agreement, as a part of this report is annexed hereto as Annexure-I.

CORPORATE GOVERNANCE

A report on Corporate Governance alongwith the Auditors' Statement on its compliance is annexed hereto as Annexure-II.

AUDITORS

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

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rule 1975 as amended up to date are given in the enclosed statement forming part of the report as Annexure-A.

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information in accordance with the provisions of Clause (e) of Sub-Section (1) of Section 217 of the Companies Act, 1956 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 31st March, 2004 is given in Annexure-B of this report.

ISO CERTIFICATION

Your Company has received upgraded ISO : 9001 : 2000 Certification. This recognition would go a long way in further strengthening the customer's confidence.

ACKNOWLEDGMENT

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

For & on behalf of Board

Place : Delhi
Dated : 31st July, 2004

VIJAY BHATIA
Chairman

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ANNEXURE TO THE DIRECTOR'S REPORT

ANNEXURE - A

Name	Age	Designation	Remuneration	Qualification	Experience	Relationship with other Directors.
Mr. Sanjay Bhatia	52 yrs.	Managing Director	Rs. 1273240/-	B.Com, LLB	27 Yrs.	Brother of Mr. Vijay Bhatia, Mr. Ashok Bhatia & Uncle of Mr. Gaurav Bhatia

ANNEXURE - B

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken : 1. The Company has installed Ammonia Gas Plant.
2. Some of the Lining Machines are also put on LPG.

b) Additional Investment and Proposals, if any, being implemented for reduction consumption of energy. : The Company has made investment of Rs. 23.99 lacs on the measures taken above.

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 power. There will not be any big impact in the cost of production because of the fact that our company is not power intensive.

B. TECHNOLOGY ABSORPTION

(a) Specific areas in which R&D is carried out by the Company. : Auto necking of Juice Cans.

(b) Benefit derived as a result of the above R&D. : 1) Reduction in cost.
2) Increased customer satisfaction.
3) Quality Improvement.

(c) Future plan of action. : 1) Development of Aerosole Cans.
2) 603,700,709 Auto necking of Juice Cans Assembly of Topsets.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1) Efforts, in brief, made towards technology absorption, adaptation and innovation. : NIL

2) Benefit derived as a result of the above efforts. : NIL

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ANNEXURE - I

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

It is being observed that industrial scene in India is improving. In the year gone by our economy has achieved a growth in GDP @7%. The Government of India is determined to make our country a developed one. When the country grows, the food habits of its inhabitants also undergo a change. It is perceived that with the growth of economy, more and more people will shift towards packed foods due to paucity of time. It is understood that in the time to come, the packaging industry shall also achieve significant growth. Our Company is fully geared up to grab the opportunity with full vigour, vitality and commitment.

OPPORTUNITIES & THREATS

Our Company is a leading and established Company in tin packaging industry. Our Company has always concentrated its efforts towards quality upgradation and customer satisfaction.

OPPORTUNITIES

1. Historical established performance.
2. Established customer profile and wide customer base.
3. Reputation for quality.
4. Edge in raw material procurement.
5. Ability to expand and diversify.
6. Grip in export market.
7. Professionally & Technically qualified Human Resource.
8. Priority of the Government to promote Food Processing Industry.

THREATS

1. Global competition.
2. Demand shift to other forms of packaging resulting into over capacity in the industry.
3. Competition from unorganized sector.
4. Shrinking margin.
5. Concession extended by the government in excise & income tax for establishing units in northern India in the neighboring states i.e. Himachal Pradesh, Jammu & Kashmir and Uttaranchal.

PRODUCT WISE PERFORMANCE

The performance of the Company has been satisfactory in the areas like Diary Products, Processed Foods, Coffee and Export. Our company has ben successful in entering into non food areas. Efforts are also being made to enter into other segments of can.

OUTLOOK

The outlook of the Company seems to be very wide. The management of the Company is seriously engaged in the task of reducing overheads and other costs. Efforts are also being made to set up a new unit in the area of flexible packaging.

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RISK

The Company is not exposed to any kind of risk. Risk perception is relevant with respect to Industry not the Company. The Government has given sops to the new units in northern area in the form of exemption in excise and income tax rates. The Company views it as a serious concern because of potential competition from the units which may come up in this area.

CONCERN

Rapid increase in the raw material prices especially tinplate continues to be an area of concern. During the year 2003-04 there had been an increase of 32% over 2002-03 prices and even the future trends indicate hike in steel prices. The prices have increased in domestic as well as international markets although the percentage increase in domestic is comparatively higher than that of international prices considering the landed cost to the company. We would like to place on record our appreciation to the Government for taking appropriate steps in reduction of Custom duty in case of tinplate which has given some relief, but unfortunately this reduction had been more than offset by much more increase in CIF prices of tinplate. Since tinplate constitutes major component in tin container, therefore, the company had no option than to reluctantly pass it to our esteemed customer in terms of can prices and we sincerely thank the customers for their support in this critical situation.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

All the vital internal control systems in the Company are working satisfactorily. Our statutory and internal auditors have not reported any serious departure in any of the internal control systems. The Audit Committee of the Company regularly reviews the internal control systems of the Company

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has registered an approx. 12% increase in turnover during the year 2003-2004 as compared to the year 2002-2003. The Company has been successful in reducing all the operational expenses and it has also achieved significant reduction in interest cost. However, all the benefits are fittered away with the increase in raw material cost. The Company has also registered an increase in profit before tax during the year 2003-2004 as compared to the previous year 2002-2003.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL FUND

Annual performance appraisal system was restructured during the current year to evaluate the operational performance of each employee on the basis of predefined Key Result Area.

Industrial relation front continued to be peaceful with no working day loss due to any activity.

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ANNEXURE - II

REPORT BY DIRECTORS ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The Company has attached significant importance to the Code of Corporate Governance. The management of the Company has always seen Corporate Governance as a tool of continuous improvement in the performance of the Company rather than compliance of listing agreement. The management of the company would further strengthen the roots of Corporate Governance in the Company. The success of the Company lies in faithful & sincere persuasion of its core values.

The core values of the Company are :

- Manpower Development.
- Integrity, openness, fairness and trust.
- Commitment to excellence.
- Customer satisfaction.

Our Company was subjected to Corporate Governance Code from the last year. The Company has constituted various committees required to be formed under the code.

Composition of the Board

The Board of Directors consists of ten directors of which five are executive directors and five are non-executive, independent-directors. In the opinion of the Board, none of the non-executive directors has any pecuniary relationship or transaction with the Company, its promoters or its management. At present the total directorship has been reduced to eight with the resignation of Sh. R. K. Miglani and Sh. J. B. Kapil.

1. Board Meeting and AGM

The Board of Directors of the Company met on 30th April 2003, 30th July 2003, 27th October 2003 and 30th January 2004 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 2004 is as under :-

Directors	No. of Board Meetings held during the Directors tenure	No. of Board Meetings attended	Attendance at AGM held on 30th Sept. 2003	No of other Directorship and Committee Membership	
				Other Directorship	Committee Members
Mr. Vijay Bhatia	Four	Three	Absent	1	1
Mr. Sanjay Bhatia	Four	Four	Present	2	–
Mr. Ashok Bhatia	Four	Four	Present	2	–
Mr. Gaurav Bhatia	Four	Two	Absent	–	–
Mr. J. B. Kapil	Four	One	Present	–	–
Mr. R. K. Somani	Four	None	Absent	17	–
Mr. R. K. Miglani	Four	None	Absent	13	–
Mr. B. K. Batra	Four	Four	Present	–	–
Mr. Harish Malhotra	Four	Four	Absent	–	–
Mr. Vijay Handa	Four	One	Absent	3	–

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