

50TH ANNUAL REPORT 2007-2008

Hundreds of Products
ONE CAN



*Thanks to
Business Partners*



We CAN which others can't !!



HINDUSTAN TIN WORKS LIMITED

HTW'S CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. WATER HARVESTING :

A. COMPLETED PROJECT :

A Water harvesting Project (Check Dam) was sponsored by HTW in Sikar District, Rajsthan. It is expected to benefit about 3000 human population and 1500 cattle's in three villages and the recharge impact will also benefit two more down streams.



B. RECENTLY INAUGURATED PROJECT :

Another Water Harvesting Project sponsored by HTW in village Dhiyawali Dhani in Sikar District, Rajsthan.



2. PARTICIPATING IN MID DAY MEAL PROGRAMME :

Last year HTW has sponsored vehicles for distribution of mid day meal to underprivileged children in Noida.



50th Annual Report 2007-2008

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BOARD OF DIRECTORS

1. Mr. Vijay Kumar Bhatia (Chairman)
2. Mr. Sanjay Bhatia (Managing Director)
3. Mr. Ashok Kumar Bhatia (Whole Time Director)
4. Mr. N.P. Sahni (Director)
5. Mr. Behari Lal Khurana (Director)
6. Mr. Ramesh Kumar Jain (Director)
7. Mr. M.K. Zutshi (Director)
8. Mr. Manoj Jain (Whole Time Director)
9. Mr. Sudhir Sachdeva (Director)

V.P. (FINANCE) & COMPANY SECRETARY

Mr. Rajat Pathak

AUDITORS

M/s. M.L. Puri & Company
Chartered Accountants
407, New Delhi House,
Barakhamba Road,
New Delhi-110001

BANKERS

Punjab National Bank
State Bank of India

SHARE TRANSFER AGENTS

Beetal Financial & Computer Services Pvt. Ltd.
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
New Delhi-110062
Ph. No. : 011-29961281, 29961282

REGISTERED OFFICE

488, Bartaan Market,
Sadar Bazar,
Delhi-110006

CORPORATE OFFICE

UGF, Antriksh Bhawan,
22, K.G. Marg,
New Delhi-110001
Website : www.hindustantin.biz
E-mail : info@hindustantin.co.in

FACTORY

V. & P.O.-Bhigan,
Dhatoori Road, Tehsil Ganour,
Murthal, Distt.-Sonapat (Haryana)

OTHER OFFICES

- A) 618, Tulsiani Chambers,
Nariman Point, Mumbai
- B) KN/B-16, Gali No. 10,
Anand Parbat Indl. Area,
New Delhi



50 Years of CAN Making

**FINANCIAL HIGHLIGHTS**

(Amount Rs. in Lakhs)

PARTICULARS	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
A. SALES AND EARNINGS					
Sales (Gross)	19,645.30	18,227.63	15,903.28	15,170.45	13,696.34
Profit before Taxes	695.36	953.52	610.95	365.30	260.98
Profit after taxes	351.02	565.90	320.20	256.80	190.22
Dividend	*194.67	*182.51	*104.67	*61.97	*30.72
Retained Earnings	156.35	383.39	215.53	194.83	159.50
Cash Accruals (PBDT)	975.23	1,180.96	819.22	609.36	508.85
* inclusive of Dividend Tax					
B. ASSETS AND LIABILITIES					
A. a) Fixed Assets (Gross)	5,811.54	5,343.25	4,295.85	4,011.84	4,038.50
Net	3,274.64	3,081.03	2,245.17	2,151.45	2,234.30
b) Capital work in progress	319.74	35.93	3,481.08	56.87	2.50
B. Net Current Assets	8,500.55	8,730.21	5,879.59	5,835.70	4,777.44
C. Investment	334.46	329.46	5.73	21.07	21.07
Total Assets (A + B + C)	12,429.39	12,176.63	11,611.57	8,065.09	7,035.31
C. NET WORTH					
A. (i) Share Capital	1,039.97	1,039.97	764.97	543.46	543.46
(ii) Zero Coupon Convertible Warrant	-	-	132.00	-	-
B. Reserve and Surplus	5,123.22	4,986.18	3,659.65	2,698.20	2,642.15
Total (A + B)	6,163.19	6,026.15	4,556.62	3,241.66	3,185.61
Deferred Taxation	417.69	338.05	281.95	241.70	268.20
D. BORROWINGS					
A. Long Term Loan	2,661.64	2,086.33	3,161.39	1,264.90	950.55
B. Short Term Loan	3,186.87	3,726.09	3,611.61	3,316.83	2,630.95
TOTAL BORROWING	5,848.51	5,812.42	6,773.00	4,581.73	3,581.50
TOTAL FUND	12,429.39	12,176.63	11,611.57	8,065.09	7,035.31
EARNING/EQUITY SHARE*	3.38	*7.04	*4.69	4.24	3.50
BOOK VALUE/EQUITY SHARE (Incl. Revaluation Reserve)	59.26	75.01	66.83	59.64	60.04

* The EPS has been calculated on the basis of weighted average and the effect of Deferred Tax Liability has been taken while calculating EPS.

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the **50th Annual General Meeting** of the Members of Hindustan Tin Works Limited will be held at Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi on Thursday, 25th September, 2008 at 10.00 A.M. to transact the following business.

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date and the report of the Board of Directors and Auditors thereon.
- (2) To declare dividend on equity shares for the financial year ended 31st March 2008.
- (3) To appoint a Director in place of Mr. Manoj Jain who is retiring by rotation as per the provisions of Section 256 of the Companies Act, 1956 and being eligible offers himself for re-appointment.
- (4) To appoint a Director in place of Mr. M. K. Zutshi who is retiring by rotation as per the provisions of Section 256 of the Companies Act, 1956 and being eligible offers himself for re-appointment.
- (5) 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 the Board of Directors of the Company to fix their remuneration.

By order of the Board

Place : New Delhi

Date : 26th July, 2008

Rajat Pathak
VP (Finance) & Company Secretary

Registered Office :

488, Bartaan Market
Sadar Bazar
Delhi-110006

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. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The register of members and share transfer books of the Company will remain closed from Saturday, 20th September, 2008 to Thursday, 25th September, 2008 (both days inclusive).
3. The dividend, if declared at the meeting, will be paid on or after 25th September, 2008 to those members whose name appear :
 - a. As Beneficial Owners as at the end of the business hours on 19th September, 2008 as per the list to be furnished by the depository in respect of the shares held in electronic form and,
 - b. As members in the Register of Member of the Company after giving effect to all valid shares transfers in physical form lodged with the Company on or before 19th September, 2008.



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.,
Beetal House, 3rd Floor, 99 Madangir
Behind Local Shopping Centre
New Delhi-110062.
6. The Shareholders are requested to update their Contact address.
7. Shareholders are requested to get their Shares converted from physical form to DEMAT form.
8. Claims of Unclaimed Dividend, if any, for the financial year 2001-02, 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07 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 2000-01 is due for transfer during October 2008 to "Investor Education and Protection Fund" established by the Central Government under section 205C of the Companies Act, 1956.
9. The members/proxy are requested to bring their copy of Annual Report while attending the 50th Annual General Meeting of the Company.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. Appointment of Directors: At the ensuing Annual General Meeting, Mr. Manoj Jain and Mr. M. K. Zutshi retires by rotation and seeks reappointment. Details pertaining to these directors required to be provided pursuant to clause 49 of the listing agreement are furnished in the statement on corporate governance.

By order of the Board

Place : New Delhi
Date : 26th July, 2008

Rajat Pathak
VP (Finance) & Company Secretary

Registered Office :
488, Bartan Market
Sadar Bazar
Delhi-110006

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have great pleasure in presenting the 50th Annual Report together with the Audited Annual Accounts of the Company for the financial year ending 31st March 2008.

FINANCIAL RESULTS

The performance of the company for the financial year ended 31st March, 2008 is summarized below:

	(Rupees in Lacs)	
	2007-2008	2006-2007
Profit before Interest, Depreciation & Tax	1,637.58	1,535.80
Less: Financial Charges	662.35	354.84
Depreciation	279.88	227.44
Provision for Tax (Including Fringe Benefit Tax)	264.70	331.52
Deferred Tax	79.64	56.10
Profit after Tax	351.01	565.90
Add: Balance brought forward	1,562.86	1,204.47
Balance available for appropriation	1,913.87	1,770.37
Less: Appropriations:		
Dividend (Incl. Div. Tax)	194.67	182.51
Transfer to General Reserve	30.00	25.00
Balance carried forward	1,689.20	1,562.86

DIVIDEND

Your Directors are pleased to recommend a dividend of 16% on the paid up capital of the Company for the year 2007-2008 which if approved at the forthcoming AGM will be paid to all those Equity Shareholders whose names appear (i) As Beneficial Owners as at the end of the business hours on 19th September, 2008 as per the list to be furnished by the depository in respect of the shares held in electronic form and, (ii) As members in the Register of Member of the Company after giving effect to all valid shares transfers in physical form lodged with the Company on or before 19th September, 2008.

OPERATIONS

Your Company has achieved a turnover of Rs. 18525.79 lacs as against the previous year's turnover of Rs. 17424.39 lacs i.e. an increase of Rs. 1101.40 lacs. The Company has been successful in increasing its export sales from Rs 1299.10 lacs in previous year to Rs. 1530.46 lacs in current year i.e. an increase of Rs. 231.36 lacs.

LISTING OF SHARES

The company issued 30,00,000 Zero Coupon Convertible Warrants on 12th August 2005. Out of which, 27,50,000 Zero Coupon Convertible Warrants were converted into 27,50,000 Equity Shares on 9th February, 2007 and got listed at Bombay Stock Exchange and Delhi Stock Exchange on 22nd October, 2007 and 25th January, 2008 respectively.

EXPANSION AND DIVERSIFICATION

The Company currently has one manufacturing plant situated at Bhigan, Dhatoori Road, Tehsil Ganour, Murthal, Haryana. Baddi project is on hold and the company is reviewing the feasibility of the project.

JOINT VENTURE AGREEMENT

As you are aware of that your Company entered into a joint Venture Agreement(JV) on 1st August, 2006 with Rexam Beverage Can (India Holdings) Limited, U.K, a Rexam PLC, UK Group Company, the world leader in two



piece Beverage Cans and also entered into other allied agreements. The JV, under the name and style of Rexam HTW Beverage Can (India) Limited, is first of its kind in India and it would benefit from the synergies of the JV Partners especially the technical and global best practices brought in by Rexam and the established capabilities of Hindustan Tin Works Limited in the domestic market. The JV is established to manufacture, distribute and market two piece cans and this would provide a strategic advantage to the JV and its Partners. The JV Company is under the process of updating its capacity to over 400 million cans per annum which is expected to be completed by October, 2008.

DIRECTORS

In terms of the provisions of Section 255 & 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Manoj Jain and Mr. M. K. Zutshi retire at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Mr. Manoj Jain was appointed in the Board Meeting as additional Director w.e.f. 29th January, 2007 in the Board Meeting held on 29th January, 2007 which was approved by the Shareholders at the Annual General Meeting held on 27th September, 2007.

Mr. Sudhir Sachdeva was appointed in the Board Meeting as additional Director w.e.f. 30th April, 2007 in the Board Meeting held on 30th April, 2007 which was approved by the Shareholders at the Annual General Meeting held on 27th September, 2007.

DIRECTORS' 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 2007-2008 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 Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting any possible fraud and other irregularities.
- (d) We have prepared accounts 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.

FIXED DEPOSITS

During the year under review, the company has not accepted any deposit under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

CORPORATE GOVERNANCE

A report on Corporate Governance, along with a certificate from the Statutory Auditors of the Company detailing the compliance of Corporate Governance norms as enumerated in clause 49 of the listing agreements with the Stock Exchanges, is annexed as Annexure - II.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGERIAL PERSONNEL

The Company has laid down a code of conduct for the Board Members and Senior Managerial Personnel of the Company. All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the year 2007-2008. A declaration by Mr. Sanjay Bhatia, Managing Director, as to the compliance of the Code of Conduct by the Board of Members and Senior Managerial personnel, has been placed before the Board at its meeting held on 26th July, 2008, is enclosed as Annexure - III.

**DISCLOSURES**

The CEO and Chief Financial Officer (CFO) have furnished to the Board at its meeting held on 26th July, 2008 a certificate with regard to the financial statements and other matters of the Company as on 31st March 2008 as required under clause 49 of the Listing Agreement.

No penalty or stricture was imposed on the Company by any statutory authority for non-compliance on matter related to capital markets, during the last three years.

The Company is complying with all the mandatory requirements of the Listing Agreement of Stock Exchanges on 'Corporate Governance'.

AUDITORS

M/s M. L. Puri & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received intimation to the effect that their re-appointment, if made would be within the prescribed limits under Section 224 (1-B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of Sub-Section (3) of Section 226 of the Companies Act, 1956, for such appointment.

PERSONNEL

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 as amended, is not provided as there are no employees covered under it.

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, 2008 is given in Annexure – IV.

ACKNOWLEDGEMENT

The Board wishes to place on record with deep sense of satisfaction, their appreciation for the high degree of professionalism, commitment and dedication displayed by employees at all levels and the guidance, co-operation and assistance extended to the Company by its Bankers, Shareholders, Customers and Suppliers.

For & on behalf of Board

Place : New Delhi
Date : 26th July, 2008

(VIJAY BHATIA)
Chairman

**ANNEXURE-I****THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

According to the revised estimates released by Central Statistical Organisation, the GDP growth for Financial year 2007-08 stood at 9% as against 8.7% in the Advance Estimates. Thus inspite of increased global uncertainties and slowing down of US Economy, Indian Economy performed better.

However during 2007-08, the manufacturing sector of Indian Economy grew by 8.8% compared to 12% in 2006-07, despite of this your Company has achieved a turnover of Rs. 18525.79 lacs as against the previous year's turnover of Rs. 17424.39 lacs i.e. an increase of Rs. 1101.40 lacs. The Company has been successful in increasing its export sales from Rs 1299.10 lacs in previous year to Rs. 1530.46 lacs in current year i.e. an increase of Rs. 231.36 lacs (18%), however in dollar terms the exports of the Company have increased by 32% due to Rupee, dollar parity.

The time ahead is full of global uncertainties and challenges. The crude oil prices are touching record high, steel and other input costs are also rising as never before, Sensex is continuously lowering down. Even though your Company is putting all its efforts and expects to achieve good growth in production and sales during the coming year.

OPPORTUNITIES & THREATS

Our Company is a leading and established Company in tin packaging industry. We are keenly conscious of the emerging opportunities in the can manufacturing sector and we shall endeavor to take benefit of every good opportunity in the very best interest of our members.

Followings are the opportunities and threats of our Company:

OPPORTUNITIES

1. Historical established performance.
2. Established customer profile and wide customer base.
3. Reputation for quality well established brand.
4. Edge in raw material procurement.
5. Ability to expand and diversify.
6. Expansion in export market.
7. Professionally & technically qualified Human Resource.
8. Priority of the Government to promote Food Processing Industry.
9. Significant incentives in North India.
10. Innovation and new product development.

THREATS

1. Global competition.
2. High increase in steel and other input cost.
3. Foreign Currency rate fluctuations.
4. Competition from unorganized sector.
5. Shrinking margin.
6. Alternate packaging materials
7. Heavy dependence of customers on weather conditions.

PRODUCT WISE PERFORMANCE

The performance of the Company has been satisfactory in the areas like Dairy Products, Processed Foods, Coffee and Export. Our company has been successful in entering into non-food areas like paints, pesticides,