

# 54TH ANNUAL REPORT 2011-2012

HUNDREDS OF PRODUCTS...

*One Can!*



## HINDUSTAN TIN WORKS LIMITED

## **HTW'S CORPORATE SOCIAL RESPONSIBILITY (CSR)**

**1. HUMBLE CONTRIBUTION TOWARDS SCHOOL BUILDING FOR CHILDREN WITH SPECIAL NEEDS.**

**2. SPONSORING STUDENTS FOR UPSCALING HUMAN CAPITAL PROJECT.**

**3. SPONSORING SCHOOL FOR A YEAR IN DHOULANA BLOCK, GHAZIABAD DISTRICT, UP**

**4. CANVIRONMENTWEEK**

- The underlying theme of our initiative of Canvirement Week was also to uplift the lives of the rag pickers, who are identified as the cog in the recycling wheel. During the year, we also worked with an NGO and organized their health check up programs, painting competition, refurbished their children's school etc.

**5. OTHERS**

Contributed:

- For helping people affected by fire at the Ghazipur Landfills through NGO
- For helping the needy and poor people who need care and affection.
- For retarded children education.



# *54th Annual Report 2011-2012*

## **CONTENTS**

<b>Particulars</b>	<b>Page No.</b>
Notice	2-4
Directors' Report	5-21
Auditors' Report	22-25
Balance Sheet	26
Statement of Profit & Loss Account	27
Cash Flow Statement	28
Notes to Balance Sheet & Profit & Loss Account	29-50
Proxy Form/Attendance Slip	51

### **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. B.L.KHURANA (DIRECTOR)
6. MR. RAMESH KUMAR JAIN (DIRECTOR)
7. MR. M.K. ZUTSHI (DIRECTOR)
8. MR. DEEPAK PAHWA (DIRECTOR)
9. MR. MANOJ JAIN (WHOLE TIME DIRECTOR)  
Resigned w.e.f. 12th August 2011
10. MR. P. P. SINGH (WHOLE TIME DIRECTOR)  
Appointed w.e.f. 12th August 2011

### **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**

1. Punjab National Bank
2. State Bank of India
3. Standard Chartered Bank

### **SHARE TRANSFER AGENTS**

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

### **REGISTERED OFFICE**

488, Bartan Market,  
Sadar Bazar,  
Delhi-110006

### **CORPORATE OFFICE**

426, DLF TOWER-A  
JASOLA  
NEW DELHI-110025  
Website : [www.hindustantin.biz](http://www.hindustantin.biz)  
E- mail : [info@hindustantin.co.in](mailto:info@hindustantin.co.in)

### **FACTORY**

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

### **OTHER OFFICES**

- A) 816, Tulsiani Chambers,  
Nariman Point, Mumbai
- B) KN/B-16, Gali No. 10,  
Anand Parbat Indl. Area,  
New Delhi



### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the **54<sup>th</sup> Annual General Meeting** of the Members of Hindustan Tin Works Limited will be held at Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi on Friday, 28th September, 2012 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, 2012 and the Profit & 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 2012.
- (3) 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.
- (4) To appoint a Director in place of Mr. B.L. Khurana 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 authorize the Board of Directors of the Company to fix their remuneration.

#### **SPECIAL BUSINESS**

##### **(6) INCREASE IN BORROWING POWERS UNDER SECTION 293 (1) (d) OF THE COMPANIES ACT, 1956**

To consider and, if thought fit, to pass with or without modifications, the following Resolution as a **SPECIAL RESOLUTION**.

"RESOLVED that pursuant to Section 293(1) (d) and all other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the earlier Resolution passed at the Extra-Ordinary General Meeting held on 28th July, 2005, the consent of the Company be and is hereby accorded to the Board of Directors to borrow such sum or sums of money in any manner from time to time as may be required for the purpose of the business of the Company with or without security and upon such terms and conditions as it may deem fit, notwithstanding that money borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) may exceed the aggregate of paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose, provided that total amount so borrowed by the Company and outstanding at any time shall not exceed the sum of Rs. 1,50,00,00,000/- (Rupees One Hundred Fifty Crores only).

By order of the Board

Place : New Delhi  
Date : 09<sup>th</sup> August, 2012

**Rajat Pathak**  
VP (Finance) & Company Secretary

#### **Registered Office :**

488, Bartan 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 TO 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, 22th September, 2012 to Friday, 28th September, 2012 (both days inclusive).
3. The dividend, if declared at the meeting, will be paid on or after 28th September, 2012 to those members whose names appear:
  - a. As Beneficial Owners as at the end of the business hours on 21st September, 2012 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 Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 21st September, 2012.
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 Complex,  
 New Delhi - 110062.
5. An Explanatory Statement pursuant to Section 173 (2) of the Companies act, 1956, relating to Item No. 6 of this notice, setting out the material facts is annexed hereto.
6. The Shareholders are requested to update their Contact address and e mail address.
7. Shareholders are requested to get their shares converted from physical form to DEMAT form.
8. Claim of Unclaimed Dividend, if any, for the financial years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 (Interim & Final) and 2010-11 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 2004-05 is due for transfer during October, 2012 to "Investors Education and Protection Fund" established by the Central Government under section 205C of the Companies Act, 1956.
9. The members/proxies are requested to bring their copy of Annual Report while attending the 54th 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. M.K. Zutshi and Mr. B.L. Khurana retire by rotation and seek 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.



12. As a part of "Green Initiative in the Corporate Governance", the Ministry of Corporate Affairs vide its circular no.s 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011 respectively, has permitted the companies to serve the documents, namely, Notice of General Meeting, Balance Sheet, profit & Loss Account, Auditors' Report, Directors' Report, etc., to the members through e-mail. The shareholders holding shares in physical form are requested to register their e-mail address with the Registrar & Share Transfer Agent by sending duly signed request letter quoting their Folio no., name and address. In case of shares held in demat form, the shareholders may register their e-mail addresses with their DPs (Depository Participants).

**Annexure to the Notice dated 09th August, 2012****EXPLANATORY STATEMENT Pursuant to Section 173 (2) of the Companies Act, 1956****ITEM NO. 6**

Your Company has borrowed funds from Banks /Financial Institutions and /or outside agencies from time to time subject to necessary approvals, if any, depending upon the needs of the Company and projects in hand or planned in the near future. So keeping in mind the future plans for expansion / diversification, Company may need to borrow additional funds beyond the approved limit of Rs. 100 crores. The total borrowings including the proposed borrowing may cross the existing approved limits of Rs. 100 Crores. Therefore, your Board of Directors has proposed to increase the existing borrowing limits from Rs.100 Crores to Rs.150 Crores. Shareholders are requested to pass the proposed resolution with or without modifications as a special resolution.

None of the Directors of the Company are concerned or interested in the aforesaid resolution.

By order of the Board

Place : New Delhi  
Date : 9<sup>th</sup> August, 2012

**Registered Office :**

488, Bartaan Market  
Sadar Bazar,  
Delhi-110006

**Rajat Pathak**  
VP (Finance) & Company Secretary

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have great pleasure in presenting the 54<sup>th</sup> Annual Report together with the Audited Annual Accounts of the Company for the financial year ending 31st March 2012

**FINANCIAL RESULTS**

The performance of the company for the financial year ended 31st March, 2012 is summarized below:

	<b>(Rupees in Lacs)</b>	
	<b>2011-2012</b>	<b>2010-2011</b>
Profit before Interest, Depreciation, & Tax	<b>2183.05</b>	3044.24
Less : Financial Charges	<b>914.15</b>	914.22
Depreciation	<b>433.61</b>	415.73
Provision for Tax (including Wealth Tax)	<b>235.07</b>	522.80
Deferred Tax	<b>31.02</b>	63.67
Profit after Tax	<b>569.20</b>	1127.82
Add: Balance brought forward	<b>3739.25</b>	2891.21
Balance available for appropriation	<b>4308.45</b>	4019.03
Less : Appropriations:		
Dividend (Incl. Div. Tax)	<b>84.61</b>	169.78
Transfer to General Reserve	<b>60.00</b>	110.00
Balance carried forward	<b>4163.84</b>	3739.25

**DIVIDEND**

Your Directors are pleased to recommend a dividend @ Rs.0.70 per Equity Share (7%) on the paid up capital of the Company for the year 2011-12, 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 21st September, 2012 as per the list to be furnished by the depository in respect of the shares held in electronic form and, (ii) As member in the Register of Members of the Company after giving effect to all valid shares transfers in physical form lodged with the Company on or before 21st September, 2012.

**OPERATIONS**

Your Company could achieve turnover of Rs. 24664.41 lacs as against the previous year's turnover of Rs. 29478.43 lacs due to political turmoil and unrest in Middle East, grappling of Eurozone with its debts crisis and extremely challenging domestic business environment.

Due to high inflation, higher cost of production including high rate of interest, personnel & other costs, volatility in commodity prices, rupee depreciation and lower turnover during the year, your Company's PAT is reduced from Rs. 1127.82 lacs to Rs. 569.20 Lacs.

**TRADE MARK AND DESIGN**

During the year, your Company was granted Trade Mark registration of symbol and word "CANVIRONMENT" under Trade Marks Act, 1999, by the Trade Marks Registry, Delhi. Your Company was also granted Design registration of "SHAPED CAN" under the Design Act, 2000, by the Controller General of Patents, Designs and Trade Marks, Kolkata.



Your Company was also granted Design registration of "CAN OVERCAP WITH DIMPLES" under the Design Act, 2000, by the Controlled General of Patents, Designs and Trade Marks, Kolkata in June, 2012.

### **JOINT VENTURE**

As you are aware of that your Company entered into a joint venture Agreement (JV) on 01st 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. 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 has received very good response from the market.

As informed to you last year, the JV Partners decided to build a new high speed aluminum beverage can manufacturing line with capacity of 850 million cans p.a. and involving capital outlay of approx. Rs. 200 crores at its current site in Taloja which is in progress and the commercial production is expected to be commenced by end of August 2012.

### **DIRECTORS**

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

Mr. Manoj Jain, Whole Time Director, had resigned from the Board w.e.f. 12th August, 2011 and at his place Mr. P. P. Singh was appointed as a Whole Time Director of the Company by the Board in its meeting held on 12th August, 2011.

### **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 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 2011-2012 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 2011-2012. A declaration by Mr. Sanjay Bhatia, Managing Director, as to the compliance of the Code of Conduct by the Board Members and Senior Managerial personnel has been placed before the Board at its meeting held on 09th August, 2012, is enclosed as Annexure-III.

**DISCLOSURES**

The CEO and Chief Financial Officer (CFO) have furnished to the board in its meeting held on 09th August, 2012, a certificate with regard to the financial statements and other matters of the Company as on 31st March 2012 as required under clause 49 of the listing agreement.

No material 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.

**COST AUDITORS**

The notification no. 52/26/CAB-2010 dtd. 30th June 2011, issued by the Ministry of Corporate Affairs made the audit of cost accounts compulsory relating to steel under chapter 72 and 73 of the Central Excise Tariff Act, 1985 in respect of each of its financial year commencing on or after 1st April 2011. Thus as per the above stated requirement of Central Government and pursuant to section 233B of the Companies Act, 1956, your company has appointed M/s K.S Bhatnagar & Associates, Cost Accountants as Cost Auditors to audit the cost accounts of the Company for the financial year 2011-12 and 2012-13.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your company believes in formulating adequate and effective internal control system and implementing the same to ensure that assets and interests of the Company are safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances. The internal control system is improved continuously to meet the changes in business conditions and statutory and accounting requirements as required from time to time.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. The Company has a robust Management information system which is an integral part of the control mechanism.



The Audit Committee of Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken.

**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, 2012 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 : 09th August, 2012

**(VIJAY KUMAR BHATIA)**  
Chairman