

**59th ANNUAL REPORT  
2016-2017**

HUNDREDS OF PRODUCTS...

*One Can!*



**HINDUSTAN TIN WORKS LIMITED**

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

### **CONTRIBUTION TOWARDS:**

- Access to safe Drinking water project at Halyaki and Mangwaki, Haryana.
- Providing RO Plant & Water Cooler at Educational Institution at Sonapat, Haryana.
- Skill development training program for enhancing employability of youth and women living in the village of Mangwaki Village, Pataudi, Haryana.
- Education to poor children specially rag pickers and girl children.
- Helping children with special needs.
- Treatment of needy patients.



# 59<sup>th</sup> Annual Report 2016-2017

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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. B.L. Khurana (Director)
6. Mr. Ramesh Kumar Jain (Director)
7. Mr. M.K. Zutshi (Director)
8. Mrs. Aarti Sawhney (Director)
9. Mr. P.P. Singh (Whole Time Director)

### V.P. (FINANCE) & COMPANY SECRETARY

Mr. Rajat Pathak

### AVP (ACCOUNTS) & CFO

Mr. M.K. Mittal

### AUDITORS

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

### COST AUDITORS

M/s K.S. Bhatnagar & Associates  
Cost & Management Consultants  
A-12-A, DDA Flats, Munirka  
New Delhi - 110067

### SECRETARIAL AUDITOR

M/s. Gupta Vinod & Company  
Company Secretaries  
107, 1st Floor, C-240,  
Pandav Nagar, Delhi-110092

### BANKERS

Punjab National Bank  
State Bank of India  
Standard Chartered Bank  
Kotak Mahindra Bank  
HDFC Bank  
Yes Bank  
Tata Capital Financial Services Ltd.

### SHARE TRANSFER AGENT

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 & CORPORATE OFFICE

426, DLF Tower -A, Jasola,  
New Delhi -110025,  
Phone : - 4999 8888  
Website : www.hindustantin.biz  
E- mail : info@hindustantin.co.in

### FACTORY

V.& P.O. Bhigan, Dhatoori Road, Tehsil Ganour,  
Murthal, Distt. Sonapat (Haryana)-131039

### OTHER OFFICE

KN/B, 16 & C-10, Gali No. 10  
Anand Parbat Indl. Area, New Delhi



## **DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have great pleasure in presenting the 59th Annual Report together with the Audited Annual Accounts of the Company for the financial year ending 31st March 2017.

### **FINANCIAL RESULTS**

The performance of the Company for the financial year ended 31st March, 2017 is summarized below:

	<b>(Rupees in Lacs)</b>	
	<b>2016-2017</b>	<b>2015-2016</b>
Profit before Interest, Depreciation, & Tax	<b>2739.80</b>	3619.85
Less:		
Financial Costs	<b>896.47</b>	948.26
Depreciation and Amortization expense	<b>796.33</b>	785.56
Provision for Tax	<b>328.50</b>	427.50
Deferred Tax	<b>6.00</b>	56.27
Profit after Tax	<b>712.50</b>	1402.26
Add: Balance brought forward	<b>7214.34</b>	6037.24
Balance available for appropriation	<b>7926.84</b>	7439.50
Less: Appropriations:		
Dividend (Incl. Div. Tax)	<b>125.17</b>	125.17
Transfer to General Reserve	<b>100.00</b>	100.00
Balance carried forward	<b>7701.67</b>	7214.33

### **DIVIDEND**

Your Directors are pleased to recommend a dividend @ Rs. 1.00 per Equity Share (10%) on the paid up capital of the Company for the year 2016-17, 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 20th September, 2017 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 20th September, 2017. Your Directors also proposed to carry Rs. 1 crores to its General Reserve.

### **OPERATIONS**

Your Company could achieve turnover of Rs.26735.38 lacs as against the previous year's turnover of Rs. 29795.00 lacs i.e. Decrease of Rs. 3059.62 lacs (10.27%). The export sale of the Company has been decreased from Rs. 7273.93 lacs in previous year to Rs. 5297.81 lacs in current year i.e. Decrease of Rs. 1976.12 lacs (27.17%).

Your Company has achieved PAT of Rs. 712.50 lacs as against the previous year of Rs. 1402.26 lacs i.e. Decrease of Rs. 689.76 lacs (49.19%).

Previous year figure of PAT includes Rs. 917.30 Lacs as Income from Exceptional Items.

### **DIRECTORS**

In terms of the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company Mr. P.P. Singh retires at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Board of Directors of the Company has a healthy blend of executive and non executive Directors which ensures the desired level of independence in functioning and decision making.

All the non executive Directors are eminent professional and bring in wealth of expertise and experience for directing the management of the Company.



### Independent Directors

All the Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation. In accordance with Section 149(7) of the Companies Act, 2013, each Independent Director has given a written declaration to the Company that he/she meets the criteria of Independence as mentioned under Section 149(6) of the Companies Act, 2013 and SEBI Regulations.

### Key Managerial Personnel

The following persons have been designated as Key Managerial Personnel (KMP) of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed there under.

1. Mr. Vijay Kumar Bhatia, Chairman
2. Mr. Sanjay Bhatia, Managing Director
3. Mr. Ashok Kumar Bhatia, Whole-Time Director
4. Mr. P.P. Singh, Whole-Time Director
5. Mr. Rajat Pathak, Company Secretary
6. Mr. M.K. Mittal, Chief Financial Officer

None of the Key Managerial Personnel have resigned during the year under review.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013 with respect to directors' responsibility statement, it is hereby confirmed that: -

- (a) In the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any.
- (b) The Directors 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 as at 31st March, 2017 and of the profit of the Company for that period.
- (c) We had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) We had prepared the Annual Accounts on a going concern basis.
- (e) We had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. and
- (f) We had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report in the form of Management Discussion and Analysis as per Part B of Schedule V of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015), as a part of this report is annexed hereto as Annexure - I.

### RISK MANAGEMENT

The Company has in place a Risk Management Policy which was reviewed by the Audit Committee and approved by the Board of Directors of the Company. The Policy provides for a robust risk management framework to identify and assess risks such as operational, strategic, financial, security, property, regulatory, reputational and other risks and put in place an adequate risk management infrastructure capable of addressing these risks. The Audit Committee of the Company also evaluates Internal financial controls and risk management systems.

### LOANS AND INVESTMENTS BY THE COMPANY

Details of loans and investments, if any, made by the Company are given in notes to the financial statements.

**DEPOSITS**

During the year under review, the company has not accepted any deposit under Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

**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 Part C of Schedule V of Regulation 34(3) of Listing Regulations, 2015 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 2016-2017. A declaration signed 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 11 August, 2017, is enclosed as Annexure-III.

**VIGIL MECHANISM**

The Company has in place a whistle blower policy, to support the Code of Business Ethics. This policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual or suspected fraud or any violation of Company's Code of Business Ethics at a significantly senior level without any fear of rejection. Individuals can raise their concerns by an e-mail, or telephone or direct interaction or by a letter to the Chairman of the Audit Committee of the Company. The Policy on vigil mechanism and whistler blower policy may be accessed on the Company's website at the link: [http://hindustantin.biz/Uploads/Investor/165lnvr\\_new-1.pdf](http://hindustantin.biz/Uploads/Investor/165lnvr_new-1.pdf) and it duly forms a part of corporate governance.

**DISCLOSURES**

The CEO and Chief Financial Officer (CFO) have furnished to the Board in its meeting held on 27th May, 2017 a certificate with regard to the financial statements and other matters of the Company as on 31st March 2017 as required under Part B of Schedule II of Regulation 17 (8) of Listing Regulations, 2015.

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 Regulations of Stock Exchanges on 'Corporate Governance'.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators/or Courts which would impact the going concern status of the Company and its future operations.

**AUDITORS**

In terms of the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. M.L. Puri & Co., Chartered Accountants (Firm Registration No. 002312N), the Auditors of your Company shall hold office till the conclusion of the ensuing AGM and they shall not be eligible for re-appointment due to expiry of the maximum permissible tenure as the Auditors of your Company. Your Board places on record its deep appreciation for the valuable contributions of the Auditors during their long association with the Company and wishes them all the success in future.

Based on the recommendation of the Audit Committee, your Board at its meeting held on August 11, 2017, appointed M/s. Mukesh Raj & Co., Chartered Accountants (Firm Registration No. 016693N), as the Auditors of the Company, in place of the retiring auditors M/s. M.L. Puri & Co., Chartered Accountants, to hold office from the conclusion of the ensuing 59th AGM until conclusion of the 64th AGM of your Company to be held in the year 2022, subject to approval of the Members of the Company at the ensuing AGM and ratification by the Members of the Company every year thereafter, if required.

The Company has received a certificate from M/s. Mukesh Raj & Co., Chartered Accountants Chartered Accountants confirming their eligibility to be appointed as Auditors of the Company in terms of the provisions of Section 141 of the Companies Act, 2013 and Rules framed thereunder. They have also confirmed that



they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the provisions of Regulation 33 of the Listing Regulations. The proposal for their appointment has been included in the Notice convening the 59th AGM for obtaining approval of the Members of the Company.

#### **COST AUDITORS**

The Company has appointed M/s K.S. Bhatnagar & Associates, Cost Accountants for conducting cost audit of the Company for the financial year ending 31st March, 2018. For the financial year 2015-16, the Cost Auditor has duly filed the Cost Audit Report as per details below:-

Financial year	Due date of filing	Date of filing
2015-16	29.09.2016	27.09.2016

#### **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Gupta Vinod & Company, Practicing Company Secretaries, as secretarial auditor of the Company for the financial year ended March 31, 2017, to conduct the Secretarial Audit of the Company and their report is annexed herewith as Annexure - IV and this report does not contain any qualification, reservation or adverse remark.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Board of Directors on recommendation of the CSR Committee already formulated the CSR policy of the Company. The CSR activities of the Company are implemented in accordance with the core values viz. protecting stakeholder interests, grow in a socially and environmentally responsible way and striving towards inclusive development.

The Company has identified some important areas of engagement which are as under:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the swachh Bharat kosh set up by the Central Government for the promotion of the sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centre and such other facilities for senior citizen and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environment sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintain quality of soil, air and water including contribution to the clean Ganga fund set up by the Central Government for rejuvenation of river Ganga;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- Measures for the benefits of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Casts, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects.

Details of CSR expenditure is forming part of annual report and annexed as Annexure - V

#### **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 appraised of the internal audit findings and corrective actions taken.

#### CREDIT RATING

In the previous year 2016-17 Company had obtained credit rating from ICRA, which was "A-" for long term and "A2+" for short term. The credit rating for 2017-18 is under review.

The rating derives strength from the Company's significant presence in India's Can Manufacturing sector, technologically advanced operations, proven management capability.

#### REMUNERATION

Disclosure pursuant to Section 197(12) of Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided below:

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2016-17:

Directors	Nature of Directorship	Ratio
Mr. Vijay Kumar Bhatia	Whole Time Director	18.7:1
Mr. Sanjay Bhatia	Managing Director	63.1:1
Mr. Ashok Kumar Bhatia	Whole Time Director	25.2:1
Mr. Ramesh Kumar Jain	Non-executive Independent Director	0.6:1
Mr. Bihari Lal Khurana	Non-executive Independent Director	0.7:1
Mr. M. K. Zutshi	Non-executive Independent Director	0.3:1
Mr. Nand Prakash Sahni	Non-executive Independent Director	0.6:1
Mrs. Aarti Sawhney	Non-executive Independent Director	0.3:1
Mr. Prit Pal Singh	Whole Time Director	8.2:1

\*computed based on annualized remuneration.

- (ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year:

The annual increase in the salary of Managing Director, Whole Time Director, Company Secretary and CFO is as below:

Name	Designation	Annual Increase	Percentage
Mr. Sanjay Bhatia	Managing Director	From Rs. 65,46,726/- to Rs. 94,09,170/-	43.7%
Mr. Vijay Kumar Bhatia	Whole Time Director	Rs. 27,82,080/- No increase	0%
Mr. Ashok Kumar Bhatia	Whole Time Director	From Rs. 32,42,080/- to Rs. 37,63,200/-	16.1%
Mr. P.P. Singh	Whole Time Director	From Rs. 11,54,400/- to Rs. 12,27,984/-	6.4%
Mr. Rajat Pathak	VP (Finance) & Company Secretary	From Rs. 22,00,080/- to Rs. 23,67,954/-	7.6%
Mr. M. K. Mittal	AVP (Accounts) & CFO	From Rs. 14,43,240/- to Rs. 15,67,539/-	8.6%

- (iii) the percentage increase in the median remuneration of employees in the financial year: 4.47 %





- (iv) the number of permanent employees on the rolls of Company: 465 (Four hundred and Sixty Five), as on 31 March, 2017.
- (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The average increase in the remuneration\* of employees was 4.47% other than the managerial personnel in the last financial year whereas the average increase in the remuneration of managerial personnel was 8.65% thus there was not any exceptional circumstances for increase in the managerial remuneration.
- \*It does not include incentive bonus, leave encashment, gratuity, ex gratia being onetime payment/ based on net profit/production performance/payments to LIC of India.
- (vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company:
- The remuneration is as per the Remuneration Policy of the Company.

#### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Adhering to the provisions of Companies Act, 2013, relevant amounts which remained unpaid or unclaimed for periods of 7 years have been transferred by the Company, from time to time on or before due date to the Investor Education and Protection Fund.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION AND REDRESSAL) ACT, 2013**

The Company has been employing women employees in various cadres within its premises. The Company has in place a policy against Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no complaint received from any employee during the financial year 2016-17 and hence no complaint is outstanding as on 31st March, 2017.

#### **PERSONNEL**

Particulars of employees as required under the provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, 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 (m) of Sub-Section (3) of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are forming part of the Directors' Report for the year ended 31st March, 2017 is given in Annexure - VI.

#### **RELATED PARTY TRANSACTIONS**

All related party transactions entered into by the Company during the year were on an arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with promoters, directors, key managerial personnel or other designated persons which may have potential conflict with the interest of the Company at large .

All related party transactions that were entered into during the financial year were on an arm's length basis. Details of such transactions are given in the Annexure - VII to this report.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith in Annexure -VIII.

**BADDI LAND**

The District Collector, Solan issued a Show Cause Notice to the Company under Section 118 of the H.P. Tenancy and Land Reforms Act. It was alleged that the Company has violated the terms and conditions of the Section 118 of the H.P. Tenancy and Land Reforms Act. The Collector held that the Company has violated the provisions of Section 118 of the H.P. Tenancy and Land Reforms Act, therefore, ordered the vestment of the property in favour of the State of H.P. Being aggrieved, the Company has filed the appeal with Divisional Commissioner, Shimla and next date of hearing is in September, 2017 for final arguments.

**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 the Board

Place : New Delhi  
Date : 11th August, 2017

**(SANJAY BHATIA)**  
Chairman