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**47TH
ANNUAL REPORT
2004-2005**



HINDUSTAN TIN WORKS LIMITED

**HINDUSTAN TIN WORKS LIMITED**

47th Annual Report 2004-2005

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BOARD OF DIRECTORS

1. Shri Vijay Kumar Bhatia (Chairman)
2. Shri Sanjay Kumar Bhatia (Managing Director)
3. Shri Ashok Kumar Bhatia (Whole Time Director)
4. Shri Gaurav Bhatia (Whole Time Director)
5. Shri Rajendra Somani
6. Shri N.P. Sahni
7. Shri B.K. Batra
8. Shri Harish Mathotra
9. Shri Vijay Handa

COMPANY SECRETARY

Mrs. Archana Maini

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.
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre,
New Delhi-110062
Ph. No. : 011-29961281, 29961282

REGISTERED OFFICE

488, Barta Market,
Sadar Bazar,
Delhi-110006

CORPORATE OFFICE

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

FACTORY

V.&P.O.-Bhigan,
Dhatoori Road, Tehsil Ganour,
Murthal, Distt.-Sonapat (Haryana)
Ph. No. : 0130-2475771-73
Website : www.hindustantintin.co.in
Email : info@hindustantintin.co.in



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FINANCIAL HIGHLIGHTS

(Amount Rs. in Lakhs)

PARTICULARS	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
A. SALES AND EARNINGS					
Sales and other Earnings	15,170.45	13,696.34	12,218.43	11,425.51	9,542.66
Profit before taxes	365.30	260.98	250.83	266.88	231.45
Profit after taxes	256.80	190.22	162.06	212.88	217.26
Dividend	*61.97	*30.72	*30.65	*27.17	*65.76
Retained Earnings	194.83	159.50	131.41	185.71	151.50
Cash Accruals	609.36	508.85	493.76	494.71	486.25
* inclusive of Dividend Tax					
B. ASSETS AND LIABILITIES					
A. Fixed Assets (Gross)	4,011.84	4,038.50	3,958.32	3,808.02	3,758.89
Net (Inclusive of capital work in progress)	2,208.32	2,236.80	2,337.34	2,365.44	2,440.41
B. Net Current Assets	5,835.70	4,777.44	4,550.50	4,257.46	3,745.91
C. Investment	21.07	21.07	19.65	15.08	5.07
Total Assets (A + B + C)	8,065.09	7,035.31	6,907.49	6,637.98	6,191.39
C. NET WORTH					
A. Share Capital	543.46	543.46	543.46	543.46	543.46
B. Reserve and Surplus	2,698.19	2,642.15	2,428.55	2,243.09	2,344.69
Total (A + B)	3,241.65	3,185.61	2,972.01	2,786.55	2,888.15
** Deferred Taxation	241.70	268.20	298.69	298.00	-
D. BORROWINGS					
A. Long Term Loan	1,264.89	950.54	1,225.13	1,244.42	1,417.28
B. Short Term Loan	3,316.83	2,630.95	2,411.66	2,309.01	1,885.96
TOTAL BORROWING	4,581.72	3,581.49	3,636.79	3,553.43	3,303.24
TOTAL FUND	8,065.09	7,035.31	6,907.49	6,637.98	6,191.39
EARNING/EQUITY SHARE	4.72	3.50	2.98	3.92	3.99
BOOK VALUE/EQUITY SHARE (Incl. Revaluation Reserve)	59.64	60.04	54.68	51.27	53.14



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 47th Annual General Meeting of the Members of Hindustan Tin Works Limited will be held at Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi on Thursday, 29th September 2005 at 10.00 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2005 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, 2005.
3. To re-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 for reappointment, offers himself for re-appointment.
4. To re-appoint a Director in place of Mr. B.K. Batra 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.
5. To re-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.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. N.P. Sahni, who was appointed as an Additional Director by the Board of Directors of the Company pursuant to provisions of Article 91 of the Article of Association of the Company and who holds office upto the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

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

Archana Maini
(Company Secretary)

Place : New Delhi
Date : 30th July, 2005

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 24th September to 29th September, 2005 (both days inclusive).
4. The members are requested to notify immediately any change in their address exclusively on separate letters 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

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5. The members are requested to get their Share converted from physical form to DEMAT form.
6. Claims of Unclaimed Dividend, if any, for the financial year 1998-99, 1999-2000, 2000-01, 2001-02, 2002-03, 2003-04 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 1997-98 is due for transfer during October 2005 to "Investor Education and Protection Fund" established by the Central Government under section 205C of the Companies Act, 1956.
7. The members are requested to bring their copy of Annual Report while attending the 47th Annual General Meeting of the Company.

EXPLANATORY STATEMENT PURSUANT OT SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 6:**

Mr N.P. Sahni has been appointed as an Additional Director of the Company w.e.f. 23rd October, 2004 in the meeting of the Board of Directors held on 23rd October, 2004 Mr N.P. Sahni is an Independent Director. He has a very wide & rich experience in the field of Taxation, especially Income Tax Laws.

In terms of Section 260 of the Companies Act, 1956 and of the Article of Association of the Company, Mr. N.P. Sahni holds office as a director only up to the date of ensuing Annual General Meeting of the Company and is eligible for re-appointment as a Director of the Company.

The Company has received a valid notice under Section 257 of the Companies Act, 1956, alongwith the deposit of Rs. 500 from a member proposing the candidature of Mr. N.P. Sahni for the office of the Director.

The Board considers that his position as a Director will be beneficial and in the interest of the Company.

Yours directors recommend the resolution for approval of the members.

Except Mr. N.P. Sahni, none of the other Directors is, in any way, concerned or interested in the resolution.

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HINDUSTAN TIN WORKS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the 47th Annual Report together with the Audited Annual Accounts of the Company for the financial year ending 31st March, 2005.

FINANCIAL RESULTS

The performance of the company for the financial year ended 31st March, 2005 is summarised below:

	(Rupees in Lacs)	
	2004-2005	2003-2004
Profit before Interest, Depreciation & Tax	954.67	824.04
Less: Financial Charges	345.32	315.19
Less: Depreciation	191.46	185.83
Less: Misc. expenses written off	52.58	62.03
Less: Provision for Tax	135.00	101.25
Add/(Less): Deferred Tax	26.50	30.49
Profit after Tax	256.80	190.23
Add: Balance brought forward from last year	844.11	709.60
Balance available for appropriation	1,100.91	899.83
Less: Appropriations:		
Dividend (Incl.Div.Tax)	61.97	30.72
Transfer to General Reserve	25.00	25.00
Balance carried forward	1,013.94	844.11

DIVIDEND

Your Directors are pleased to recommend dividend at the rate of Rs. 1.00 per share for the year 2004-2005 which if approved at the forthcoming AGM will be paid to (i) all those Equity Shareholders whose names appear in the Register of Members as on 29th September, 2005 and (ii) to those whose names as beneficial owners are furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

OPERATIONS

Your Company has achieved a turnover of Rs. 14,448.02 Lacs as against the previous year's turnover of Rs. 13,065.63 lacs. This year, the Company has achieved an increase in sales and net profit after tax. The Company has been successful in increasing its export sales from Rs. 511.64 Lacs to Rs. 781.15 Lacs i.e. an increase of Rs. 269.51 Lacs approx.

PROJECTS EXPANSION AND DIVERSIFICATION

The Company is in the process of setting up a manufacturing plant in Maharashtra for manufacturing two piece cans. Effective steps have already been taken by the Company in terms of import of relevant machinery and construction of building. It is expected that the project should be ready for commercial production in First Quarter of 2006. Total cost of the project is approximately Rs. 50.00 Crores which is to be financed partly by the issue of 28,00,000 Equity Shares and 30,00,000 Zero Coupon Convertible Warrants on preferential basis to promoters and select group of persons and partly from Banks and Financial Institutions.

ISSUE OF EQUITY SHARES AND ZERO COUPON CONVERTIBLE WARRANTS

The authorized capital of the company was increased to 12,50,00,000 divided into 1,22,50,000 Equity Shares of Rs. 10 each and 2,50,000, 12% Cumulative Preference Shares of Rs. 10 each. Further shares are to be issued on preferential basis to select group of persons as approved by the Extra Ordinary General Meeting held on 28th July, 2005.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Rajendra Somani and Mr. B.K. Batra shall retire by rotation and being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting.

47TH ANNUAL REPORT 2004-2005**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 2004-2005 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.

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 and a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the listing Agreement with the Stock Exchanges, is annexed as Annexure-II.

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 are eligible for re-appointment. The Company has received letters from them to the effect that their 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) Rule 1975 as amended up to date, the names and other particulars of the employees 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, 2005 is given in Annexure-B of this report.

ACKNOWLEDGEMENT

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 Bankers, Shareholders, Customers and Investors. Your Directors also thank the employees at all levels, who through their dedication, motivation, co-operation and support have enabled the company to achieve rapid growth.

For & on behalf of Board

Place : Delhi
Date : 30th July, 2005

SANJAY BHATIA
Managing Director



HINDUSTAN TIN WORKS LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT

ANNEXURE-A

Name	Age	Designation	Remuneration	Qualification	Experience	Relation-ship with other Directors
Mr. Sanjay Bhatia	53 yrs.	Managing Director	Rs. 14,04,240/-	B.Com, LLB	28 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 : Electric ovens converted into Gas oven.
- b) Additional Investment and proposals, if any, being implemented for reduction consumption of energy. : The company has invested approximately Rs. 4.00 lacs on the major 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 : Down gangining in ends
Micro Lab
- 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 : Nil

C. Technology Absorption, Adaptation and Innovation

- 1) Efforts, in brief, made towards technology absorption, adaptation : Nil
- 2) Benefit derived as a result of the above efforts : Nil

47TH ANNUAL REPORT 2004-2005**ANNEXURE I****THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The year 2004-05 has been an eventful year for India. Indian economy registered a growth rate of around 6.9 per cent. The changing demographic and sociological factors, the increasing proportion of urban consumers, and the emergence of smaller families with working spouses, have increased the demand for processed food products, thereby increasing directly the sales volume of processed food industry and indirectly the market of related can manufacturing sector.

OPPORTUNITIES & THREATS

Our Company is a leading and established Company in tin packaging industry.

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. Non Availability of Two piece Cans in Indian Markets
9. Priority of the Government to promote Food Processing Industry.
10. Investment in Northern Region like Uttranchal and Jammu & Kashmir are resulting into business opportunities for Company.

THREATS

1. Global competition.
2. Foreign Currency rate fluctuations.
3. Competition from unorganised sector.
4. Shrinking margin.
5. Alternate packaging materials

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, shoe polish etc.

OUTLOOK

The outlook of the Company seems to be very progressive. The management of the Company is seriously engaged in the task of reducing overheads and other costs. Company has a vision to consolidate its position as leader in metal packaging segment.

RISK

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**

Although the price of steel meant for construction and automobiles industry shows decreasing trend the price of tin plate the major raw material for manufacturing of Tin Cans shows an increasing trend.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The internal control systems are aimed at promoting operational efficiencies while emphasizing adherence to policies. 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 internal control systems of the Company and continuous improvements are being made in the same. Budgets are prepared every year and the actual performance is compared to the budgeted performance. The variances are reviewed on monthly basis.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has registered approx. 11% increase in turnover during the year 2004-2005 as compared to the year 2003-2004. The Company has also registered an increase in profit after tax (PAT) during the year 2004-2005 as compared to the previous year 2003-2004. The Export Sales has increased by 52.67% as compared to the previous year.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL FUND

The Company's ability to deliver value products to clients depends largely on its ability to attract, train, motivate, empower and retain the best professionals. 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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