

61st ANNUAL REPORT

2018-2019

HUNDREDS OF PRODUCTS...

One Can!



HINDUSTAN TIN WORKS LIMITED

RECOGNIZED STAR EXPORT HOUSE

HTW'S CORPORATE SOCIAL RESPONSIBILITY (CSR)

CONTRIBUTION TOWARDS:

- Integrated Development of Government School- Upgrading Infrastructure of Government High School at Hassanpur, Sonapat, Haryana.
- Installation of Solar Lights in Hassanpur and Bhigan Village, Sonapat, Haryana.
- Skill development training program for enhancing employability of youth and women by sponsoring Vocational Training Course in Mobile Repair, Computers, Tailoring Course and Beauty culture & Mehendi in Delhi.
- Education to poor children specially rag pickers and girl children.
- Helping children with special needs.
- Treatment of needy patients & Health Care.
- Bharat Ke Veer for Martyrs.
- Prime Minister National Relief Fund for the families of Martyrs.



61st Annual Report 2018-2019

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BOARD OF DIRECTORS

1. Mr. Vijay Kumar Bhatia (Chairman) (Resigned w.e.f. 08.06.2019)
2. Mr. Sanjay Bhatia (Managing Director)
3. Mr. Ashok Kumar Bhatia (Whole time Director)
4. Mr. N.P. Sahni (Director)
5. Mr. Ramesh Kumar Jain (Director)
6. Mr. M.K. Zutshi (Director)
7. Mrs. Aarti Sawhney (Director)
8. Mr. P.P. Singh (Whole Time Director)

V.P. (FINANCE) & COMPANY SECRETARY

Mr. Rajat Pathak

CFO

Mr. M.K. Mittal

AUDITORS

Messrs Mukesh Raj & Co.
Chartered Accountants
C-63, 1st Floor
Preet Vihar,
Delhi-110092

COST AUDITORS

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

SECRETARIAL AUDITOR

Messrs 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.
RBL Bank

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 OFFICES

1. KN-C 10, KN Marg
Anand Parbat Indl. Area, New Delhi-110005
2. Village, Chikhodra, Dist. Anand,
Vadodara Gujarat - 388320

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have great pleasure in presenting the 61st Annual Report together with the Audited Annual Accounts of the Company for the financial year ending 31st March 2019.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March, 2019 is summarized below:

	(Rupees in Lacs)	
	2018-2019	2017-2018
Profit before Interest, Depreciation, & Tax	3114.69	3321.61
Less:		
Financial Costs	1082.26	972.95
Depreciation and Amortization expense	763.39	793.09
Provision for Tax	447.64	603.48
Deferred Tax	31.95	(12.10)
Profit for the year	789.45	964.19
Other Comprehensive Income (Net of tax)	3.53	28.86
Total Comprehensive Income for the year	792.98	993.05

NATURE OF BUSINESS

Hindustan Tin Works Ltd. is one of the leading manufacturer and exporter of high performance cans, printed sheets, and related components to consumer marketing companies in India and abroad. It is one of the leading and established Company in Metal Packaging Industry.

We are keenly conscious of the emerging opportunities in the can-manufacturing sector in India as well as abroad. During the year under review, there was no change in nature of the business of the Company.

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 2018-19, 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, 2019 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, 2019.

TRANSFER TO RESERVES

It is not proposed to transfer any amount to reserves out of the profits earned during financial year 2018-19.

OPERATIONS

Your Company could achieve revenue from operations (net of GST) of Rs.33635.77 lakhs as against the previous year's revenue from operations (net of excise duty) of Rs. 31452.15 lakhs i.e. Increase of Rs. 2183.62 lakhs (6.94%). The export sale of the Company has been decreased from Rs. 7380.97 lakhs in previous year to Rs. 6775.52 lakhs in current year i.e. Decrease of Rs. 605.45 lakhs (8.20%).

Your Company has achieved total comprehensive income of Rs. 792.98 lakhs as against the previous year of Rs. 993.05 lakhs i.e. Decrease of Rs. 200.07 lakhs (20.14 %).

**SUBSIDIARY COMPANIES AND FINANCIAL STATEMENTS**

Your Company does not have any subsidiaries and hence Form AOC-1 is not applicable.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements, and related information of the Company are available on the website of the Company - www.hindustantins.biz.

DIRECTORS

In terms of the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company Mr. Sanjay Bhatia 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.

During the year under review, Mr. B.L. Khurana, Independent Director/ Non Executive Director of the Company, has resigned from the Board with effect from 26th May, 2018.

Mr. Vijay Kumar Bhatia, Whole Time Director/ Executive Director of the Company has resigned from the Board of the Company w.e.f. 8th June, 2019.

DECLARATION BY 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 Listing Regulations, 2015.

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 except Mr. Vijay Kumar Bhatia, Whole Time Director/ Executive Director of the Company has resigned from the Board of the Company w.e.f. 8th June, 2019.

EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 2015, the Board carried out annual performance evaluation of its own performance, its committees and individual directors. The manner in which the performance evaluation was carried out is given in detail in the Corporate Governance Report, annexed to this Report.

**MEETINGS OF THE BOARD**

During the year, four meetings of the Board of Directors were held, particulars of attendance of directors at the said meetings are given in the report on Corporate Governance Report, which forms part of this Report.

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, 2019 and of the profit of the Company for the year ended on that date.
- (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 proper 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 2018-2019. 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 13th August, 2019, 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/165Invr_Vigil_Mechanism_Policy.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 29th May, 2019 a certificate with regard to the financial statements and other matters of the Company as on 31st March 2019 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

Messrs Mukesh Raj & Co, Chartered Accountants, (Firm Registration No. 016693N), were appointed as Statutory Auditors of the Company at the 59th Annual General Meeting held on 27th September, 2017, for a period of five consecutive years from the conclusion of the 59th Annual General Meeting until the conclusion of the 64th Annual General Meeting, subject to ratification by Members of the Company at every Annual General Meeting to be held thereafter.

The requirement of seeking ratification of the members for continuance of Statutory Auditors appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 w.e.f. May 7, 2018. Hence, the resolution seeking ratification of the members for their appointment is not being placed at the ensuing Annual General Meeting.

The Auditors' Report to the Members on the Accounts of the Company for the year ended March 31, 2019 is a part of the Annual Report. The said Audit Report does not contain any qualification, reservation or adverse remark. During the year, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

COST AUDITORS

The Company has appointed Messrs K.S. Bhatnagar & Associates, Cost Accountants for conducting cost audit of the Company for the financial year ending 31st March, 2020. For the financial year 2017-18, the Cost Auditor has duly filed the Cost Audit Report as per details below :-

Financial year	Due date of filing	Date of filing
2017-18	20.10.2018	18.10.2018

**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 Messrs Gupta Vinod & Company, Practicing Company Secretaries, as secretarial auditor of the Company for the financial year ended March 31, 2019, 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.

During the year, your Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India.

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 implemented various CSR projects in the areas like Promotion of education & skill development, Healthcare, Rural Development, Drinking Water Project and Clean Environment, etc. These are in accordance with Schedule VII of the Companies Act, 2013.

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 2018-19 Company had obtained credit rating from ICRA, which was "A-" for long term and "A2+" for short term. The credit rating for 2019-20 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 POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy to ensure that Company's Directors, Key Managerial Personnel and other senior management employees are sufficiently incentivised for enhanced performance. Remuneration should be reasonable and sufficient to attract and retain employees. Independent Directors receive remuneration by way of sitting fees for attending meetings of Board and Board Committees (where they are members) and other matters, provided under Section 178(3) of the Act and Part D of Schedule II of the Listing Regulations, appended as Annexure VI to the Directors' Report. The Remuneration Policy of the Company is also available on the website of the Company which is www.hindustantintin.biz.

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 2018-19:

Directors	Nature of Directorship	Ratio
Mr. Vijay Kumar Bhatia*	Whole Time Director	16.6:1
Mr. Sanjay Bhatia	Managing Director	53.5:1
Mr. Ashok Kumar Bhatia	Whole Time Director	31.1:1
Mr. Ramesh Kumar Jain	Non-executive Independent Director	0.7:1
Mr. M. K. Zutshi	Non-executive Independent Director	0.4:1
Mr. Nand Prakash Sahni	Non-executive Independent Director	0.6:1
Mrs. Aarti Sawhney	Non-executive Independent Director	0.4:1
Mr. Prit Pal Singh	Whole Time Director	7.9:1

➤ computed based on annualized remuneration.

* Mr. Vijay Kumar Bhatia, Whole Time Director/ Executive Director of the Company has resigned from the Board of the Company w.e.f. 8th June, 2019

- (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. 2,39,61,169/- to Rs.89,92,670/-	-62.47 %
Mr. Vijay Kumar Bhatia*	Whole Time Director	From Rs. 27,82,080/- to Rs. 27,82,080/-	-
Mr. Ashok Kumar Bhatia	Whole Time Director	From Rs. 40,29,742/-to Rs.52,28,233/-	29.74 %
Mr. P.P. Singh	Whole Time Director	From Rs. 12,27,984/-to Rs. 13,18,980/-	7.41 %
Mr. Rajat Pathak	VP (Finance) & Company Secretary	From Rs. 23,67,980/-to Rs. 25,52,045/-	7.77%
Mr. M. K. Mittal	CFO	From Rs. 15,75,008/-to Rs.16,87,898/-	7.17%

* Mr. Vijay Kumar Bhatia, Whole Time Director/ Executive Director of the Company has resigned from the Board of the Company w.e.f. 8th June, 2019.

- (iii) the percentage increase in the median remuneration of employees in the financial year: 3.23 %
- (iv) the number of permanent employees on the rolls of Company: 471 (Four hundred Seventy One), as on 31 March, 2019.
- (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 10.46% other than the managerial personnel in the last financial year whereas the average increase in the remuneration of managerial personnel was -42.33% thus there was not any exceptional circumstances for increase in the managerial remuneration.

*It does not include incentive bonus, leave encashment, gratuity & 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.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 which came into force from September 7, 2016 (including any amendment thereto or reenactment thereof for the time being in force), all equity shares in respect of which dividend has not been paid or claimed by the Member(s) for seven consecutive years or more are required to be transferred to the IEPF Authority, a Fund constituted by the Government of India under Section 125 of the Companies Act, 2013. The Company has communicated individually to the concerned Members to claim their unpaid / unclaimed dividend amount(s) and that failure to claim the same would lead to their equity shares being transferred to the IEPF Authority without any further notice. In accordance with the aforesaid IEPF Rules, during the Financial Year 2018-19 and till date, the Company has transferred shares pertaining to dividends which remained unpaid and unclaimed, being declared for the years 2008-09, 2009-10 (Interim and Final) and 2010-11, to the IEPF Authority.

The unclaimed dividends and corresponding shares including all benefits accruing on such shares, if any, once transferred to the IEPF Authority can only be claimed back from the IEPF Authority, for which details are available at www.iepf.gov.in.

The details of Members whose dividends have remained unclaimed / unpaid for seven consecutive years have been placed on the website of the Company. Members are requested to refer to the "Investor" section on the website of the Company at http://hindustantin.biz/Uploads/image/47imguf_Details_of_Members.pdf

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 2018-19 and hence no complaint is outstanding as on 31st March, 2019.

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 given in Annexure - VII.

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, 2019 is given in Annexure - VIII.

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.