

# 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 Canvironment 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

Particulars	Page No.
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.hindustantintin.biz](http://www.hindustantintin.biz)  
E-mail : [info@hindustantintin.co.in](mailto:info@hindustantintin.co.in)

### FACTORY

V. & P.O.-Bhigan,  
Dhatoori Road, Tehsil Ganour,  
Murthal, Distt.-Sonepat (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:

	(Rupees in Lacs)	
	2011-2012	2010-2011
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 Talaja 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

**ANNEXURE-1****THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Global growth is projected to be 3.5% for current year 2012. US economy is expected to continue its slow recovery, whilst the Eurozone grapples with its debts crisis. According to the revised estimate released by Central Statistical Organization, the GDP growth for financial year 2011-2012 decreased to 6.5% as against 8.4% for the financial year 2010-11

FY 2011-2012 witnessed a turbulent business environment that moderated growth. The year started with optimism but as it progressed there were challenges with inflation, decelerating growth and worsening investment climate which adversely impacted consumer sentiments. The global economic environment was confronted with geo-political instability, Eurozone sovereign debt crisis, fluctuating global commodity prices, etc.

**OPPORTUNITIES & THREATS**

Our Company 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 and we shall endeavor to take benefit of every good opportunity in the very best interest of our members.

Following are the opportunity 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. Slow down in Global Economy.
3. Rupee Depreciation.
4. Competition from unorganized sector.
5. Shrinking margin.
6. Alternate packaging materials
7. Uncertainty in availability of seasonal fruits & vegetables
8. Political turmoil and unrest in Middle East
9. Eurozone sovereign debt crisis

**PRODUCT WISE PERFORMANCE**

The Company had been mainly focusing on food products and now gradually expanding its base in non food sector also. In addition Company is also developing new innovative products for domestic and global market.

**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**

There is a trend towards alternate packaging which is cheaper as compared to metal packaging with shorter shelf life inspite of the fact that metal packaging has an edge over them in terms of shelf life, sustainability etc.

**CONCERN**

The main concern is the high inflation in the Indian economy resulting into increase in cost of various inputs particularly Tinplate, rising interest rates, decreasing GDP and continuation of general recession in world economies.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate internal control systems commensurate with its size and complexity of operations. The Internal Control systems are aimed at monitoring efficiency of operation, ensuring protection of resources, accuracy and promptness of financial reporting and compliance with statutes and regulations. 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 a monthly basis and corrective actions are taken accordingly.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.**

In the backdrop of an extremely challenging domestic business environment, political turmoil and unrest in Middle East and Eurozone sovereign debt crisis, your Company could achieve turnover of Rs. 24664.41 lacs as against the previous year's turnover of Rs. 29478.43 lacs i.e. a decrease of Rs.4814.02 lacs (16.33%).

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 i.e. a decrease of Rs. 558.62 lacs (49.53%).

**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 is already in place to evaluate the operational performance of each employee on the basis of predefined Key Result Area. The Company has 322 permanent employees as on 31st March, 2012.

Industrial relation front continued to be peaceful with no working day loss due to any activity.

**VALUE CREATION**

Your Company is continuously striving to create value in all spheres of its activities. This encompasses not only value for its customers but also for its stakeholders. The Company has adopted Accounting Standards incorporating best practices, cost audit implementation, CSR activities, updated technology by using new machines, regularly complying with all statutory and listing agreement requirements, continuously declaring and paying dividends, timely repayments of all loans and moves towards transparency in its reporting. Your Company is getting recognition by receiving various prestigious awards from time to time. Your Company is registering various trademarks and innovative designs. We will continuously endeavor to provide insight on the operation of the Company to aid all stakeholders.

Third in the series of the annual fixture in the can making industry calendar, this year's Canvironment Week aims to further promote the sustainability of cans. Taking a lead from the concept of a world recycling day and the world environment day, 2010 was a year which gave birth to Canvironment Week, 10th - 17th November was a week which was celebrated as Canvironment Week for the global metal can industry in 11 countries from 5 different continents. Leveraging on the eco-friendly nature of cans and to mark its 200th birthday, your Company decided to do a campaign with cans being the key focus.

Promoting the sustainability and environmentally-friendly performance of metal packaging is becoming increasingly important to the industry. Your Company, through its Canvironment Week campaign, is aiming to achieve this goal while simultaneously helping some of India's most needy, and raising awareness of the importance of recycling.

A perfect platform to engage with the youth / media, while positioning the company as an environment friendly and socially responsible corporate.



## ANNEXURE-II

**REPORT BY DIRECTORS ON CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company has attached significant importance to the Code of Corporate Governance. The Company's philosophy on corporate governance is to practice transparency in operations and maintain a professional approach and accountability in dealing with its shareholders. The company has always focused on maintaining highest standards in conducting its affairs ethically and lawfully and has sustained a culture of high ethical standards, integrity and professionalism. The company strongly believes that good Corporate Governance structure encourages companies to create value that can be sustained over the long term for customers, shareholders, employees and business partners. The success of the Company lies in faithful & sincere persuasion of its core values.

**The core values of the Company are:**

- Manpower Development,
- Integrity, openness, fairness and trust,
- Commitment to excellence
- Customer satisfaction.
- Sound and ethical business practices.

Our Company is subjected to Corporate Governance Code. The Company has constituted various committees required to be formed under the code.

**COMPOSITION OF THE BOARD**

The Board of Directors consists of nine directors of which four are Executive Directors and five are Non-Executive, Independent-Directors. The composition of the Board meets the requirement stipulated in clause 49 of the Listing Agreement with the Stock Exchanges. In the opinion of the Board, none of the Non-Executive Directors have any pecuniary relationship or transaction with the Company, its promoters or its management. The Board of Directors of the Company formulates the strategy, regularly review the performance of the Company and ensure that the objectives are met on a consistent basis.

**1. Board Meeting and AGM**

During the year the Board of Directors of the Company met on 02nd May, 2011, 12th August, 2011, 14th November, 2011 and 13th February, 2012. Annual General Meeting held on 23rd September 2011.

Record of attendance of Directors at the Board Meeting, Annual General Meeting, held during the year ended 31st March 2012 is as under: -

Directors	No. of Board meetings held during the Directors tenure in 2011-2012	No. of Board Meetings Attended	Attendance at AGM held on 23 <sup>rd</sup> September, 2011	No. of other Directorship & Committee Membership	
				Other Directorship	Committee Membership
Mr. Vijay Kumar Bhatia	FOUR	TWO	ABSENT	2	1
Mr. Sanjay Bhatia	FOUR	FOUR	PRESENT	3	1
Mr. Ashok Kumar Bhatia	FOUR	FOUR	PRESENT	1	-
Mr. N. P. Sahni	FOUR	FOUR	ABSENT	2	3
Mr. B. L. Khurana	FOUR	FOUR	ABSENT	3	2
Mr. Ramesh Kumar Jain	FOUR	FOUR	PRESENT	1	1
Mr. M. K. Zutshi	FOUR	FOUR	ABSENT	1	-
Mr. Deepak Pahwa	FOUR	FOUR	ABSENT	12	-
Mr. Manoj Jain	ONE	ONE	ABSENT	-	-
Mr. P.P. Singh	THREE	THREE	PRESENT	-	-



## 2. Audit Committee

The members of the Audit Committee met four times during the financial year 2011-12. The term of reference of the Committee covers the matters specified for Audit Committee, under Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956. The Audit Committee consists of the following Directors:

Mr. Ramesh Kumar Jain	Chairman
Mr. B. L. Khurana	Member
Mr. N. P. Sahni	Member

All the members of the Committee are Non-Executive and Independent Directors.

The Company Secretary of the Company acts as the Secretary to the Committee. The Audit Committee met on 02nd May, 2011, 12th August, 2011, 14th November, 2011 and 13th February, 2012.

Name of the Member	Meetings attended during the year
--------------------	-----------------------------------

Mr. Ramesh Kumar Jain	Four
Mr. B. L. Khurana	Four
Mr. N. P. Sahni	Four

## 3. Remuneration Committee

Remuneration Committee consists of Mr. B. L. Khurana (Chairman), Mr. N. P. Sahni, and Mr. Ramesh Kumar Jain. The term of reference of the committee is to review and recommend compensation, payable to executive and Non-Executive Directors. The Company paid Rs. 84.17 lacs as remuneration, commission, and sitting fees to directors as per detail contained in the notes to accounts.

### (A) Details of remuneration paid during the year 2011-2012 :

Sl. No.	Name of the Directors	Designation	Salary (Rs.) (Basic + HRA)	Perquisites	P.F.	Total
1.	Mr. Sanjay Bhatia	Managing Director	33,98,400	-	2,54,880	36,53,280
2.	Mr. Ashok Kumar Bhatia	Whole Time Director	13,80,600	-	1,65,672	15,46,272
3.	Mr. Vijay Kumar Bhatia	Whole Time Director	19,11,600	-	2,29,392	21,40,992
4.	Mr. Manoj Jain	Whole Time Director	2,95,523	3,946	-	2,99,469
5.	Mr. P. P. Singh	Whole Time Director	5,33,838	6,854	-	5,40,692
<b>TOTAL</b>						<b>81,80,705</b>

### (B) Details of payment of sitting fee paid to Non-executive Directors for attending Board Meeting and Audit Committee Meeting :

	(Rs.)
1. Mr. B. L. Khurana	52,000
2. Mr. N.P. Sahni	52,000
3. Mr. Ramesh Kumar Jain	52,000
4. Mr. M. K. Zutshi	40,000
5. Mr. Deepak Pahwa	40,000
	<b>2,36,000</b>

## 4. Share Transfer Committee

The Company has a Share Transfer Committee consisting of Mr. Sanjay Bhatia and Mr. Ashok Kumar Bhatia. The committee meets regularly to approve transfer of shares.

During the year the Share Transfer Committee met on 03rd May, 2011, 19th May, 2011, 31st May, 2011, 16th August, 2011, 15th November, 2011, 29th November, 2011, 29th February, 2012 and 28th March, 2012.



### 5. Shareholders Grievances Committee

The Company has set up a Shareholders Grievances Committee to specifically look into the redressal of shareholder's and investor's complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend etc. The Shareholders Committee consists of the following Directors:-

Mr. B.L. Khurana (Chairman, Non-executive and Independent)

Mr. Sanjay Bhatia

Mr. Ashok Kumar Bhatia

The committee met on 02nd May, 2011, 12th August, 2011, 14th November, 2011 and 13th February, 2012.

Mr. Rajat Pathak, VP (Finance) & Company Secretary is the compliance officer.

During the year ended 31st March, 2012, 41 investors queries/Complaints were received, all of which were redressed/replied to the satisfaction of the investors as on date. All valid requests for share transfer received during the year have been acted upon by the Company. No such transfer is pending for a period exceeding one month. There was one outstanding investor complaint as on 31st March, 2012 which was also redressed. The status on reply/redressal of investors complaints is also reported to the Board of Directors from time to time.

### 6. Code of conduct for the 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 to this effect by Managing Director has been provided as annexure III to Directors' Report.

### 7. General Body Meeting

The details of the last three AGMs are as follows:

AGM	Financial Year	Held At	Date and Time	Special Resolutions Passed
53 <sup>rd</sup>	2010-2011	Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi	23 <sup>rd</sup> September, 2011 10.00 A.M.	1. Appointment of Mr. P.P. Singh as Whole Time Director of the Company. 2. Revision in Salary of Mr. Paras Bhatia, Senior Vice President, Relative of Directors holding office or place of profit, for the period from 06.04.2011 to 31.03.2012. 3. Revision in Salary of Mr. Saket Bhatia, Senior Vice President, Relative of Directors holding office or place of profit, for the period from 06.04.2011 to 31.03.2012.





AGM	Financial Year	Held At	Date and Time	Special Resolutions Passed
				4. Revision in Salary of Mr. Gaurav Bhatia, Senior Vice President, Relative of Directors holding office or place of profit, for the period from 06.04.2011 to 31.03.2012.
				5. Revision in Salary of Mr. Atit Bhatia, Senior Vice President, Relative of Directors holding office or place of profit, for the period from 06.04.2011 to 31.03.2012.
				6. Revision in Salary of Mr. Paras Bhatia, Senior Vice President, Relative of Directors holding office or place of profit, for the period from 01.04.2012 to 31.03.2015.
				7. Revision in Salary of Mr. Saket Bhatia, Senior Vice President, Relative of Directors holding office or place of profit, for the period from 01.04.2012 to 31.03.2015.
				8. Revision in Salary of Mr. Gaurav Bhatia, Senior Vice President, Relative of Directors holding office or place of profit, for the period from 01.04.2012 to 31.03.2015.
				9. Revision in Salary of Mr. Atit Bhatia, Senior Vice President, Relative of Directors holding office or place of profit, for the period from 01.04.2012 to 31.03.2015.
				10. Approve continuation of Mr. Vijay Kumar Bhatia as Whole Time Director after attaining age of 70 years.
				11. Commencement of New Business /Activities specified in sub-clause 14 of clause III of the Memorandum of Association.



AGM	Financial Year	Held At	Date and Time	Special Resolutions Passed
52 <sup>nd</sup>	2009-2010	Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi	27 <sup>th</sup> September, 2010 10.00 AM.	1. Re-appointment of Mr. Sanjay Bhatia, Managing Director. 2. Re-appointment of Mr. Vijay Kumar Bhatia, Whole Time Director 3. Re-appointment of Mr. Ashok Kumar Bhatia, Whole Time Director 4. Re-appointment of Mr. Manoj Jain, Whole Time Director 5. Appointment of Mr. Atit Bhatia as Senior Vice President
51 <sup>st</sup>	2008-2009	Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi	25 <sup>th</sup> September, 2009 10.00 AM.	None

No resolution was passed during the year ending 31st March, 2012 through postal ballot.

## 8. Disclosures

### a) Related Party Transaction

During the year ended on 31st March, 2012, there were no material significant transactions with related parties that may have a potential conflict with the interest of the company at large.

### b) Compliance by the Company: -

The Company has complied with requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years.

### c) Risk Management

Your Company has put a risk management framework in place post a comprehensive review of its risk management process. The review involved understanding the existing risk management initiatives, zero-based identification and assessment of risks in the business as also the relative risk mitigation measures and arriving at the desired counter measures keeping in mind the risk appetite of the organization.

The Company has a procedure to inform the Board about the risk assessment and minimization procedures. The Board of Directors periodically reviews the risk management framework of the Company.

### Penalty

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.

### CEO and CFO Certificate

As per the Clause 49 of the listing agreement the CEO and CFO have furnished to the Board, a certificate in respect of the financial statements and cash flow statements of the Company for the year ended 31st March, 2012.

### Listing Agreement

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



<b>Remuneration of all Directors</b>	<b>(Amount in Rs.)</b>
1. Mr. Vijay Kumar Bhatia	21,40,992
2. Mr. Sanjay Bhatia	36,53,280
3. Mr. Ashok Kumar Bhatia	15,46,272
4. Mr. Manoj Jain	2,99,469
5. Mr. Prit Pal Singh	5,40,692
<b>Total</b>	<b>81,80,705</b>

**9. Means of communication:-**

- a) The Company neither considers necessary, nor beneficial to the shareholders to send half-yearly report to the shareholders. The Company regularly publishes its financial results at the end of each quarter. The Company's Unaudited Financial Results are also available on the Company's website: www.hindustantintin.biz and BSE's website.
- b) Quarterly Results of the Company were published in the Business Standard (English) and Veer Arjun (Hindi). These results are also available on the website of the Company

**10. General Shareholders information:**

**AGM : Date, Time and Venue**

The 54th Annual General Meeting of the Company is scheduled to be held at 10.00 A.M. on Friday, 28th September, 2012 at Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi.

Financial Year	1st April, 2011 to 31st March, 2012
Date of Book Closure	Saturday 22nd September, 2012 till Friday, 28th September, 2012 (both days inclusive)
Dividend Payment Date	Monday, 1st October 2012

**Listing on Stock Exchanges**

Your Company's shares are listed with the Delhi Stock Exchange Ltd., Delhi, Bombay Stock Exchange Ltd., Mumbai and Calcutta Stock Exchange Association Ltd., Kolkata. Your Company is regular in payment of listing fees except for Calcutta Stock Exchange Association Ltd. in which the Company has filed an application for delisting which is still pending. The company in its Board Meeting held on 30th July, 2007 has approved delisting of its shares from Delhi and Calcutta Stock Exchanges under amended delisting Guidelines of SEBI (Delisting of Securities) Guidelines, 2003. The Company also applied for delisting of its shares from Delhi Stock Exchange Ltd. in March, 2009.

Stock Code    BSE Code    530315

The market prices high and low during each month at the Mumbai Stock Exchange during April, 2011 to March 2012 are as follows:

	<b>High (Rs.)</b>	<b>Low (Rs.)</b>
April, 2011	82.90	67.00
May, 2011	79.00	62.60
June, 2011	73.95	59.10
July, 2011	88.00	64.10
August, 2011	95.50	69.00
September, 2011	94.70	63.00
October, 2011	102.50	76.60
November, 2011	98.00	57.00
December, 2011	94.00	68.05
January, 2012	92.00	73.00
February, 2012	84.90	70.00
March, 2012	78.80	62.00

**Registrar and Transfer Agent**

M/s Beetal Financial & Computer Services (P) Ltd.  
 Beetal House, 3rd Floor,  
 99, Madangir, Behind Local Shopping Complex,  
 Near Dada Harsukh Das Mandir,  
 New Delhi- 110062.  
 E-mail Id: beetalrta@gmail.com

**Share Transfer System**

The shareholders can send the shares for transfer to the Company or directly to the Company's Share Transfer Agent. The Share Transfer Committee holds its meeting regularly to give effect to transfer of shares.

**Distribution of Shareholding****Shareholding Pattern as on 31st March, 2012**

Sl. No.	Particulars	No. of Shares	%
1.	Indian Promoters	3963465	38.11
2.	Indian Public	2417228	23.24
3.	Banks/Financial Institutions, foreign Institution investor	1025579	9.86
4.	Bodies Corporate	1931304	18.57
5.	Foreign Companies	1000500	9.62
6.	Non Resident Indians	60101	0.58
7.	Demat Transit	1506	0.02
	Total	1,03,99,683	100.00

**Distribution of Shareholding as on 31st March, 2012**

No. of Equity Share held	No. of Share holders	% of Share holders	No. of Shares	% of Shares holding
Upto 5000	7085	93.16	4,59,431	4.4177
5001 - 10000	249	3.27	2,09,761	2.0170
10001 -20000	102	1.34	1,65,111	1.5877
20001 -30000	42	0.55	1,08,684	1.0451
30001 -40000	15	0.20	57,020	0.5483
40001 -50000	20	0.26	96,941	0.9322
50001 -100000	34	0.45	2,58,910	2.4896
100001 And Above	58	0.76	90,43,825	86.9624
Total	7605	100	1,03,99,683	100.000

**Dematerialization of shares and liquidity**

The Company has an agreement with the National Securities Depository Ltd. and Central Depository Services Ltd. with a view to facilitate holding and trading of shares in electronic form. The shares of the Company are in compulsory demat form. The shares of the Company are listed with the Stock Exchanges of Mumbai, Delhi and Kolkata. However, the Company has applied for delisting with the Stock Exchanges of Delhi and Kolkata.

**Electronic Clearing Services**

The Securities and Exchanges Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Member's bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued



to the Members with bank details printed thereon as available in the Company's record. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

#### Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Listed Stock Exchanges. The audit confirms that the total listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

#### Re-appointment of Directors at the Annual General Meeting

Mr. M.K. Zutshi and Mr. B.L. Khurana retire by rotation and being eligible, offer themselves for re-appointment. Pursuant to Clause 49(IV) (G) (i) of the Listing Agreement relating to the code of Corporate Governance, the particular of the aforesaid Directors are given below:

#### Profile of Directors retiring by rotation;

- A. Mr. M.K. Zutshi retired as Chairman of Central Board of Excise and Customs and has an experience of more than 40 years in the field of Central Excise and Customs. The Company is being benefited from his rich, useful experience & guidance.

The Directorship in other Companies is as follows:-

Name of the Company	Board position held
Mint Strategy Advisors Pvt. Ltd.	Director

The Committee membership in other Companies is as follows :-

Name of the Company	Name of Committee	Status
NIL	NIL	NIL

- B. Mr. B.L. Khurana has an experience of more than 40 years in banking sector and has an extensive experience in general management of the corporate bodies.

The Directorship in other Companies is as follow:-

Name of the Company	Board position held
1. Rexam HTW Beverage Can (India) Limited	Director
2. Usha Leasing (P) Ltd.	Director
3. RLF Limited	Director

The Committee membership in other Companies is as follows :-

Name of the Company	Name of Committee	Status
Rexam HTW Beverage Can (India) Limited	Remuneration Committee	Member
RLF Limited	Shareholders Committee	Member

#### Plant Location

Village & Post Office-Bhigan,  
Dhatoori Road, Tehsil Ganour,  
Murthal, Distt. Sonapat (Haryana).

#### Address for correspondence

Mr. Rajat Pathak  
VP (Finance) & Company Secretary  
Hindustan Tin Works Limited,  
426, DLF Tower A,  
Jasola, New Delhi - 110025  
Ph. No. 011-4999 8888

E-mail: investorrelations@hindustantintin.co.in; cs@hindustantintin.co.in

**AUDITOR'S REPORT ON CORPORATE GOVERNANCE**

To the Members of  
**HINDUSTAN TIN WORKS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Hindustan Tin Works Ltd. for the year ended 31st March, 2012 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as Stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review and according to the information and explanation given to us, the condition of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange(s) have been complied with in all material respect by the Company and no investor grievance(s) is/are pending for a period exceeding one month against the Company as per the record maintained by the Shareholder/ Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company, nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M.L. Puri & Co.**  
Chartered Accountants  
FRN 002312N

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

**M. L. Puri**  
Partner  
M. No. 9198

**ANNEXURE-III****DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)**

Pursuant to clause 49 1 (D) (ii) of the Listing Agreement, I, Sanjay Bhatia, Managing Director of Hindustan Tin Works Limited hereby declare that all the Board Members and senior managerial personnel have affirmed for the year ended on 31st March, 2012 compliance with the Code of Conduct of the company laid down for them.

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

Sd/-  
**Sanjay Bhatia**  
Managing Director

**ANNEXURE-IV****PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO****A. Conservation of Energy**

- |  |   |  |
|--|---|--|
| a) Energy conservation measures taken  | : | Nil  |
| b) Additional Investment and proposals if any, being implemented for reduction consumption of energy.                                    | : | 1. Use of PNG instead of LPG   |
| c) Impact of the measures at (a) and (b) above for reduction of energy consumption and subsequent impact on cost of production of goods. | : | 1. Reduction in cost of production by approx. Rs. 34 lacs in the Financial Year 2011-12. |

**B. Technology Absorption**

- |  |   |     |
|--|---|-----|
| a) Specific areas in which R&D                   | : | NIL |
| b) Benefit derived as a result of the above R&D. | : | NIL |
| c) Future plan of action.                        | : | NIL |

**Technology Absorption, Adaptation and Innovation**

- |  |   |  |
|--|---|--|
| 1) Efforts, in brief, made towards technology absorption, adaptation | : | Following steps have been taken during the year<br>1. Automation in End making for select products<br>2. Quality control equipments - Better process control & less rejection<br>3. Use of Pre scroll material - Better utilization of material (cost reduction) |
| 2) Benefit derived as a results of the above efforts.                | : | Enhanced capacity, material utilization and reduction in personnel cost, better process inspection & control over rejections.  |

**C. Foreign Exchange Earnings and Outgo**

1. Activities relating to export, initiatives taken to increase exports, Development of New Export markets for products and Services and Export Plan.  
The Company has continued to maintain focus and avail of Export opportunities based on economic considerations. During the year the company has exports worth Rs. 4118.47 Lacs (Previous year Rs. 5930.75 Lacs). The decrease in exports is mainly due to political turmoil and unrest in Middle East and grappling of Eurozone with its debts crisis.
2. Total Foreign Exchange used and earned
 

	Rs in Lacs
a. Total Foreign Exchange earned	3956.01 (Previous year Rs. 5838.89 Lacs)
b. Total foreign exchange outgo	5507.90 (Previous year Rs. 9057.85 Lacs)

**AUDITORS' REPORT**

To the Members of

**HINDUSTAN TIN WORKS LIMITED**

1. We have audited the attached Balance Sheet of Hindustan Tin Works Limited, as at 31st March, 2012 and the Profit and Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence, supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to in paragraph 3 above, we report that:-

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books of the Company.
- c. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. Based on the representations received from the Directors and information & explanations made available, we report that none of directors are disqualified as on 31st March, 2012 from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
- e. In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanation given to us, the accounts read together with other noted thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
  - ii. In the case of Profit and Loss Account of the Profit for the year ended on that date.
  - iii. In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For **M.L. Puri & Co.**  
Chartered Accountants  
FRN 002312N

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

**M. L. Puri**  
Partner  
M. No. 9198





**ANNEXURE TO THE AUDITORS' REPORT (REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)  
TO THE SHAREHOLDERS OF HINDUSTAN TIN WORKS LIMITED**

We report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) We are informed that major parts of the fixed assets were physically verified at reasonable intervals. No material discrepancies were noticed on such verification
  - (c) In our opinion and according to the information and explanations given to us substantial part of fixed assets has not been disposed off by the company.
2. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
  - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore clauses b, c, & d are not applicable.
  - e) The company has taken loan from the company covered in the register maintained under section 301 of the Companies Act, 1956, the maximum amount involved during the year was Rs. 44.62 lacs and the year end balance of loan taken from such party was Nil.
  - f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loan are not prima facie prejudicial to the interest of the company.
  - g) The loan taken is repayable on demand. As informed, the company has repaid the balance outstanding of such loan, thus, there has been no default on the part of the company.
  - h) There is no overdue amount of loan taken from the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
5. (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section, and
  - (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of section 58(A), 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.



7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly review the books of accounts maintained by company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Act and are of the opinion that prima facia, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records
9. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other undisputed statutory dues were outstanding as at 31.03.2012, for a period of more than six months from the date they became payable.

- (b) As regards dues not deposited on account of disputes, the position as explained by the Company is as under:

Particulars	Period to which the amount relates	Demand Raised (Rs.)	Remarks	Forum where pending
Income Tax	2008-09	14,49,744	CIT Appeal has deleted the demand of Rs. 5,66,804/- and the department is in appeal before ITAT and the Company is also in appeal before ITAT against the demand of Rs. 8,82,940/-	ITAT
Income Tax	2009-10	29,59,928	The appeal is also pending before the Commissioner of Income Tax	CIT(A)
Excise	1995-96	1,32,000	Remanded back by CESTAT to Commissioner Appeals. Company has deposited Rs.60,000 against the demand.	Commissioner Appeals.

- (10) The company has no accumulated losses at the end of the financial year.
- (11) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions and banks. The company has not issued any debentures during the year
- (12) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



- (13) The Company is not a chit fund, nidhi, mutual benefits fund or a society, accordingly, clause 4(xiii) of the order not applicable.
- (14) The company is not regularly dealing in shares and there is no transaction of trading in shares during the year. Proper records have been maintained and timely entries have been made for the shares already held by company. Shares have been held by the company in its own name.
- (15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (16) In our opinion and according to the information and explanations given to us by the management, term loans are applied for the purpose for which the loans were obtained.
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment
- (18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (19) The company has not issued any debenture during the year.
- (20) The company has not raised any money by public issue during the year.
- (21) Based on the audit procedures performed and the representation obtained from the management, we report that no fraud on or by the company has been noticed or reported during the year under audit.

For **M.L. Puri & Co.**  
Chartered Accountants  
FRN No. 002312N

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

**M. L. Puri**  
Partner  
M. No. 9198

**BALANCE SHEET AS AT 31ST MARCH, 2012**

Particulars	Note No.	As at 31 March 2012	As at 31 March 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	103,996,830	103,996,830
(b) Reserves and Surplus	2	794,287,206	745,827,639
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	132,406,282	164,641,083
(b) Deferred tax liabilities (Net)	4	64,213,337	61,111,330
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	5	401,591,811	446,761,838
(b) Trade payables	6	417,725,130	530,019,671
(c) Other current liabilities	7	99,603,132	122,258,743
(d) Short-term provisions	8	8,831,941	22,806,197
<b>Total</b>		<b>2,022,655,669</b>	<b>2,197,423,331</b>
<b>II Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9(A)	617,223,332	593,207,109
(ii) Capital work-in-progress	9(B)	13,753,726	26,045,253
(b) Non-current investments	10	33,445,710	33,445,710
(c) Long term loans and advances	11	10,115,855	8,216,773
<b>(2) Current assets</b>			
(a) Inventories	12	470,698,523	528,364,180
(b) Trade receivables	13	578,621,022	699,058,350
(c) Cash and cash equivalents	14	43,034,272	49,390,941
(d) Short-term loans and advances	15	244,839,021	241,145,693
(e) Other current assets	16	10,924,208	18,549,322
<b>Total</b>		<b>2,022,655,669</b>	<b>2,197,423,331</b>

The accompanying Notes 1 to 45 form an integral part of these financial statements

**For and on behalf of the Board of Directors**

**SANJAY BHATIA**  
Managing Director

**ASHOK BHATIA**  
Whole Time Director

**RAJAT PATHAK**  
VP (Finance) &  
Company Secretary

As per our separate Report of even date  
For **M.L. Puri & Co.**  
Chartered Accountants  
FRN 002312N

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

**M. L. PURI**  
(Partner)  
M. No. 9198



### STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	Year Ended 31 March 2012	Year Ended 31 March 2011
<b>I. Revenue from operations (Gross)</b>	17	<b>2,622,744,120</b>	3,123,020,089
Less: Excise Duty		<b>156,302,942</b>	175,177,445
Revenue from operations (Net)		<b>2,466,441,178</b>	2,947,842,644
<b>II. Other Income</b>	18	<b>25,559,244</b>	18,578,656
<b>III. Total Revenue (I + II)</b>		<b>2,492,000,422</b>	2,966,421,300
<b>IV. Expenses:</b>			
Cost of materials consumed	19	<b>1,337,001,060</b>	1,478,785,021
Purchase of Stock-in-Trade	20	<b>628,069,657</b>	839,241,186
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	<b>221,127,49</b>	23,603,428
Employee benefit expense	22	<b>134,596,473</b>	137,147,078
Financial costs	23	<b>91,415,345</b>	91,422,194
Depreciation and amortization expense		<b>433,608,45</b>	41,572,997
Other expenses	24	<b>151,915,528</b>	183,220,814
<b>Total Expenses</b>		<b>2,408,471,657</b>	2,794,992,718
<b>V. Profit before Tax</b>	(III-IV)	<b>83,528,765</b>	171,428,582
<b>VI. Tax expense:</b>			
(1) Current tax		<b>233,712,00</b>	51,261,000
(2) Deferred tax		<b>310,200,7</b>	6,366,654
(3) Earlier years tax		<b>135,250</b>	1,019,256
<b>VII. Profit after Tax</b>	(V-VI)	<b>56,920,308</b>	112,781,672
<b>VIII. Earning per equity share (Face Value ₹ 10 each)</b>			
(1) Basic		<b>5.47</b>	10.84
(2) Diluted		<b>5.47</b>	10.84

1. There are no exceptional or extraordinary items in the above period.
2. There is no discounting operation during the year as per AS-24
3. The accompanying Notes 1 to 45 form an integral part of these financial statements

#### For and on behalf of the Board of Directors

**SANJAY BHATIA**  
Managing Director

**ASHOK BHATIA**  
Whole Time Director

**RAJAT PATHAK**  
VP (Finance) &  
Company Secretary

As per our separate Report of even date  
For **M.L. Puri & Co.**  
Chartered Accountants  
FRN 002312N

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

**M. L. PURI**  
(Partner)  
M. No. 9198



### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

(Amount in Lacs)

Particulars	Year ended 31 March 2012	Year ended 31 March 2011
<b>A. Cash Flow from Operating activities</b>		
Net Profit before tax	835.29	1,714.29
<b>Adjustment for :</b>		
<b>Add-</b> Depreciation	433.61	415.73
Interest	914.15	914.22
Excise & Sales Tax Written Off	52.68	2.75
	2,235.73	3,046.99
<b>Less-</b> Interest Received from Security Deposit	2.46	3.21
Interest on Inter Corporate Deposit	152.46	85.89
Dividend received	0.05	0.03
Profit on sale of Fixed Asset	1.75	2.27
Income From Joint Venture	54.05	40.99
Unrealized Foreign Exchange Gain	12.35	1.12
Other Income	44.82	0.00
	(267.94)	(133.51)
Operating profit before working capital changes	1,967.79	2,913.48
<b>Add-</b> Decrease in Trade Receivables	1,216.80	249.29
Decrease in Advance	20.33	
Decrease in Inventory	576.66	
<b>Less-</b> Decrease in other Liabilities & provisions	1,320.00	657.96
Increase in Advance	-	25.66
Increase in Inventory	-	387.17
	493.79	(821.50)
Cash Generated From Operations	2,461.58	2,091.98
Less- Excise & Sales Tax written off	(52.68)	
<b>Less-</b> Direct Tax paid	(289.64)	(466.07)
	2,119.26	1,625.91
<b>B. Cash Flow from investing Activities</b>		
Purchase of Fixed Assets	551.53	929.37
Sale of Fixed Assets	2.43	9.12
Dividend Received	0.05	0.03
Interest Income	154.92	89.10
Other Income	44.82	0.00
Income From Joint Ventures	54.05	40.98
	(295.26)	(790.14)
	1,824.00	835.77
<b>C. Cash Flow from Financing Activities</b>		
Net proceeds from Secured Loan	-	118.21
Repayment of Secured Loan	759.63	
Repayment of Unsecured Loan	44.00	(60.79)
Interest Paid	914.15	(914.21)
Dividend Paid	169.78	(230.41)
	(1,887.56)	(1,087.20)
Net increase / ( decrease) in Cash & Cash equivalents	(63.57)	(251.43)
Cash & Cash equivalents as at the beginning of the year	493.91	745.34
Cash & Cash equivalents as at the end of the year	430.34	493.91

**Notes:** Cash and Cash Equivalents represent Cash and Bank balance and include Rs. 15.25 Lacs (Previous year: Rs. 8.10 Lacs) of unpaid dividend not available for use by the Company;  
Cash and cash Equivalents includes Fixed Deposits lying with Banks under Lien of Rs. 366.27 (Previous year: Rs. 468.55 lacs)

#### For and on behalf of the Board of Directors

**SANJAY BHATIA**  
Managing Director

**ASHOK BHATIA**  
Whole Time Director

**RAJAT PATHAK**  
VP (Finance) &  
Company Secretary

As per our separate Report of even date  
For **M.L. Puri & Co.**  
Chartered Accountants  
FRN 002312N

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

**M. L. PURI**  
(Partner)  
M. No. 9198



## NOTE NO. 1

<u>Share Capital</u>	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
<b>Authorised</b>				
12% Redeemable Cumulative preference shares of ₹10/- each	250,000	2,500,000	250,000	2,500,000
Equity Shares of ₹ 10/- each	12,250,000	122,500,000	12,250,000	122,500,000
<b>Issued, Subscribed &amp; Paid up</b>				
12% Redeemable Cumulative preference shares of ₹ 10/- each	-	-	-	-
Equity Shares of ₹ 10/- each fully paid	10,399,683	103,996,830	10,399,683	103,996,830
<b>TOTAL</b>	<b>10,399,683</b>	<b>103,996,830</b>	<b>10,399,683</b>	<b>103,996,830</b>

## 1. a) Details of Shareholders holding more than 5% shares in the company

Name of Shareholders	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Religare Finvest Limited	1215100	11.68	-	-
2. Stemcor A. G.	1000000	9.62	1000000	9.62
3. Mr. Sanjay Bhatia	874349	8.41	867849	8.34
4. Mr Vijay Kumar Bhatia	766170	7.37	765570	7.36
5. Mr. Ashok Kumar Bhatia	595450	5.73	595450	5.73
6. United India Insurance Co. Ltd.	522000	5.02	522000	5.02

1. b) The company has issued only one class of shares referred to as Equity Shares having par value of Rs. 10/-. All equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. All shares rank equally with regard to the company's residual assets.

c) The amount of per share dividend recognised as distributions to equity shareholders for the year ended March 31, 2012 is Rs.0.70 (Previous year: Rs. 1.40), subject to approval by shareholders in the ensuing annual general meeting.



## NOTE NO. 2

<b>Reserves &amp; Surplus</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2012</b>
<b>a. Capital Reserves</b>		
At the beginning and at the end of the year	<b>32,495,220</b>	32,495,220
<b>b. Capital Redemption Reserve</b>		
At the beginning and at the end of the year	<b>812,200</b>	812,200
<b>c. Securities Premium Account</b>		
At the beginning and at the end of the year	<b>260,310,000</b>	260,310,000
<b>g. General Reserve</b>		
Opening Balance	<b>77,184,982</b>	66,184,982
(+) Current Year Transfer	<b>6,000,000</b>	11,000,000
Closing Balance	<b>83,184,982</b>	77,184,982
<b>h. Zero Coupon Warrant Forfeited Account</b>		
At the beginning and at the end of the year	<b>1,100,000</b>	1,100,000
<b>i. Surplus</b>		
Opening balance	<b>373,925,237</b>	289,121,281
(+) Net Profit/(Net Loss) For the current year	<b>56,920,308</b>	112,781,672
(-) Proposed Dividends	<b>7,279,779</b>	14,559,556
(-) Tax on proposed Dividends	<b>1,180,962</b>	2,418,160
(-) Transfer to Reserves	<b>6,000,000</b>	11,000,000
Closing Balance	<b>416,384,804</b>	373,925,237
<b>Grand Total</b>	<b>794,287,206</b>	745,827,639

## NOTE NO. 3

(Amount in Rs.)

<b>Long Term Borrowings</b>	<b>As at 31 March 2012</b>		<b>As at 31 March 2011</b>	
	<b>Non-current portion</b>	<b>Current Maturities</b>	<b>Non-current portion</b>	<b>Current Maturities</b>
<b>Secured</b>				
<b>Term loans</b>				
<b>(a) From Banks</b>				
A) STANDARD CHARTERED BANK (ECB LOAN IN FC)	<b>26,864,640</b>	<b>21,827,520</b>	42,682,200	15,453,900
B) STATE BANK OF INDIA (805 LACS)	<b>13,050,000</b>	<b>14,200,000</b>	27,250,000	14,200,000
C) PUNJAB NATIONAL BANK (1050 LACS)	-	-	-	11,666,000
D) PUNJAB NATIONAL BANK (805 LACS)	<b>15,453,328</b>	<b>15,000,000</b>	30,497,629	15,000,000
E) PUNJAB NATIONAL BANK (335 LACS)	<b>18,481,653</b>	<b>6,000,000</b>	24,499,767	6,000,000
F) STATE BANK OF INDIA (335 LACS)	<b>18,500,000</b>	<b>6,000,000</b>	24,500,000	6,000,000
G) PUNJAB NATIONAL BANK (400 LACS)	<b>28,954,841</b>	<b>7,280,000</b>	6,232,000	3,640,000
H) AUTO LOANS FROM (HDFC\ ICICI\AXIS BANK\TATA CAPITAL \KOTAK MAHINDRA)	<b>4,268,320</b>	<b>3,736,934</b>	2,145,987	4,798,232
<b>(b) From other parties</b>				
LIFE INS. CORPN. OF INDIA	<b>6,833,500</b>	-	6,833,500	-
<b>Total</b>	<b>132,406,282</b>	<b>74,044,454</b>	164,641,083	76,758,132

Note: Amounts stated in "current Maturities" above include amounts disclosed under the head "other current liabilities" (Note No-7) There has been no defaults in repayment of any of the loans or interest thereon at the end of the year.





### **Terms & Conditions**

1. The Loan from Standard Chartered Bank under (A) above is secured by specific charge on fixed assets of the company financed by bank.
2. The Term Loans B to G above are secured by pari-passu first charge on gross block of Fixed Assets of the company both present and future except specific charge on fixed assets financed by Standard Chartered Bank under ECB of USD 1650000/- of A above in addition by second charge on current assets of the company.
3. Auto Loan of H above are secured against hypothecation of Vehicles of the above, A to G are guaranteed by Directors namely S/ Sh. Vijay Kumar Bhatia, Ashok Kumar Bhatia, and Sanjay Bhatia.
  - A) The loan carrying interest link to the LIBOR + 3.00% rate repayable in 17 quarterly instalment consist of 4 instalment each of USD 66000/- from March 2010 to Dec. 2010, 4 installment each of USD 82500/- from March 2011 to Dec.2011, 4 installment each of USD 99000/- from March 2012 to Dec.2012 and 5 installment each of USD 132000/- from March 2013 to March 2014.
  - B) The loan carrying interest link to the bank base rate repayable in 22 quarterly instalment of ₹ 35.50 lacs from Aug. 2008 to Nov. 2013 and 1 installment of ₹ 24.00 lacs payable in Feb.2014.
  - C) The loan carrying interest link to the bank base rate repayable in 18 quarterly instalment of ₹ 58.33 lacs commencing from June 2007 and account adjusted in Sep. 2011
  - D) The loan carrying interest link to the bank base rate repayable in 22 quarterly instalment of ₹ 25.00 lacs from Dec. 2008 to March 2009, ₹ 37.50 lacs from June 2009 to March 2013 and ₹ 38.75 lacs from June 2013 to March 2014
  - E) The loan carrying interest link to the bank base rate repayable in 18 quarterly instalment of ₹ 15.00 lacs from Dec. 2010 to March 2015 and 4 instament of ₹ 16.25 lacs from June 2015 to March 2016
  - F) The loan carrying interest link to the bank base rate repayable in 21 quarterly instalment of ₹ 15.00 lacs from Dec. 2010 to Dec. 2015 and 1 installment of ₹ 20.00 lacs in March 2016
  - G) The loan carrying interest link to the bank base rate repayable in 18 quarterly instalment of ₹ 18.20 lacs from Dec. 2011 to March 2016 and 4 installment of ₹ 18.10 lacs from June 2016 to March 2017
  - H) There are 8 Auto Loans which are repayable in veyring amounts on monthly basis and the last instalment will be payable in August 2014.
4. Loan from LIC is Secured against Keyman policy of the company.

The above LIC loan will be repaid at the time of maturity (i.e in Financial Year 2017-18)



## NOTE NO. 4

<u>Deferred tax liabilities (Net)</u>	As at 31 March 2012 ₹	As at 31 March 2011 ₹
Diffrence between book and tax depreciation	64,213,337	61,111,330
<b>TOTAL</b>	<b>64,213,337</b>	<b>61,111,330</b>

## NOTE NO. 5

<u>Short Term Borrowings</u>	As at 31 March 2012 ₹	As at 31 March 2011 ₹
------------------------------	-----------------------------	-----------------------------

**Secured****(a) Loans repayable on demand****From banks****Working Capital Limits**

A) PUNJAB NATIONAL BANK	176,406,475	251,568,259
B) STATE BANK OF INDIA	163,413,418	165,844,264
C) STANDARD CHARTERED BANK	61,771,918	24,949,315

Working Capital limits are secured by pari-passu first charge on Current Assets of the company both present and future and in addition by second charge on fixed assets of the company.

(The above working capital limits are guaranteed by Directors namely S/ Sh. Vijay Kumar Bhatia, Ashok Kumar Bhatia, and Sanjay Bhatia.)

<b>Total (A)</b>	<b>401,591,811</b>	<b>442,361,838</b>
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**Unsecured****(a) Loans and advances from related parties**

Hi-Tech Surfactants Pvt. Ltd.	-	3,900,000
Hi-Tech Detergent Pvt. Ltd.	-	500,000
<b>Total (B)</b>	<b>-</b>	<b>4,400,000</b>

<b>Grand Total (A+B)</b>	<b>401,591,811</b>	<b>446,761,838</b>
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a) There has been no defaults in repayment of any of the loans or interest thereon at the end of the year.



## NOTE NO. 6

<u>Trade Payables</u>	As at 31 March 2012 ₹	As at 31 March 2011 ₹
a. Trade Payables	223,377,165	71,618,056
b. Acceptances	194,347,965	458,401,615
<b>Total</b>	<b>417,725,130</b>	<b>530,019,671</b>

## NOTE NO. 7

<u>Other Current Liabilities *</u>	As at 31 March 2012 ₹	As at 31 March 2011 ₹
(a) Current maturities of long-term debt (Refer Note No. 3)	74,044,454	76,758,132
(b) Interest accrued but not due on borrowings	63,992	75,576
(c) Interest accrued and due on borrowings	1,755,303	1,988,452
(d) Unpaid dividends	1,524,742	810,362
(e) Other payables		
1. Advance from Customers	1,912,803	15,236,629
2. Statutory Liabilities	1,441,554	2,673,428
3. Other Liabilities	18,860,284	24,716,164
<b>Total</b>	<b>99,603,132</b>	<b>122,258,743</b>

## NOTE NO. 8

<u>Short Term Provisions</u>	As at 31 March 2012 ₹	As at 31 March 2011 ₹
(a) Others		
Income Tax	–	5,467,481
Dividend	7,279,779	14,559,556
Dividend Tax	1,180,962	2,418,160
Wealth Tax	371,200	361,000
<b>Total</b>	<b>8,831,941</b>	<b>22,806,197</b>



## NOTE NO. 9

FIXED ASSETS	GROSS BLOCK						ACCUMULATED DEPRECIATION BLOCK					NET BLOCK	
	As on 01.04.2011	Revaluation Reserve	Addition During the Year	Sales/ Adjustment	Total	Upto 31.04.2011	During the Year	Sales/ Adjustment	Upto 31.03.2012	Total As on 31.03.2012	As on 31.03.2011		
<b>A) Tangible Assets</b>													
LAND	31,150,753	-	13,664	-	31,164,417	-	-	-	-	31,164,417	31,150,753		
BUILDING	140,203,045	-	28,875,237	-	169,078,282	24,736,588	4,907,024	-	29,643,612	139,434,670	115,466,457		
BUILDING (ADM BLOCK)	7,411,841	-	-	-	7,411,841	416,788	120,813	-	537,601	6,874,240	6,995,053		
BUILDING (ADM BLOCK) (JASOLA)	52,624,820	-	150,300	-	52,775,120	500,374	1,759,711	-	2,260,085	50,515,035	52,124,446		
PLANT & MACHINERY	600,229,242	14,079,685	29,282,833	-	643,591,760	279,489,011	27,944,175	-	307,433,186	336,158,574	334,819,916		
ELECTRIC EQUIPMENT	4,420,544	-	-	-	4,420,544	1,913,991	219,723	-	2,133,714	2,286,830	2,506,553		
ELECTRIC TRANSFORMER	1,858,418	-	-	-	1,858,418	605,714	88,275	-	693,989	1,164,429	1,252,704		
OFFICE EQUIPMENT	10,048,621	-	962,788	-	11,011,409	4,155,899	499,429	-	4,655,328	6,356,081	5,892,722		
VEHICLES	36,328,229	-	7,718,097	532,704	43,513,622	17,057,325	4,749,339	464,904	21,341,760	22,171,862	19,270,904		
PATTERN & DIES	7,675,048	381,789	-	-	8,056,837	6,824,777	364,565	-	7,189,342	867,495	1,232,060		
FORKLIFT	6,607,286	625,685	-	-	7,232,971	3,594,227	313,846	-	3,908,073	3,324,898	3,638,744		
COMPUTERS	9,585,013	-	403,187	-	9,988,200	8,410,101	1,040,786	-	9,450,887	537,313	1,174,912		
FURNITURE & FIXTURE	8,605,910	-	38,762	-	8,644,672	3,423,766	534,565	-	3,958,331	4,686,341	17,681,885		
FURNITURE & FIXTURE (JASOLA)	12,931,970	-	-	-	12,931,970	432,229	818,594	-	1,250,823	11,681,147	-		
<b>TOTAL</b>	<b>929,680,740</b>	<b>15,087,159</b>	<b>67,444,868</b>	<b>532,704</b>	<b>1,011,680,063</b>	<b>351,560,790</b>	<b>43,360,845</b>	<b>464,904</b>	<b>394,456,731</b>	<b>617,223,332</b>	<b>593,207,109</b>		
<b>PREVIOUS YEAR</b>	801,378,437	15,087,159	131,927,117	3,624,814	944,767,899	312,927,206	41,572,997	2,939,413	351,560,790	593,207,109	503,638,388		
<b>B). Capital work in Progress</b>	-	-	-	-	13,753,726	-	-	-	-	-	-		
Previous Year	-	-	-	-	26,045,253	-	-	-	-	-	-		

## Particulars

Plant &amp; Machinery (Capitalization of exchange difference as per AS-11)

As at 31st March 2012

As at 31st March 2011

7,202,303

-

610,000

671,478



## NOTE NO. 10

<u>Non-Current Investment</u>	As at 31 March 2012 ₹	As at 31 March 2011 ₹
<b>Other Investments (Refer A below)</b>		
(a) Investment in Equity instruments	<b>32,945,710</b>	32,945,710
(b) Investments in Mutual Funds	<b>500,000</b>	500,000
<b>Total</b>	<b>33,445,710</b>	33,445,710
<b>a. Aggregate amount of quoted investments</b>		
Book Value	<b>593,210</b>	593,210
Market Value	<b>611,826</b>	760,116
<b>b. Aggregate amount of unquoted investments</b>		
	<b>32,852,500</b>	32,852,500

## (A) Details of Other Investments

Name of the Body Corporate (1)	Subsidiary/ Associate / JV/ Controlled Entity / Others (2)	No. of Shares / Units		Quoted / Unquoted (5)	Partly Paid / Fully paid (6)	Amount (₹)		Whether stated at Cost Yes / No (8)
		2012 (3)	2011 (4)			2012 (6)	2011 (7)	
<b>(a) Investment in Equity Instruments</b>								
1. PNB	Others	239	239	Quoted	Fully paid	93210	93210	Yes
2. Rexam HTW Beverage Can (India) Ltd.	JV	3285250	3285250	Unquoted	Fully paid	32852500	32852500	Yes
<b>(b) Investments in Mutual Funds</b>								
1. SBI Infrastructure Fund	Others	50000	50000	Quoted	Fully Paid	500000	500000	Yes
<b>Total</b>						<b>33,445,710</b>	<b>33,445,710</b>	

## NOTE NO. 11

<u>Long Term Loans and Advances</u>	As at 31 March 2012 ₹	As at 31 March 2011 ₹
a. Capital Advances		
Unsecured, considered good	<b>4,824,600</b>	3,828,518
b. Security Deposits		
Unsecured, considered good	<b>5,291,255</b>	4,388,255
<b>Total (A+B)</b>	<b>10,115,855</b>	8,216,773



## NOTE NO. 12

<u>Inventories</u>	As at 31 March 2012 ₹	As at 31 March 2011 ₹
a. Raw Materials	272,518,270	307,188,950
	—	4,194,263
	<b>272,518,270</b>	311,383,213
b. Work-in-progress*	112,126,379	164,291,624
c. Finished goods#	57,189,638	40,696,754
d. Stock-in-trade	21,318,121	8,184,837
Goods-in transit	426,328	—
e. Stores and spares	7,119,787	3,807,752
<b>Total</b>	<b>470,698,523</b>	528,364,180

**Note:**

Of the above Inventories a, d and e are valued at cost or market price whichever is lower

\* Work-in-progress is valued at raw material + Process cost

# Finished goods is valued at market price or cost whichever is lower. (determination of cost selling price less 10%)

## NOTE NO. 13

<u>Trade Receivables</u>	As at 31 March 2012 ₹	As at 31 March 2011 ₹
(a) Trade receivables outstanding for a period <b>less than six months</b> from the date due for payment		
Unsecured, considered good	540,166,464	685,829,845
(b) Trade receivables outstanding for a period <b>exceeding six months</b> from the date due for payment		
Unsecured, considered good	38,454,558	13,228,505
<b>Total</b>	<b>578,621,022</b>	699,058,350



## NOTE NO. 14

<b><u>CASH AND CASH EQUIVALENTS</u></b>	<b>As at 31 March 2012 ₹</b>	<b>As at 31 March 2011 ₹</b>
(i) Cash and cash equivalents		
(a) Balances with banks;		
1. In Current A/c	<b>250,406</b>	268,444
2. In EEFC A/c	<b>1,243,249</b>	126,683
(b) Cash on hand;	<b>864,388</b>	646,031
(c) Others		
1. FDRS	<b>13,733,487</b>	24,621,421
(ii) Earmarked balances with banks:		
For Unpaid Dividend	<b>1,524,742</b>	810,362
(iii) Bank deposits( FDRs) with more than 12 months maturity	<b>25,418,000</b>	22,918,000
<b>Total</b>	<b>43,034,272</b>	49,390,941

## NOTE

Fixed Deposits lying with Banks under Lien of Rs. 366.27 (Previous year: Rs. 468.55 lacs)  
 Required margin against LC/ BG / Security against interest on borrowing as on 31.03.12 Rs.196.75 lacs  
 ( Previous Year Rs. 345.13 lacs )

## NOTE NO. 15

<b><u>Short-term loans and advances</u></b>	<b>As at 31 March 2012 ₹</b>	<b>As at 31 March 2011 ₹</b>
<b>a. Others</b>		
Unsecured, considered good		
1. Intercorporate deposit	<b>37,000,000</b>	40,000,000
2. Balance with Custom, Excise & Income Tax etc.	<b>171,066,034</b>	184,928,717
3. Advances recoverable in cash or kind or value to be received	<b>36,772,987</b>	16,216,976
<b>Total</b>	<b>244,839,021</b>	241,145,693

## NOTE NO. 16

<b><u>Other Current Assets</u></b>	<b>As at 31 March 2012 ₹</b>	<b>As at 31 March 2011 ₹</b>
Unsecured, considered good		
1. Export Incentive Receivables	<b>1,860,607</b>	14,052,172
2. Interest Receivable	<b>9,063,601</b>	4,497,150
<b>Total</b>	<b>10,924,208</b>	18,549,322

**NOTE NO. 17**

<u>Revenue From operation (Gross)</u>	Year ended 31 March 2012 ₹	Year ended 31 March 2011 ₹
(a) sale of products		
<b>MANUFACTURING</b>		
Metal Containers & Components	1,845,115,127	2,007,652,924
Printed / Lacquered Sheets	23,481,384	118,989,456
<b>STOCK IN TRADE</b>		
Tinplate	601,817,800	868,230,337
Others	25,066,112	-
(b) Other operating revenue		
Scrap from process	127,263,697	128,147,372
<b>TOTAL</b>	<b>2,622,744,120</b>	<b>3,123,020,089</b>
Less: Excise duty	156,302,942	175,177,445
<b>TOTAL (Net of Excise duty)</b>	<b>2,466,441,178</b>	<b>2,947,842,644</b>

**NOTE NO. 18**

<u>Other Income</u>	Year ended 31 March 2012 ₹	Year ended 31 March 2011 ₹
Dividend Income	5,256	2,868
Other Non-operating Income		
A. Profit on Sale of Fixed Assets	174,716	226,815
B. Other Income	25,379,272	18,348,973
<b>Total</b>	<b>25,559,244</b>	<b>18,578,656</b>

**NOTE NO. 19**

<u>Cost of Material Consumed</u>		Year ended 31 March 2012 ₹	Year ended 31 March 2011 ₹
Inventory at the beginning of the year	(A)	310,711,228	248,694,358
Add: Purchases			
Tinplate		954,998,856	1,230,950,019
Printing Material		91,439,115	98,372,935
Packing Material		49,780,639	50,907,455
Other Raw Material		202,209,628	160,571,482
Total Purchase	(B)	1,298,428,238	1,540,801,891
	(A+B)	1,609,139,466	1,789,496,249
Less: Inventory at the end of the year		272,138,406	310,711,228
<b>Cost of raw material consumed</b>		<b>1,337,001,060</b>	<b>1,478,785,021</b>
<b>Details of Raw Material Consumed</b>			
Tin Plate		1,008,069,787	1,172,607,200
Packing Material		49,233,221	52,060,214
Other materials		279,698,052	254,117,607
<b>Total</b>		<b>1,337,001,060</b>	<b>1,478,785,021</b>



**NOTE NO. 20**

<b><u>Purchase of Stock-in-trade</u></b>	<b>Year ended 31 March 2012 ₹</b>	<b>Year ended 31 March 2011 ₹</b>
Tinplate	602,918,436	839,241,186
Others	25,151,221	—
<b>Total</b>	<b>628,069,657</b>	<b>839,241,186</b>

**NOTE NO. 21**

<b><u>Changes in Inventories</u></b>	<b>Year ended 31 March 2012 ₹</b>	<b>Year ended 31 March 2011 ₹</b>
Stock in Trade		
Opening Stock	8,184,837	4,911,450
Closing Stock	21,744,449	8,184,837
Changes in inventories of Stock-in-trade (A)	<u>(13,559,612)</u>	<u>(3,273,387)</u>
Work in Progress		
Opening Stock	164,291,624	123,515,433
Closing Stock	112,126,379	164,291,624
Changes in inventories of Work in progress (B)	<u>52,165,245</u>	<u>(40,776,191)</u>
Finished Goods		
Opening Stock	40,696,754	108,349,760
Closing Stock	57,189,638	40,696,754
Changes in inventories of Finished Goods (C)	<u>(16,492,884)</u>	<u>67,653,006</u>
<b>Total (A+B+C)</b>	<b>22,112,749</b>	<b>23,603,428</b>

**NOTE NO. 22**

<b><u>Employee benefit expense</u></b>	<b>Year ended 31 March 2012 ₹</b>	<b>Year ended 31 March 2011 ₹</b>
Salaries, Wages, Bonus etc.	126,462,926	130,492,303
Contribution to Provident and other Funds	4,690,653	3,478,095
Employees Welfare	3,442,894	3,176,680
<b>Total</b>	<b>134,596,473</b>	<b>137,147,078</b>

**NOTE NO. 23**

<b><u>Finance Costs</u></b>	<b>Year ended 31 March 2012 ₹</b>	<b>Year ended 31 March 2011 ₹</b>
Interest expense	83,704,801	79,234,910
Bank Charges	7,710,544	12,187,284
<b>Total</b>	<b>91,415,345</b>	<b>91,422,194</b>

**NOTE NO. 24**

<u>Other Expenses</u>	Year ended 31 March 2012 ₹	Year ended 31 March 2011 ₹
Consumption of Stores and Spares	16,853,163	25,969,340
Power & Fuel	38,829,952	40,935,408
Repair to :		
-Buildings	573,191	449,825
-Plant & Machinery	1,270,614	1,318,668
-Others	737,695	944,821
Director's Fees	236,000	238,500
Insurance	4,204,131	5,676,860
Payment to Auditors (refer note below)	544,298	452,359
Professional & Legal	10,548,829	9,094,409
Rates & Taxes	700,441	576,877
Rent	4,905,524	10,520,908
Conveyance	2,713,629	2,200,133
Motor Car & Scooter Expenses	2,371,556	2,291,554
Subscription	736,952	603,554
Donation	635,984	879,651
Postage Telegraph & Telephone	2,441,176	2,682,442
Books & Periodicals	46,554	67,064
Printing & Stationery	1,126,092	1,478,311
Fine & Penalty	-	30,000
Software Development	-	16,200
Miscellaneous	7,056,966	8,604,905
Travelling Expenses	10,367,895	9,574,164
Advertisement	2,923,682	2,770,375
Cash Discount & Rebate & Damages	467,092	-
Excise Written Off	1,044,571	135,631
Sales Tax Written Off	4,223,288	-
DEPB Written off	-	138,968
Sales Commission	-	13,332,622
Sales Promotion	1,081,368	1,489,390
Balance Written off	14,515	52
Jobwork charges	157,566	1,901,555
Freight, Forwarding & Shipment Charges (Net)	35,102,804	38,846,268
<b>Total</b>	<b>151,915,528</b>	<b>183,220,814</b>
<u>Payment to Auditors</u>	Year ended 31 March 2012 ₹	Year ended 31 March 2011 ₹
a. As Auditor	275,000	275,000
b. For taxation matters	90,000	-
c. For other services	146,500	150,500
d. For reimbursement of expenses	32,798	26,859
<b>Total</b>	<b>544,298</b>	<b>452,359</b>



## 25. **COMPANY OVERVIEW**

Hindustan Tin Works Limited ("the company") is a public company incorporated on 11th December, 1958 under the Companies Act, 1956; equity shares of the company are listed on Bombay Stock Exchange, Calcutta Stock Exchange and Delhi Stock Exchange. The company is engaged mainly in the business of Manufacturing of Tin Cans, Printed / Lacquered Sheets, Components and trading in Tin Plates.

## 26. **SIGNIFICANT ACCOUNTING POLICIES:**

### 26.1 **Basis of Preparation of Financial Statements**

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 211(3C) and the other relevant provisions of the Companies Act, 1956.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI to the Companies Act, 1956.

### 26.2 **Recognition of Income and Expenditure:**

Revenues /Income and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred.

Sales of Goods are recognized on transfer of significant risks and rewards of ownership which is generally on the dispatch of goods.

Company makes export sales by using custom / cenvat paid material against which Company is entitled to import duty free raw material/duty exemption pass book (DEPB) and duty draw back.

The accounting for export benefits are on accrual basis and same is reduced from the cost of raw material consumed in the financial statement.

In case of advance authorization the estimated amount of export benefits have been recognized in the financial statement and suitable adjustment for the difference arising on actual receipt of material would be made in the year of receipt of material.

### 26.3 **Uses of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialized.

### 26.4 **Fixed Assets**

Fixed assets are stated at cost except Plant & Machinery shifted from erstwhile Sahibabad unit which were revalued on 30.6.92 and the assets of erstwhile Conwel Cans India Ltd. which has been taken on fair market value as per the approved valuer's report.

### 26.5 **Method of Depreciation**

Depreciation is provided on straight line method (except in respect of assets belonging to Registered Office Depreciation on which has been provided at Written Down Value) and at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956, (net of cenvat as applicable.) Depreciation on additions to assets or on sale/discardment of assets is calculated pro rata from the month of such addition or up to the month of such sale/discardment, as the case may be.



### 26.6 Investment

The Company has made long term investments which are stated at cost. Provision for diminishing in value of the long term investment is made only if such a decline is other than temporary in the opinion of the management.

### 26.7 Value of Inventory

Inventories are valued at cost or net realizable value whichever is lower. The bases of valuation are as follows:-

Raw material, stores & spares	:	At cost or Net realizable value which ever is lower.
Work-in-process	:	At raw material cost plus Process cost.
Finished goods	:	At Market Price or Cost which ever is lower (Determination of cost Selling Price less 10%)

Accounting of Raw Material purchase & closing stock is net of CENVAT & VAT credit. Claims & refunds, if any, shall be accounted for in the year of determination. The excise duty in respect of closing inventory of finished goods is not included in the valuation of finished goods inventory.

### 26.8 Foreign Currency Transaction

- (i) Transactions in foreign currency are recorded at the exchange rate published by Custom department for the particular month in which the transaction recorded.
- (ii) Current monetary Assets and Liabilities denominated in foreign currency are translated at the exchange rate prevailing at the date of balance sheet and gains or losses on translation are recognized in profit and Loss Account in the respective heads.
- (iii) In respect of forward exchange contract assigned to foreign currency Assets / Liabilities, the difference due to change in exchange rate between the inception of forward contract and date of the balance sheet and proportionate premium / discount for the period up to the date of balance sheet is recognized in the profit loss Account . Any profit or loss arising on settlement / cancellation of forward contract is recognized as income or expense for the year in which they arise.
- (iv) Any gain or loss arising on account of exchange difference either on settlement or on translation is accounted for in the Profit & Loss account except in case of long term foreign currency monetary items relating to acquisition of depreciable capital asset (other than regarded as borrowing cost) in which case they are adjusted to the carrying cost of such assets.

### 26.9 Research & Development

Revenue expenditure charged to Profit and Loss Account under respective heads of account and capital expenditure added to the cost of Fixed Assets in the year in which it is incurred.

### 26.10 Employees Benefits

- (i) Defined Contribution Plans such as Provident Fund etc. are charged to the Profit & Loss Account as incurred.
- (ii) Defined Benefit Plans - The present value of the obligation under such plan is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised in the Profit & Loss Account. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.
- (iii) Other Long term Employee Benefits are recognised in the same manner as Defined Benefit Plans.

**26.11 Accounting for Past Events**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the financial statements, are not discounted to their present value and are determined based on best estimate required to settle the obligation at each Balance Sheet date and are adjusted to reflect the current best estimates.

**26.12 Borrowing Cost**

Borrowing costs includes interest cost and all ancillary costs incurred in connection with the arrangement of borrowings. Borrowing cost is considered as expenditure in the period and charge of to Profit and Loss Account. Fund borrowed for acquisition of qualifying fixed assets are capitalized till the date of commissioning and thereafter charged to Profit and Loss Account.

**26.13 Provisions, Contingent Liabilities and Contingent Assets**

Contingent liabilities, if any, are not recognized in the accounts but are disclosed by way of notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**26.14 Taxes on Income**

Provision for tax is made as per Income Tax Act, 1961. Deferred tax assets/liabilities resulting from timing difference between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets if any, are recognized and carry forward only to the extent that there is virtual certainty that the asset will be realized in future.

**26.15 Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. Impairment is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**27. Contingent Liabilities and Commitments****27.1 Contingent Liabilities**

- (a) In respect of Bank Guarantee outstanding as on 31st March, 2012 amounting to Rs.233.93 lacs (previous year Rs.98.40 Lacs).
- (b) Case pending before CESTAT has been remanded back to the commissioner for reconsideration for recovery of Rs.132000/-. Against this Rs.60,000/- has been deposited by the Company.
- (c) Compensation suit filed under section 12B of MRTP Act by M/s Himalaya International Ltd. Has been decided in favour of the complainant by the MRTP Commission vide order dated 07.07.2008. The total amount involved is Rs. 349.75 lacs. The company has filed an appeal before the Hon'ble Delhi High Court for the relief and Hon'ble High Court has remanded back the matter to MRTP Commission and MRTP commission has given the judgment in favour of the company. M/s Himalayan International Limited has filed an appeal before Competition Appellate Tribunal for reviewing the decision.
- (d) Income Tax demand Rs.14.50 Lacs for Assessment Year 2008-09 and demand of Rs.29.60 Lacs for assessment year 2009-10.
- (e) Rs 1683710/- for the year 2008-09 to 2011-12 may be payable to Haryana Sales Tax Department towards L.A.D.T. The company has filed an appeal before the Hon'ble High Court Chandigarh for the relief and the Hon'ble High Court has granted stay against L.A.D.T. and declared L.A.D.T. unconstitutional. However no demand has been raised by the Haryana Sales Tax Department.

**27.2 Commitments**

- (a) The estimated amount of contract remaining to be executive on capital account and not provided for, net of advances Rs. 28.20 Lacs. (Previous year Rs. 99.39 Lacs)

**28. Other liabilities:**

- (a) There is no goods lying in the custom warehouse so custom duty payable amounting to Rs. Nil (previous year Nil).
- (b) Excise duty payable on finished goods lying in the Godown amounting to Rs. 70.69 lacs (previous year Rs 46.58 lacs).
- (c) Unclaimed dividend of Rs. 15.25 Lacs as on 31st Mar 2012 is lying with Bank.

S.No.	Dividend Year	Bank Name	Balance as on 31 <sup>st</sup> March, 2012
1.	2004-2005	IDBI Bank	86826.00
2.	2005-2006	AXIS Bank	156367.60
3.	2006-2007	AXIS Bank	102975.50
4.	2007-2008	IDBI Bank	131443.20
5.	2008-2009	IDBI Bank	132209.00
6.	Interim 2009-10	IDBI Bank	53624.00
7.	Final 2009-2010	IDBI Bank	80882.40
8.	2010-11	IDBI Bank	780414.00
<b>Total</b>			<b>1524741.70</b>

**29. Details of Dividend remitted during the year to Non Resident Shareholders.**

1. Year to which dividend relates	<b>2010-11</b>	2009-10
2. No. of NRI Shareholders	<b>42</b>	Interim-31 Final-46
3. No. of Share held by them	<b>1064855</b>	Interim-1046604 Final-1057039
4. Amount Paid (Rs.)	<b>1490797</b>	Intrim-1046604 Final-951335.10

**30. Directors Remuneration**

	<b>2011-12</b>	<b>(Amount in Rs.)</b> 2010-11
Salaries & Allowances	<b>8180705</b>	6932400
Commission	-	1200000
Sitting Fee	<b>236000</b>	238500
	<b>8416705</b>	8370900

**30.1 Profit computed under section 349 of the Companies Act for calculating the Managerial Remuneration :-**

	<b>2011-12</b>	<b>(Amount in Rs.)</b> 2010-11
<b>Profit As per P &amp; L A/c</b>	<b>83528765</b>	171428582
Add: Salary & Allowance to Directors	<b>8180705</b>	8132400
Less: profit on sales of fixed assets	<b>174716</b>	226815
	<b>91534754</b>	179334167

- 31.** Information in respect of employees who are in receipt of remuneration in aggregate amounting to Rs. 6000000/- p.a or more, if employed for full year or Rs. 500000/- per month if employed part of the year is not given as no employee falls under the said category.



32. Based on information so far available with the company in respect of MSME (as defined in the Micro Small Medium Enterprises Development Act 2006) there are no delays in payment & dues to such enterprises during the year. There are no outstanding amounts of such Creditors as on 31.03.12. (Previous year outstanding Rs. NIL)

33. **Disclosure pursuant to Accounting Standard 5**

In view of option allowed by the Ministry of Corporate Affairs vide its notification dated 29th December, 2011 on Accounting Standard 11, the company during the year has exercised the option and changed its accounting policy to account for "any gain or loss arising on account of exchange difference either on settlement or on translation is accounted for in the Profit & Loss account except in case of long term foreign asset (other than regarded as borrowing cost) in which case they are adjusted to the carrying cost of such assets.

Due to change in Accounting Policy, Fixed Assets has increased by Rs 7202330/- with consequent increase in profit for the year by Rs 7202330/-

34. **Disclosure pursuant to Accounting Standard (11)**

**"Effects of change in Foreign Exchange Rates"**

- (a) The amount of difference in foreign exchange rate, debited /credited to profit & loss account For the financial year 2011-12 are as follows.

Under Head	(Figures in lacs)	
	2011-12	2010-11
Export Sales	122.54 Credit.	29.70 Credit.
Import Purchases	294.99 Debit	149.82 Credit
Finance Expenses		
E C B Loan	0.00	1.13 Credit.
E E F C Account	0.00	0.00
S C Bank Singapore Current A/c	0.00	.01 Debit.
<b>Total</b>	<b>172.45 Debit</b>	<b>180.64 Credit.</b>

- (b) The amount of exchange difference (other than regarded as borrowing cost) debited to the carrying amount of fixed assets is Rs 72.02 Lac (Previous year: Nil)

- (c) (i) The derivative instruments that are hedged and outstanding as on 31.03.12 US\$ NIL (INR NIL) {previous year US\$ 5.89 lacs (INR 264.48 lacs).

- (ii) The foreign currency exposures that are not hedged by derivative instruments or otherwise are as under :

	(Figures in lacs)			
	31/03/2012		31/03/2011	
	In foreign Currency	In Indian Currency	In foreign Currency	In Indian Currency
(a) Assets/Receivable US\$	7.77	395.25	10.01	446.12
(b) Liabilities/Payable US\$	26.27	1336.52	90.17	4021.52


**35. Disclosure pursuant to Accounting Standard - 15 "Employee Benefits"**

(a) The company has recognized Rs.44.35 lacs in the Profit & Loss Account for the year ended 31.03.2012 under defined plan.

(b) Detail of Defined Benefit Plan

	Gratuity	Leave Encashment
	In Rupee	In Rupee
<b>A Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Defined Benefit obligation at beginning of the year	17850982	5020152
Current Service Cost	1695535	873639
Interest Cost	1561961	439263
Actuarial (gain)/loss	591266	1141124
Benefits paid	1247187	649222
Defined Benefit obligation at year end	20450557	6824956
<b>B Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	12267977	4959520
Expected return on plan assets	1385253	480712
Actuarial (gain)/loss	0	0
Employer contribution	5325791	901745
Benefits paid	1247187	649222
Fair value of plan assets at year end	17731834	5692755
Actual return on plan assets	1385253	480712
<b>C Reconciliation of fair value of assets and obligation</b>		
Fair value of plan assets as at 31st March, 2011	17731834	5692755
Present value of obligation as at 31st March, 2011	20450557	6824956
Amount recognized in Balance sheet	2718723	1132201
<b>D Expenses recognized during the year</b>		
Current service Cost	1695535	873639
Interest Cost	1561961	439263
Expected Return on plan assets	1385253	480712
Actuarial (gain)/loss	589266	1141124
Net Cost	2461509	1973314
<b>E Investment Detail</b>	<b>Invested in LIC of India</b>	<b>Invested in LIC of India</b>
<b>F Actuarial assumptions</b>		
Mortality Table (L.I.C.)	1994-96	1994-96
Discount rate (per annum)	8.75%	8.75%
Expected rate of return on plan asset (per annum)	9.15%	9.15%
Expected return on plan assets (per annum)	1385253	480712
Rate of escalation in salary (per annum)	6%	6%
Employees turnover rate (per annum)	2%	2%




**36. SEGMENT INFORMATION (Accounting Standard - 17) (Rupees in Lacs)**

	For the year ended 31.03.2012			For the year ended 31.03.2011		
	Mfg.	Trading	Total	Mfg.	Trading	Total
<b>A. PRIMARY SEGMENT BUSINESS SEGMENTS</b>						
<b>I. SEGMENT REVENUE</b>						
a) Segment Revenue	18395.57	6268.84	24664.41	20796.13	8682.30	29478.43
b) Inter Segment Revenue	0	0	0	0	0	0
c) Operating Revenue external (a)-(b)	18395.57	6268.84	24664.41	20796.13	8682.30	29478.43
<b>II. SEGMENT RESULTS</b>						
a. Segment Results	1446.11	47.74	1493.85	2197.18	245.54	2442.72
b) Unallocated Income			255.59			185.78
c) Profit before interest & Income Tax (a)+(b)			1749.44			2628.50
d) Interest			914.15			914.22
e) Net Profit before Income Tax (c)-(d)			835.29			1714.28
f) Tax Expenses			266.09			586.47
g) Net Profit after Income Tax			569.20			1127.81
<b>III. ASSETS &amp; LIABILITIES</b>						
a) Segment Assets	15028.29	3514.10	18542.49	15694.50	4589.78	20284.28
b) Unallocated Assets			1684.07			1689.94
c) Total Assets			20226.56			21974.22
d) Segment Liabilities	9247.75	1250.27	10498.02	9930.39	2625.27	12555.66
e) Unallocated Liabilities			745.70			920.32
f) Total Liabilities			11243.72			13475.98
<b>IV. OTHER INFORMATION</b>						
a) Cost incurred during the period to acquire fixed assets (Incl.CWIP)						
a. (Unallocated)	551.53	0	551.53	929.37	0	929.37
b) Depreciation	433.29	032	433.61	415.48	0.25	415.73
c) Non Cash Expenses (other than depreciation)	0	0	0	0	0	0
<b>B. SECONDARY SEGMENT</b>						
	<b>Domestic</b>	<b>Export</b>	<b>Total</b>	<b>Domestic</b>	<b>Export</b>	<b>Total</b>
1. Net sales/income from operations	20545.94	4118.47	24664.41	23547.68	5930.75	29478.43
2. Total Assets (Unallocated)			20226.56			21974.22
3. Cost incurred during the period to acquire fixed assets			551.53			929.37

36.1 The Company has identified Business segment as its primary segment and geographical segment as its secondary segment. The products of the company have been grouped under 'Manufacturing' and 'Trading' segments (primary segment) depending upon the sector to which they are predominantly identified in the market.

36.2 Manufacturing products include metal containers, Components & printed / lacquered sheets.

36.3 Trading includes purchase & sales of Tinsplates, Easy Open Ends, DEPB.

**37. Related Party Disclosures(AS-18)**

(i) Name of Key Personnel	(ii) Relative of Key Management Personnel	(iii) Joint Venture Company	(iv) Other related party where control exist
Sh. Vijay Kumar Bhatia	Mr. Paras Bhatia	Rexam HTW Beverage	Tricom India Ltd.
Sh. Ashok Kumar Bhatia	Mr. Saket Bhatia	Can (India) Ltd.	Hi-Tech Surfactants Pvt. Ltd.
Sh. Sanjay Bhatia	Mr. Gaurav Bhatia		Hi-Tech Detergents Pvt. Ltd.
Sh. P.P. Singh	Mr. Atit Bhatia		Parmanand Vijay Kumar
Sh. Manoj Jain	Mrs. Manju Bhatia		Vijay Brothers.
	Mrs. Sareeta Bhatia		

**List of related parties with whom the company entered into transaction during the year in the Ordinary Course of Business is as follows:-**

Particulars	Nature of Relationship	Description & Nature of Transaction	Value of Transaction Amount (Rs.)	Amount Outstanding at the B/S Date (Rs.)	Amount Provided Written Off/ Written Back During the year (Rs.)
1. Parmanand Vijay Kumar	Mr. Vijay Kumar Bhatia, Chairman and Mr. Ashok Kumar Bhatia, Director, Mr. Sanjay Bhatia, Managing Director, Mr. Gaurav Bhatia relative of Mr. Vijay Kumar Bhatia are partners in the firm.	RENT PAID PURCHASE & SALE OF TINPLATE	92000 NIL	NIL NIL	NIL NIL
2. Mr. Ashok Kumar Bhatia	Director	RENT PAID	72,000	NIL	NIL
3. Mr. Vijay Kumar Bhatia	Director	RENT PAID	40000	NIL	NIL
4. Rexam HTW Beverage Can (India) Ltd.	Joint Venture Company	RECEIPTS Royalty Management Services Reimbursement of Expenses	537162 5424554 447536	1355291	
5. Hi-Tech Surfactants Pvt. Ltd.	Mr. Sanjay Bhatia, Managing Director is a Director Mr. Paras Bhatia relative of Mr. Ashok Kumar Bhatia is Director	ICD Recd. ICD Recd. Int. paid	3900000 61759	NIL	NIL
6. Hi-Tech Deterjents Pvt. Ltd.		ICD	500000	NIL	
7. Mrs. Manju Bhatia Mrs. Sareeta Bhatia		Rent Paid Rent Paid	1397724 1397724	NIL NIL	NIL NIL
8. Directors & Relatives Remuneration	Mr. Vijay Kumar Bhatia, Mr. Ashok Kumar Bhatia, Mr. Sanjay Bhatia, Mr. P. P. Singh, Mr. Manoj Jain, Mr. Paras Bhatia, Mr. Saket Bhatia, Mr. Gaurav Bhatia, Mr. Atit Bhatia	Salary	19296847	NIL	NIL

**38. Disclosure pursuant to Accounting Standard – 20 “Earning Per Share”**

	(In Rs.) 2011-12	(In Rs.) 2010-11
(a) Face value of equity share	10	10
(b) No. of Equity Shares	10399683	10399683
(c) Net profit after Tax	56920308	112781672
(d) Basic and Diluted Earning per share (c/b)	5.47	10.84

**39. Joint Venture (Accounting Standard - 27)**

Pursuant to compliances of Accounting standard -27 issued by the Institute of Chartered Accountants of India, relevant disclosures relating to Joint Venture are as follow :-

**(a) Name of Joint Ventures**

	Country of Incorporation	Proportion of Ownership
Rexam HTW Beverage Can (India) Ltd.	India	2.09%
(i) Company's share of the contingent liabilities of the Rexam HTW Beverage Can (India) Limited is Rs. 1045293/- (Previous year Rs. 7488000)		
(ii) Company's share of the Capital Commitments of the Rexam HTW Beverage can ( India ) Limited is Rs.4.27 crore (Previous year Rs.0.13 crore)		
(i) Guarantees given on behalf of joint venture outstanding at the close of the year amounting to Rs. Nil (previous year Nil)		

Aggregate amount of company's interest in Rexam HTW Beverage Can (India) Limited as per accounts is as under:-

	Rs. in Crores	
	<u>2011-2012</u>	<u>2010-2011</u>
Fixed Assets	<b>2.06</b>	13.49
Net Current Assets	<b>0.43</b>	4.45
Secured Loans	<b>0.63</b>	15.78
Deferred Tax Liability	-	-
Deferred Tax Assets	-	-
Shareholders Funds	<b>1.86</b>	0.52
Income	<b>1.53</b>	10.38
Expenses	<b>2.62</b>	15.63

(ii) Information relating to 2011-12 is unaudited accounts.

- 40.** The company has an obligation to pay Rs.5.62 lacs on account of Uttar Pradesh Trade Tax as on 31st March, 2012 on account of past events, therefore, a provision Rs.11.52 lacs ( Rs.5.90 lacs already paid) has been made by the company in the books of account as on 31st March, 2012 as required under the Accounting Standard-29 issued by the Institute of Chartered Accountants of India on 'Provisions, Contingent Liabilities and Contingent Assets'. Further, details of Contingent Liabilities have been given above as per the Accounting Standard-29:

**41. Value of Import on CIF Basis**

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Material	<b>5217.75</b>	8582.55
Spares	<b>52.58</b>	82.36
Capital goods	<b>142.11</b>	299.05
	<b>5412.44</b>	8963.96

**42. Expenditure In Foreign Currency**

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Travelling	19.19	23.57
Subscription	2.95	1.99
Interest	41.89	23.18
Professional & Consultation Fees	20.21	10.45
Advertisement	5.62	7.47
Others	5.60	27.23
<b>Total</b>	<b>95.46</b>	<b>93.89</b>

**43. Break-up of imported and indigenous materials & stores & spares consumed**

Particulars	Current Year		Previous Year	
	Amount (Rs. in Lacs)	%	Amount (Rs. in Lacs)	%
<b>i) RAW MATERIAL</b>				
Imported	3240.00	24	5076.08	34
Indigenous	10130.01	76	9711.77	66
	<b>13370.01</b>	<b>100</b>	<b>14787.85</b>	<b>100</b>
<b>ii) STORES AND SPARES</b>				
Imported	59.36	30.54	82.36	29.17
Indigenous	134.99	69.46	199.97	70.83
	<b>194.35</b>	<b>100</b>	<b>282.33</b>	<b>100</b>

**44. Earnings In Foreign Currency**

Export Goods on FOB Basis Rs. 3956.01 Lacs (Previous Year Rs. 5838.89 Lacs).

**45.** The company prepares and presents its financial statements as per Schedule VI of the Companies Act, 1956; as applicable to it from time to time. In view of the revision to the Schedule VI as per a notification issued during the year by the Central Government, the financial statement for the financial year ended 31st March, 2012 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. Previous year's figures have been regrouped / reclassified wherever practicable to confirm to current year's presentation.

For and on behalf of the Board of Directors.

**SANJAY BHATIA**  
Managing Director

**ASHOK KUMAR BHATIA**  
Whole Time Director

**RAJAT PATHAK**  
VP (Finance) &  
Company Secretary

As per our Report of even date attached  
For **M.L. Puri & Co.**  
Chartered Accountants  
FRN 002312N

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

**M. L. PURI**  
(Partner)  
M. No. 9198



**HINDUSTAN TIN WORKS LIMITED**

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

**ATTENDANCE SLIP**

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall.

<b>Ledger Folio/DP &amp; Client ID No.:</b>	<b>No. of Shares held:</b>
<b>Name:</b>	
<b>Address:</b>	

I hereby record my presence at the **54<sup>th</sup> Annual General Meeting** of the Company held on Friday, the 28<sup>th</sup> September, 2012 at 10.00 A.M. at Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi.

**Signature of Shareholder/Proxy:**



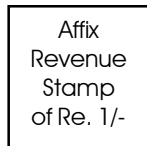
**HINDUSTAN TIN WORKS LIMITED**

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

**PROXY FORM**

I/We ..... of ..... being a member of Hindustan Tin Works Limited, hereby appoint ..... of ..... or failing him ..... of ..... as my/our proxy, to attend and vote for me/us and on my/our behalf at the **54<sup>th</sup> Annual General Meeting** of the Company to be held on Friday, the 28<sup>th</sup> September, 2012 at 10.00 A.M at Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi, and/or at any adjournment thereof.

Signed this ..... day of ..... 2012.



Signature

<b>Ledger Folio/DP &amp; Client ID No.:</b>	<b>No. of Shares held:</b>
<b>Name:</b>	
<b>Address:</b>	

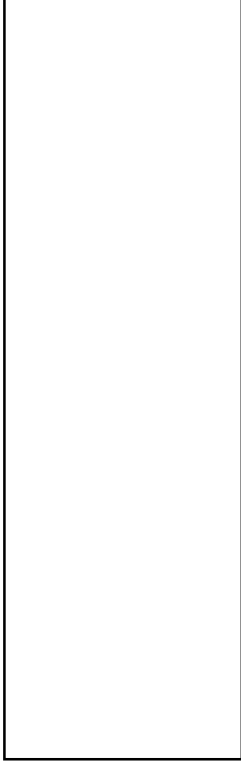
**NOTE:**

- a) **The Proxy in order to be effective must be deposited at the Registered Office of the Company duly stamped and signed at least 48 hours before the time for holding of meeting. The Proxy need not be a member of the Company.**
- b) The Proxy form should be signed across the stamp as per specimen signature registered with the Registrar & Share Transfer Agent/Depository.
- c) The above Attendance Slip should be sent to the Proxy appointed by you and not to the Company.



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**BOOK-POST**



*If undelivered, please return to :*  
**HINDUSTAN TIN WORKS LIMITED**  
488, BARTAN MARKET, SADAR BAZAR,  
DELHI - 110006.