

**55<sup>th</sup> ANNUAL REPORT  
2012-2013**

**HUNDREDS OF PRODUCTS...**

*One Can!*



**HINDUSTAN TIN WORKS LIMITED**

A RECOGNISED STAR EXPORT HOUSE

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

## **1. DONATION**

Towards treatment of TB patients and children suffering from paralyses as a result of poliomyelitis, so that they can walk upright and live their lives with dignity.

## **2. CANVIRONMENT WEEK**

- The underlying theme of our initiative of Canvirement Week was also to uplift the lives of the rag pickers, who are identified as the cog in the recycling wheel.
- HTW has taken up challenge to educate consumers about the benefits of canned food and has brought together Michelin-Starred Chef Vikas Khanna, a global leading icon of the food and culinary industry and Om Books International, a leading Indian publishing house, for one of our most prestigious projects, Everyone Can Cook, which will help consumers to understand the benefits of canned food while enjoying delicious fresh and nutritious recipes made from canned products.
- In India, rag-pickers are considered the main cog in the recycling wheel, they work in underprivileged conditions. For every copy sold of Everyone Can Cook, Hindustan Tin Works Ltd pledges to contribute INR 50 for the upliftment of this underprivileged community.

## **3. OTHERS**

### **Contributed:**

- For helping the needy and poor people who need care and affection



**55<sup>th</sup>**  
**Annual Report**  
**2012-2013**

**CONTENTS**

Particulars	Page No.
Notice	2-4
Directors' Report	5-20
Independent Auditors' Report	21-25
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. Sanajy 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. P.P. Singh (Whole Time Director)

**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

**COST AUDITORS**

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

**BANKERS**

Punjab National Bank  
State Bank of India  
Standard Chartered Bank  
Kotak Mahindra Bank

**SHARE TRANSFER AGENT**

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

**REGISTERED OFFICE**

488, Bartaan Market, Sadar Bazar,  
Delhi-110006

**CORPORATE OFFICE**

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

**FACTORY**

V.& PO. Bhigan, Dhatoori Road, Tehsil Ganour,  
Murthal, Distt. Sonapat (Haryana)

**OTHER OFFICES**

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



**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the **55th Annual General Meeting** of the Members of Hindustan Tin Works Limited will be held at Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi on Friday, 27th September, 2013 at 10.00 A.M. to transact the following businesses.

**ORDINARY BUSINESS**

- (1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 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 2013.
- (3) To appoint a Director in place of Mr. Ramesh Kumar Jain 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. P.P. Singh 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.

By order of the Board

Place : New Delhi  
Date : 13<sup>th</sup> August, 2013

**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 Friday, 20th September, 2013 to Friday, 27th September, 2013 (both days inclusive).
3. The dividend, if declared at the meeting, will be paid on or after 27th September, 2013 to those members whose names appear:
  - a. As Beneficial Owners as at the end of the business hours on 19th September, 2013 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 19th September, 2013.
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. The Shareholders are requested to update their Contact address and e mail address.
6. Shareholders are requested to get their shares converted from physical form to DEMAT form.
7. Claim of Unclaimed Dividend, if any, for the financial years 2006-07, 2007-08, 2008-09, 2009-10 (Interim & Final), 2010-11 and 2011-12 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 2005-06 is due for transfer during October, 2013 to "Investors Education and Protection Fund" established by the Central Government under section 205C of the Companies Act, 1956.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Beetal Financial & Computer Services (P) Ltd.
9. The members/proxies are requested to bring their copy of Annual Report while attending the 55th Annual General Meeting of the Company.
10. Members desirous of asking any question at the Annual General Meeting are requested to send in their question so as to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably addressed.



11. 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.
12. Appointment of Directors: At the ensuing Annual General Meeting, Mr. Ramesh Kumar Jain and Mr. P.P. Singh 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.
13. 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).

By order of the Board

Place : New Delhi  
Date : 13<sup>th</sup> August, 2013

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

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



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the 55th Annual Report together with the Audited Annual Accounts of the Company for the financial year ending 31st March 2013.

### **FINANCIAL RESULTS**

The performance of the Company for the financial year ended 31st March, 2013 is summarized below:

	(Rupees in Lacs)	
	2012-2013	2011-2012
Profit before Interest, Depreciation, & Tax	2527.21	2183.05
Less:		
Financial Charges	1004.85	914.15
Depreciation	419.33	433.61
Provision for Tax (including Wealth Tax)	310.59	235.07
Deferred Tax	57.55	31.02
Profit after Tax	734.89	569.20
Add: Balance brought forward	4163.84	3739.25
Balance available for appropriation	4898.73	4308.45
Less: Appropriations:		
Dividend (Incl. Div. Tax)	60.83	84.61
Transfer to General Reserve	75.00	60.00
Balance carried forward	4762.90	4163.84

### **DIVIDEND**

Your Directors are pleased to recommend a dividend @ Rs. 0.50 per Equity Share (5%) on the paid up capital of the Company for the year 2012-13, 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 19th September, 2013 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 19th September, 2013.

### **OPERATIONS**

Your Company could achieve turnover of Rs. 27281.73 lacs as against the previous year's turnover of Rs. 24664.41 lacs i.e. an increase of Rs. 2617.32 lacs (10.6%). The Company has been successful in increasing its export sales from Rs. 4118.47 lacs in previous year to Rs. 4860.42 lacs in current year i.e. an increase of Rs. 741.95 lacs (18%).

Your Company has achieved PAT of Rs. 734.89 lacs as against the previous year of Rs. 569.20 lacs i.e. an increase of Rs. 165.69 lacs (29.1%)

### **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 "JAR" and "CAN OVERCAP WITH DIMPLES" under the Design Act, 2000, by the controller General of Patents, Designs and Trade Marks, Kolkata.

### **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.

During the financial year 2012-13, the JV had built 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. This new line had started commercial production in Sep, 2012.

#### **DIRECTORS**

In terms of the provisions of Section 255 & 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ramesh Kumar Jain and Mr. P.P. Singh retire at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

#### **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 2012-2013 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 2012-2013. 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 13th August, 2013, is enclosed as Annexure-III.

#### **DISCLOSURES**

The CEO and Chief Financial Officer (CFO) have furnished to the board in its meeting held on 13th August, 2013, a certificate with regard to the financial statements and other matters of the Company as on 31st March 2013 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 Company has appointed M/s K.S. Bhatnagar & Associates, Cost Accountants for conducting cost audit of the Company for the financial year ending 31st March, 2014. For the financial year 2011-12, the Cost Auditor has duly filed the Cost Audit Report as per details below:-

Financial year	Due date of filing	Date of filing
2011-12	28.02.2013	27.02.2013

#### 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, 2013 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.

Place : New Delhi  
Date : 13th August, 2013

For & on behalf of Board  
**(SANJAY BHATIA)**  
Chairman

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

The year under review was a challenging year. The Global economy in Financial Year 2012-13 improved slowly and did not recover to the extent anticipated in the beginning of the year. Several European economies experienced recession due to high unemployment banking fragility, fiscal tightening and sluggish growth.

Among the Asian economies, china going through a political transition, experienced considerably slower growth. The Indian economy continues to face serious domestic as well as external challenges. The decline in the growth rate of GDP as also in industrial activity and investment continued. It declined from 6.2% in 2011-12 to 5% in 2012-13. The slowest economic growth in a decade. The performance in the second half of the year lagging considerably. The slowdown was triggered in part by persistent high inflation which constrained Reserve Bank of India to contain high interest rates and also by sharp devaluation of the Indian rupee, high petroleum prices, negative balance of trade. The declaration in Industrial output and exports weakened India's economic growth significantly.

However there are signs and the possibility of revival of consumption and Government spending in the current year coupled with the expectation of a normal monsoon. This augurs well for the economy in the coming year.

**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. Innovation and new product development.

**THREATS**

1. Global competition.
2. Lower recovery in Global Economy.
3. Volatility in exchange rate.
4. Competition from unorganized sector.



5. Thin 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
10. Lower GDP Growth of India
11. High Inflation & Finance Cost

### 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 lower recovery in global economy.

### 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.

Despite an inflationary environment and increasingly fierce competition, extremely challenging domestic business environment, political turmoil and unrest in Middle east and Eurozone sovereign debt crisis, your Company delivers and achieves turnover of Rs. 27281.73 lacs as against the previous year's turnover of Rs. 24664.41 lacs i.e. an increase of Rs. 2617.32 lacs (10.6%). The Export Sales has also been increased from Rs. 4118.47 lacs to Rs. 4860.42 lacs i.e. an increase of Rs. 741.95 lacs (18%).



The Company has been successful in increasing its PAT from Rs. 569.20 lacs in previous year to Rs.734.89 lacs in current year i.e. an increase of Rs. 165.69 lacs (29.11 %).

**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 403 permanent employees as on 31st March, 2013.

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

**VALUE CREATION**

At Hindustan Tin Works Ltd (HTW), constant efforts are made to promote sustainability of metal cans and in 2010, on the 200th birth year of a metal can we launched the global Canvirement Week initiative to promote the sustainability of the humble can while having a strong philanthropic base to work with the rag picking community.

HTW, one of the leading Indian can manufacturer, has taken up challenge to educate consumers about the benefits of canned food and has brought together Michelin-Starred Chef Vikas Khanna, a global leading icon of the food and culinary industry and Om Books International, a leading Indian publishing house, for one of our most prestigious projects, Everyone Can Cook, which will help consumers to understand the benefits of canned food while enjoying delicious fresh and nutritious recipes made from canned products.

In India, rag-pickers are considered the main cog in the recycling wheel; they work in underprivileged conditions. For every copy sold of Everyone Can Cook, Hindustan Tin Works Ltd pledges to contribute INR 50 for the upliftment of this underprivileged community.

The grand finale of Canvirement Week 2012 was merged with Grand Finale of India Pack 2013 which took place in Mumbai while celebrating Metal Day at this leading exhibition of India.



## 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 11th May, 2012, 09th August, 2012, 10th November, 2012 and 09th February, 2013. Annual General Meeting held on 28th September 2012.

Record of attendance of Directors at the Board Meeting, Annual General Meeting, held during the year ended 31st March 2013 is as under: -

Directors	No. of Board meetings held during the Directors tenure in 2012-2013	No. of Board Meetings Attended	Attendance at AGM held on 28 <sup>th</sup> September, 2012	No. of other Directorship & Committee Membership	
				Other Directorship	Committee Membership
Mr. Vijay Kumar Bhatia	FOUR	THREE	ABSENT	1	-
Mr. Sanjay Bhatia	FOUR	FOUR	PRESENT	4	1
Mr. Ashok Kumar Bhatia	FOUR	FOUR	PRESENT	1	-
Mr. N. P. Sahni	FOUR	THREE	ABSENT	1	2
Mr. B. L. Khurana	FOUR	FOUR	ABSENT	2	1
Mr. Ramesh Kumar Jain	FOUR	FOUR	PRESENT	-	-
Mr. M. K. Zutshi	FOUR	FOUR	ABSENT	-	-
Mr. Deepak Pahwa	FOUR	FOUR	ABSENT	14	-
Mr. P.P. Singh	FOUR	FOUR	PRESENT	-	-



## 2. Audit Committee

The members of the Audit Committee met four times during the financial year 2012-13. 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 11th May, 2012, 09th August, 2012, 10th November, 2012 and 09th February, 2013.

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

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

## 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. 97.91 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 2012-2013 :

Sl. No.	Name of the Directors	Designation	Salary (Rs.) (Basic + HRA)	Perquisites	P.F.	Commission	Total
1.	Mr. Sanjay Bhatia	Managing Director	35,68,320	-	2,67,624	9,60,000	47,95,944
2.	Mr. Ashok Kumar Bhatia	Whole Time Director	14,49,636	-	1,73,952	-	16,23,588
3.	Mr. Vijay Kumar Bhatia	Whole Time Director	20,07,180	-	2,40,864	-	22,48,044
4.	Mr. P. P. Singh	Whole Time Director	8,87,400	10,800	-	-	8,98,200
<b>TOTAL</b>			<b>79,12,536</b>	<b>10,800</b>	<b>6,82,440</b>	<b>9,60,000</b>	<b>95,65,776</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	39,000
3. Mr. Ramesh Kumar Jain	52,000
4. Mr. M. K. Zutshi	40,000
5. Mr. Deepak Pahwa	40,000
	<b>2,23,000</b>
Service Tax Reversal	<b>1969</b>
Total	<b>2,24,969</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 31st July, 2012, 07th January, 2013, 11th February, 2013, 14th February, 2013 and 28th February, 2013.



#### 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 11th May, 2012, 09th August, 2012, 10th November, 2012 and 09th February, 2013.

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

During the year ended 31st March, 2013, 45 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. 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 2012-2013. A declaration to this effect by Managing Director has been provided as annexure III to Directors' Report.

The Code of Conduct has also been put on the Company's website [www.hindustantintin.biz](http://www.hindustantintin.biz). The Code has been communicated to each of them and the compliance of the same is affirmed by them annually.

#### 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
54 <sup>th</sup>	2011-12	Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi	28 <sup>th</sup> September, 2012 10.00 A.M.	1. Increase in Borrowing Powers Under Section 293(1)(d) of the Companies Act, 1956.
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.



AGM	Financial Year	Held At	Date and Time	Special Resolutions Passed
				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.
				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.





AGM	Financial Year	Held At	Date and Time	Special Resolutions Passed
				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.
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

No resolution was passed during the year ending 31st March, 2013 through postal ballot.

## 8. Disclosures

### a) Related Party Transaction

During the year ended on 31st March, 2013, there were no material significant transactions with related parties that may have a potential conflict with the interest of the company at large. Attention is drawn to note no. 37 of the Financial Statements 2012-2013.

### 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 risk management is a continues process.

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 statement of the Company for the year ended 31st March, 2013.

**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	47,95,944
2. Mr. Sanjay Bhatia	16,23,588
3. Mr. Ashok Kumar Bhatia	22,48,044
4. Mr. Prit Pal Singh	8,98,200
<b>Total</b>	<b>95,65,776</b>

**9. Means of communication:-**

- 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.
- 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 and BSE's website.

**10. General Shareholders information:****AGM : Date, Time and Venue**

The 55th Annual General Meeting of the Company is scheduled to be held at 10.00 A.M. on Friday, 27th September, 2013 at Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi.

Financial Year	1st April, 2012 to 31st March, 2013
Date of Book Closure	Friday 20th September, 2013 till Friday, 27th September, 2013 (both days inclusive)
Dividend Payment Date	Tuesday, 1st October 2013

**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. & Delhi Stock Exchange Limited in which the Company has filed application for delisting which are 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, 2012 to March 2013 are as follows:

	<b>High (Rs.)</b>	<b>Low (Rs.)</b>
April, 2012	70.95	62.05
May, 2012	67.90	60.00
June, 2012	63.10	53.00
July, 2012	58.85	47.50
August, 2012	60.00	47.75
September, 2012	58.95	47.15
October, 2012	56.70	46.00
November, 2012	68.00	48.00
December, 2012	60.20	48.05
January, 2013	53.80	41.25
February, 2013	47.00	25.00
March, 2013	27.75	21.00

**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, 2013**

Sl. No.	Particulars	No. of Shares	%
1.	Indian Promoters	4024555*	38.70
2.	Indian Public	2594943	24.95
3.	Banks/Financial Institutions, foreign Institution investor	1023579	9.84
4.	Bodies Corporate	1667479	16.03
5.	Foreign Companies	1000500	9.63
6.	Non Resident Indians	41560	0.40
7.	Demat Transit	47067	0.45
	Total	1,03,99,683	100.00

\* 40,000 Equity Shares were purchased by the Promoters Group on 26th March, 2013 but were in the process of transfer in their account on 31.03.2013 & thus not taken in above figure. However, if included, the number of Equity Shares in the name of the Promoters as on 31.03.2013 would be 4064555 (39.08%).

**Distribution of Shareholding as on 31st March, 2013**

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Shares	% of Share holding
Upto 5000	7059	92.15	4,78,467	4.6008
5001 - 10000	272	3.55	2,26,136	2.1745
10001 -20000	124	1.62	1,96,467	1.8892
20001 -30000	44	0.57	1,13,657	1.0929
30001 -40000	21	0.27	77,358	0.7438
40001 -50000	33	0.43	1,57,769	1.5170
50001 -100000	39	0.51	2,81,408	2.7059
100001 And Above	68	0.89	88,68,421	85.2759
Total	7660	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 (India) 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 Exchange 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. Ramesh Kumar Jain and Mr. P.P. Singh 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 particulars of the aforesaid Directors are given below:

#### Profile of Directors retiring by rotation:

- A. Mr. Ramesh Kumar Jain is a fellow member of the Institute of Chartered Accountants of India. He has been in practice for around Twenty three years in the fields of taxation and audit. 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
NIL	NIL

The Committee membership in other Companies is as follows :-

Name of the Company	Name of Committee	Status
NIL	NIL	NIL

- B. Mr. P.P. Singh is B.SC, L.L.B and Post Graduate Diploma holder in Human Resource Management and having 32 years experience in the various facets of Human Resources Development and Organizational Behavior. The Company is being benefited from his rich, useful experience & guidance.

The Directorship in other Companies is as follow:-

Name of the Company	Board position held
NIL	NIL

The Committee membership in other Companies is as follows :-

Name of the Company	Name of Committee	Status
NIL	NIL	NIL

As per records both Directors do not have any shareholding in the Company.

#### 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, 2013 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 : 13<sup>th</sup> August 2013

**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, 2013 compliance with the Code of Conduct of the company laid down for them.

Place : New Delhi  
Date : 13<sup>th</sup> August, 2013

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  | : | 33 kva line is expected to be operative in Financial Year 2013-14 |
| b) Additional Investment and proposals if any, being implemented for reduction of consumption of energy.                                 | : | Nil   |
| c) Impact of the measures at (a) and (b) above for reduction of energy consumption and subsequent impact on cost of production of goods. | : | Impact will come in Financial Year 2013-14                        |

**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
  - New Induction oven installed by replacing old gas oven
  - Automatic Transfer System installed on few select machines
  - New Quality Control equipments installed
- 2) Benefit derived as a results
  - Saving of gas cost
  - Saving of manpower
  - New technology
  - Process improvement

**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. 4860.42 Lacs (Previous year Rs. 4118.47 Lacs).
2. Total Foreign Exchange used and earned
 

	Rs in Lacs
a. Total Foreign Exchange earned	4743.01 (Previous year Rs. 3956.01 Lacs)
b. Total foreign exchange outgo	5377.23 (Previous year Rs. 5507.90 Lacs)



## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statement**

We have audited the accompanying financial statements of Hindustan Tin Works Limited ("the Company") which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended by the Companies (Auditor's Report) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of



section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 purpose 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 those books
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place : New Delhi  
Date : 30<sup>th</sup> May, 2013

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



**ANNEXURE TO THE AUDITORS' REPORT****Referred To In Paragraph 1 of "Report On Other Legal And Regulatory Requirements" of Our Report of Even Date**

- 1) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- 2) In respect of its inventories:
  - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, 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 has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
- 3) In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of The Companies Act, 1956:
  - (a) As informed to us, 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. 75 lakhs 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 of the loans taken by the Company are not prima facie prejudicial to the interest of the company.
  - (g) The loan taken is repayable on demand. As informed, that no outstanding balance of such loan exists and there has been no default on the part of the company.
- 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, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- 5) In respect of the contracts or arrangements referred to in section 301 of The Companies Act, 1956:
  - (a) In our opinion and according to the information and explanations given to us that transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of The Companies Act , 1956 have been so entered.



- (b) In our opinion and according to the information and explanations given to us that transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of The Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of each party during the year has been made at prices which appear reasonable as per information available with the company.
- 6) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause vi of paragraph 4 of the order are not applicable to the company.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) We have broadly reviewed the cost records maintained by company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government under section 209(1) (d) of The Companies Act, 1956 and are of the opinion that prima facia, the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 9) In respect of statutory dues:
- (a) According to the records of the company, 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 statutory dues applicable have been generally regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2013 (Except Rs.5.62 Lakhs on account of Utter Pradesh Trade Tax) for a period of more than six months from the date of becoming payable.

- (b) The disputed statutory dues aggregating Rs. 12,45,830/- that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Particulars	Period to which the amount relates	Demand Raised (Rs.)	Forum where dispute is pending
Income Tax	2008-09	8,82,940/-	The company is also in appeal before ITAT against the demand of Rs. 8,82,940/-
Income Tax	2010-11	3,62,890/-	The appeal is pending before the Commissioner of Income Tax(A)

- (10) The company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit and the immediately preceding financial year.
- 11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
- 12) In our opinion and according to the information and explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the Company is not a chit fund / nidhi / mutual benefits fund / society. Therefore the provisions of clause xiii of paragraph 4 of the order are not applicable to the company.
- 14) The company is not regularly dealing in shares and there is no transaction of trading in shares during the year. The company has maintained proper records of the transactions and contracts in respect of dealing or trading in



shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments 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) The company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are 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 way of public issue during the year.
- 21) In our opinion and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year.

Place : New Delhi  
Date : 30<sup>th</sup> May, 2013

For **M.L. Puri & Co.**  
Chartered Accountants  
FRN No. 002312N  
**M. L. Puri**  
Partner  
M. No. 9198

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<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	861,692,940	794,287,206
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	103,080,868	132,406,282
(b) Deferred tax liabilities (Net)	4	69,968,783	64,213,337
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	5	513,240,714	401,591,811
(b) Trade payables	6	337,869,332	417,725,130
(c) Other current liabilities	7	124,450,647	99,603,132
(d) Short-term provisions	8	6,448,555	8,831,941
<b>Total</b>		<b>2,120,748,669</b>	<b>2,022,655,669</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9(A)	634,017,054	617,223,332
(ii) Capital work-in-progress	9(B)	28,371,233	13,753,726
(b) Non-current investments	10	33,445,710	33,445,710
(c) Long term loans and advances	11	6,583,850	10,115,855
<b>(2) Current assets</b>			
(a) Inventories	12	373,715,839	470,698,523
(b) Trade receivables	13	782,381,756	578,621,022
(c) Cash and cash equivalents	14	36,996,079	43,034,272
(d) Short-term loans and advances	15	206,253,061	244,839,021
(e) Other current assets	16	18,984,087	10,924,208
<b>Total</b>		<b>2,120,748,669</b>	<b>2,022,655,669</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 KUMAR 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 : May 30, 2013

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


**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Note No.	Year Ended 31 March 2013 ₹	Year Ended 31 March 2012 ₹
<b>I. Revenue from operations (Gross)</b>	17	<b>2,943,617,244</b>	2,622,744,120
Less: Excise Duty		<b>215,444,645</b>	156,302,942
Revenue from operations (Net)		<b>2,728,172,599</b>	2,466,441,178
<b>II. Other Income</b>	18	<b>26,784,401</b>	25,559,244
<b>III. Total Revenue (I + II)</b>		<b>2,754,957,000</b>	2,492,000,422
<b>IV. Expenses:</b>			
Cost of materials consumed	19	<b>1,425,346,576</b>	1,312,116,872
Purchase of Stock-in-Trade	20	<b>718,194,604</b>	628,069,657
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	<b>25,725,838</b>	22,112,749
Employee benefit expense	22	<b>145,115,284</b>	134,596,473
Financial costs	23	<b>100,484,974</b>	91,415,345
Depreciation and amortization expense		<b>41,932,640</b>	43,360,845
Other expenses	24	<b>187,853,036</b>	176,799,716
<b>Total Expenses</b>		<b>2,644,652,952</b>	2,408,471,657
<b>V. Profit before Tax</b>	<b>(III-IV)</b>	<b>110,304,048</b>	83,528,765
<b>VI. Tax expense:</b>			
(1) Current tax		<b>30,465,000</b>	23,371,200
(2) Deferred tax		<b>5,755,446</b>	3,102,007
(3) Earlier years tax		<b>594,313</b>	135,250
<b>VII. Profit after Tax</b>	<b>(V-VI)</b>	<b>73,489,289</b>	<b>56,920,308</b>
<b>VIII. Earning per equity share (Face Value ₹ 10 each)</b>			
(1) Basic		<b>7.07</b>	5.47
(2) Diluted		<b>7.07</b>	5.47

1. There are no exceptional or extraordinary items in the above period.
2. There is no discontinuing 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 KUMAR 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 : May 30, 2013

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



### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

Particulars	Year ended 31 March 2013 ₹	Year ended 31 March 2012 ₹
<b>A. Cash Flow from Operating activities</b>		
Net Profit before tax	110,304,048	83,528,765
<b>Adjustment for :</b>		
<b>Add</b> - Depreciation	41,932,640	43,360,845
Interest	100,484,974	91,415,345
Excise & Sales Tax Written Off	97,884	5,267,859
	<b>252,819,546</b>	223,572,814
<b>Less</b> - Interest Received from Security Deposit	232,444	245,727
Interest on Inter Corporate Deposit	14,409,044	15,246,045
Dividend received	5,258	5,256
Profit on sale of Fixed Asset	2,109,726	174,716
Income From Joint Venture	7,304,000	5,405,202
Unrealized Foreign Exchange Gain	1,502,619	1,234,505
Other Income	2,723,929	4,482,298
	<b>(28,287,020)</b>	(26,793,749)
Operating profit before working capital changes	<b>224,532,526</b>	196,779,065
<b>Add</b> - Decrease in Trade Receivables	-	121,679,797
Decrease in Advance	34,058,086	2,032,706
Decrease in Inventory	101,032,684	57,665,657
<b>Less</b> - Decrease in other Liabilities & provisions	60,984,224	131,999,703
Increase in Trade Receivables	206,994,671	-
Increase in Advance	-	-
Increase in Inventory	-	49,378,457
	<b>(132,888,125)</b>	-
Cash Generated From Operations	<b>91,644,401</b>	246,157,522
Less- Excise & Sales Tax written off	(97,884)	(5,267,859)
Less- Direct Tax paid	(31,065,513)	(28,963,731)
	<b>60,481,004</b>	211,925,932
<b>B. Cash Flow from investing Activities</b>		
Purchase of Fixed Assets	78,695,693	55,153,341
Sale of Fixed Assets	9,267,310	242,512
Dividend Received	5,258	5,256
Interest Income	14,641,488	15,491,772
Other Income	2,723,929	4,482,298
Income From Joint Ventures	7,304,000	5,405,202
	<b>(44,753,708)</b>	(29,526,301)
	<b>15,727,296</b>	182,399,631
<b>C. Cash Flow from Financing Activities</b>		
Net proceeds from Secured Loan	-	-
Repayment of Secured Loan	(87,180,226)	75,963,239
Repayment of Unsecured Loan	-	4,400,000
Interest Paid	100,484,974	91,415,345
Dividend Paid	8,460,741	16,977,716
	<b>(21,765,489)</b>	(188,756,300)
Net increase / ( decrease) in Cash & Cash equivalents	<b>(6,038,193)</b>	(6,356,669)
Cash & Cash equivalents as at the beginning of the year	<b>43,034,272</b>	49,390,941
Cash & Cash equivalents as at the end of the year	<b>36,996,079</b>	43,034,272

**Notes:** Cash and Cash Equivalents represent Cash and Bank balance and include Rs. 8.29 Lacs (Previous year: 15.25 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. 304.05 Lacs (Previous year: 366.27 lacs)

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

Place : New Delhi  
Date : May 30, 2013

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



## NOTE NO. 1

<u>Share Capital</u>	As at 31 March 2013		As at 31 March 2012	
	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 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Religare Finvest Limited	872931	8.39	1215100	11.68
2. Stemcor A. G.	1000000	9.62	1000000	9.62
3. Mr. Sanjay Bhatia	817099	7.86	874349	8.41
4. Mr Vijay Kumar Bhatia	769590	7.40	766170	7.37
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/- each. 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 for distributions to equity shareholders for the year ended March 31, 2013 is Rs.0.50 (Previous year: Rs. 0.70), subject to approval by shareholders in the ensuing annual general meeting.



## NOTE NO. 2

<u>Reserves &amp; Surplus</u>	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<b>a. Capital Reserves</b>		
At the beginning and at the end of the year	32,495,220	32,495,220
<b>b. Capital Redemption Reserve</b>		
At the beginning and at the end of the year	812,200	812,200
<b>c. Securities Premium Account</b>		
At the beginning and at the end of the year	260,310,000	260,310,000
<b>g. General Reserve</b>		
Opening Balance	83,184,982	77,184,982
(+) Current Year Transfer	7,500,000	6,000,000
Closing Balance	<u>90,684,982</u>	<u>83,184,982</u>
<b>h. Zero Coupon Warrant Forfeited Account</b>		
At the beginning and at the end of the year	1,100,000	1,100,000
<b>i. Surplus</b>		
Opening balance	416,384,804	373,925,237
(+) Net Profit/(Net Loss) For the current year	73,489,289	56,920,308
(-) Proposed Dividends	5,199,842	7,279,779
(-) Tax on proposed Dividends	883,713	1,180,962
(-) Transfer to Reserves	7,500,000	6,000,000
Closing Balance	<u>476,290,538</u>	<u>416,384,804</u>
<b>Grand Total</b>	<u>861,692,940</u>	<u>794,287,206</u>

## NOTE NO. 3

<u>Long Term Borrowings</u>	As at 31 March 2013		As at 31 March 2012	
	Non-current portion	Current Maturities	Non-current portion	Current Maturities
<b>Secured</b>				
<b>Term loans</b>				
<b>(a) From Banks</b>				
A) STANDARD CHARTERED BANK (ECB LOAN IN FC )	-	28,670,400	26,864,640	21,827,520
B) STATE BANK OF INDIA ( 805 LACS)	-	13,050,000	13,050,000	14,200,000
C) KOTAK MAHINDRA BANK LTD (1800 LACS)	47,698,492	1,987,437	-	-
D) PUNJAB NATIONAL BANK ( 805 LACS )	-	15,402,526	15,453,328	15,000,000
E) PUNJAB NATIONAL BANK ( 335 LACS )	12,481,653	6,000,000	18,481,653	6,000,000
F) STATE BANK OF INDIA ( 335 LACS)	12,500,000	6,000,000	18,500,000	6,000,000
G) PUNJAB NATIONAL BANK ( 400 LACS )	21,615,691	7,280,000	28,954,841	7,280,000
H) AUTO LOANS FROM (HDFC\ ICICI\AXIS BANK)\ (TATA CAPITAL \KOTAK MAHINDRA)	1,951,532	2,316,588	4,268,320	3,736,934
<b>(b) From other parties</b>				
LIFE INS. CORPN. OF INDIA	6,833,500	-	6,833,500	-
<b>Total</b>	<b>103,080,868</b>	<b>80,706,951</b>	132,406,282	74,044,454

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 finance 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 75 monthly instalment of ₹ 6.625 lacs commencing from Jan. 2014 to March 2020
  - 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 varying 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 2013 ₹	As at 31 March 2012 ₹
Diffrence between book and tax depreciation	<b>69,968,783</b>	64,213,337
<b>TOTAL</b>	<b>69,968,783</b>	64,213,337

## NOTE NO. 5

<u>Short Term Borrowings</u>	As at 31 March 2013 ₹	As at 31 March 2012 ₹
------------------------------	-----------------------------	-----------------------------

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

A) PUNJAB NATIONAL BANK	<b>274,166,490</b>	176,406,475
B) STATE BANK OF INDIA	<b>178,084,651</b>	163,413,418
C) STANDARD CHARTERED BANK	<b>47,295,608</b>	61,771,918

**Loan Against FDR'S**

A) PUNJAB NATIONAL BANK	<b>13,693,965</b>	-
-------------------------	-------------------	---

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>513,240,714</b>	401,591,811
<b>Unsecured</b>		
	-	-
	-	-
<b>Total (B)</b>	-	-
<b>Grand Total (A+B)</b>	<b>513,240,714</b>	401,591,811

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 2013 ₹	As at 31 March 2012 ₹
a. Trade Payables	255,200,735	223,377,165
b. Acceptances	82,668,597	194,347,965
<b>Total</b>	<b>337,869,332</b>	<b>417,725,130</b>

## NOTE NO. 7

<u>Other Current Liabilities</u>	As at 31 March 2013 ₹	As at 31 March 2012 ₹
(a) Current maturities of long-term debt (Refer Note No. 3)	80,706,951	74,044,454
(b) Interest accrued but not due on borrowings	80,466	63,992
(c) Interest accrued and due on borrowings	1,315,447	1,755,303
(d) Unpaid dividends	828,872	1,524,742
(e) Other payables		
1. Advance from Customers	9,965,261	1,912,803
2. Statutory Liabilities	2,433,220	1,441,554
3. Creditors for Capital Goods	10,496,333	151,447
4. Other Liabilities	18,624,097	18,708,837
<b>Total</b>	<b>124,450,647</b>	<b>99,603,132</b>

## NOTE NO. 8

<u>Short Term Provisions</u>	As at 31 March 2013 ₹	As at 31 March 2012 ₹
(a) Others		
Income Tax	—	—
Dividend	5,199,842	7,279,779
Dividend Tax	883,713	1,180,962
Wealth Tax	365,000	371,200
<b>Total</b>	<b>6,448,555</b>	<b>8,831,941</b>



**NOTE NO. 9** ₹

FIXED ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION BLOCK				NET BLOCK	
	As on 01.04.2012	Revaluation Reserve	Addition During the Year	Total	Upto 01.04.2012	During the Year	Sales/ Adjustment	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
<b>A) Tangible Assets</b>										
LAND	31,164,417	-	278,045	24,972,166	-	-	-	-	24,972,166	31,164,417
BUILDING	169,078,282	-	16,818,420	185,896,702	29,643,612	5,683,081	-	35,326,693	150,570,009	139,434,670
BUILDING (ADM BLOCK)	7,411,841	-	-	7,411,841	537,601	120,813	-	658,414	6,753,427	6,874,240
BUILDING (ADM BLOCK) (JASOLA)	52,775,120	-	-	52,775,120	2,260,085	1,762,689	-	4,022,774	48,752,346	50,515,035
PLANT & MACHINERY	629,512,075	14,079,685	45,780,346	689,372,106	307,433,186	25,452,557	-	332,885,743	356,486,363	336,158,574
ELECTRIC EQUIPMENT	4,420,544	-	12,000	4,432,544	2,133,714	210,451	-	2,344,165	2,088,379	2,286,830
ELECTRIC TRANSFORMER	1,858,418	-	-	1,858,418	693,989	88,275	-	782,264	1,076,154	1,164,429
OFFICE EQUIPMENT	11,011,409	-	591,910	11,603,319	4,655,328	524,877	-	5,180,205	6,423,114	6,356,081
VEHICLES	43,513,622	-	445,397	42,350,448	21,341,760	5,325,758	921,283	25,746,235	16,604,213	22,171,862
PATTERN & DIES	7,675,048	381,789	-	8,056,837	7,189,342	364,565	-	7,553,907	502,930	867,495
FORKLIFT	6,607,286	625,685	-	7,232,971	3,908,073	313,846	-	4,221,919	3,011,052	3,324,898
COMPUTERS	9,988,200	-	1,707,920	6,043,390	9,450,887	725,509	5,652,730	4,523,666	1,519,724	537,313
FURNITURE & FIXTURE	8,644,672	-	249,908	8,894,580	3,958,331	541,627	-	4,499,958	4,394,622	4,686,341
FURNITURE & FIXTURE (JASOLA)	12,931,970	-	-	12,931,970	1,250,823	818,594	-	2,069,417	10,862,553	11,681,147
<b>TOTAL</b>	<b>996,592,904</b>	<b>15,087,159</b>	<b>65,883,946</b>	<b>1,063,832,412</b>	<b>394,456,731</b>	<b>41,932,640</b>	<b>6,574,013</b>	<b>429,815,358</b>	<b>634,017,054</b>	<b>617,223,332</b>
<b>PREVIOUS YEAR</b>	929,680,740	15,087,159	67,444,868	1,011,680,063	351,560,790	43,360,845	464,904	394,456,731	617,223,332	593,207,109
<b>B). Capital work in Progress</b>	-	-	-	28,371,233	-	-	-	-	-	-
Previous Year	-	-	-	13,753,726	-	-	-	-	-	-

**Particulars**

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

As at 31st March 2013

As at 31st March 2012

3,447,055

7,202,303

Capital work in Progress (Capitalisation of Interest as per AS-16)

718,953

610,000



## NOTE NO. 10

<u>Non-Current Investment</u>	As at 31 March 2013 ₹	As at 31 March 2012 ₹
<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>535,718</b>	611,826
<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)
		2013 (3)	2012 (4)			2013 (6)	2012 (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 2013 ₹	As at 31 March 2012 ₹
a. Capital Advances		
Unsecured, considered good	<b>537,000</b>	4,824,600
b. Security Deposits		
Unsecured, considered good	<b>6,046,850</b>	5,291,255
<b>Total (A+B)</b>	<b>6,583,850</b>	10,115,855



## NOTE NO. 12

<u>Inventories</u>	As at 31 March 2013 ₹	As at 31 March 2012 ₹
a. Raw Materials	187,065,299	272,112,404
Goods-in transit	14,556,791	-
	<b>201,622,090</b>	272,112,404
b. Work-in-progress*	68,785,422	112,126,379
c. Finished goods#	61,258,719	57,189,638
	-	-
d. Stock-in-trade	35,290,487	21,318,121
Goods-in transit	-	426,328
e. Stores and spares	6,759,121	7,525,653
<b>Total</b>	<b>373,715,839</b>	470,698,523

**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%) except goods lying with the customers Rs.4050000/-

## NOTE NO. 13

<u>Trade Receivables</u>	As at 31 March 2013 ₹	As at 31 March 2012 ₹
(a) Trade receivables outstanding for a period <u>less than six months</u> from the date due for payment		
Unsecured, considered good	712,891,544	540,166,464
(b) Trade receivables outstanding for a period <u>exceeding six months</u> from the date due for payment		
Unsecured, considered good	69,490,212	38,454,558
<b>Total</b>	<b>782,381,756</b>	578,621,022



## NOTE NO. 14

<b><u>CASH AND CASH EQUIVALENTS</u></b>	<b>As at 31 March 2013 ₹</b>	<b>As at 31 March 2012 ₹</b>
(i) Cash and cash equivalents		
(a) Balances with banks;		
1. In Current A/c	<b>345,637</b>	250,406
2. In EEFC A/c	-	1,243,249
(b) Cash in hand;	<b>651,130</b>	864,388
(c) Others		
1. FDRS	<b>32,670,440</b>	13,733,487
(ii) Earmarked balances with banks:		
For Unpaid Dividend	<b>828,872</b>	1,524,742
(iii) Bank deposits( FDRs) with more than 12 months maturity	<b>2,500,000</b>	25,418,000
<b>Total</b>	<b>36,996,079</b>	43,034,272

## NOTE

Fixed Deposits lying with Banks under Lien of Rs. 304.05 (Previous year: Rs. 366.27 lacs) (Required margin against LC/ BG / Security against interest on borrowing as on 31.03.13 Rs.87.84 lacs (Previous Year Rs. 196.75 lacs)

## NOTE NO. 15

<b><u>Short-term loans and advances</u></b>	<b>As at 31 March 2013 ₹</b>	<b>As at 31 March 2012 ₹</b>
<b>a. Others</b>		
Unsecured, considered good		
1. Intercorporate deposit	<b>40,000,000</b>	37,000,000
2. Balance with Custom, Excise & Income Tax etc.	<b>150,489,323</b>	171,066,034
3. Advances recoverable in cash or kind or value to be received	<b>15,763,738</b>	36,772,987
<b>Total</b>	<b>206,253,061</b>	244,839,021

## NOTE NO. 16

<b><u>Other Current Assets</u></b>	<b>As at 31 March 2013 ₹</b>	<b>As at 31 March 2012 ₹</b>
Unsecured, considered good		
1. Export Incentive Receivables	<b>2,219,173</b>	1,860,607
2. Interest Receivable	<b>16,764,914</b>	9,063,601
<b>Total</b>	<b>18,984,087</b>	10,924,208

**NOTE NO. 17**

<u>Revenue From operation (Gross)</u>	Year ended 31 March 2013 ₹	Year ended 31 March 2012 ₹
(a) sale of products		
<b>MANUFACTURING</b>		
Metal Containers & Components	<b>2,032,583,485</b>	1,845,115,127
Printed / Lacquered Sheets	<b>9,126,386</b>	23,481,384
<b>STOCK IN TRADE</b>		
Tinplate	<b>727,175,414</b>	601,817,800
Others	<b>6,907,080</b>	25,066,112
(b) Other operating revenue		
Scrap from process	<b>167,824,879</b>	127,263,697
<b>TOTAL</b>	<b>2,943,617,244</b>	2,622,744,120
Less: Excise duty	<b>215,444,645</b>	156,302,942
<b>TOTAL (Net of Excise duty)</b>	<b>2,728,172,599</b>	2,466,441,178

**NOTE NO. 18**

<u>Other Income</u>	Year ended 31 March 2013 ₹	Year ended 31 March 2012 ₹
Dividend Income	<b>5,258</b>	5,256
Other Non-operating Income		
A. Profit on Sale of Fixed Assets	<b>2,109,726</b>	174,716
B. Other Income	<b>24,669,417</b>	25,379,272
<b>Total</b>	<b>26,784,401</b>	25,559,244

**NOTE NO. 19**

<u>Cost of Material Consumed</u>		Year ended 31 March 2013 ₹	Year ended 31 March 2012 ₹
Inventory at the beginning of the year	(A)	<b>272,112,404</b>	310,673,083
Add: Purchases			
Tinplate		<b>1,002,010,635</b>	954,998,856
Printing Material		<b>73,597,494</b>	66,567,070
Packing Material		<b>55,079,205</b>	49,780,639
Other Raw Material		<b>224,168,928</b>	202,209,628
Total Purchase	(B)	<b>1,354,856,262</b>	1,273,556,193
	(A+B)	<b>1,626,968,666</b>	1,584,229,276
Less: Inventory at the end of the year		<b>201,622,090</b>	272,112,404
<b>Cost of raw material consumed</b>		<b>1,425,346,576</b>	1,312,116,872
<b>Details of Raw Material Consumed</b>			
Tin Plate		<b>1,053,429,806</b>	1,003,444,795
Printing Material		<b>73,115,759</b>	70,643,626
Packing Material		<b>54,156,802</b>	49,233,221
Other materials		<b>244,644,209</b>	188,795,230
<b>Total</b>		<b>1,425,346,576</b>	1,312,116,872



**NOTE NO. 20**

<b><u>Purchase of Stock-in-trade</u></b>	<b>Year ended 31 March 2013 ₹</b>	<b>Year ended 31 March 2012 ₹</b>
Tinplate	712,115,115	602,918,436
Others	6,079,489	25,151,221
<b>Total</b>	<b>718,194,604</b>	<b>628,069,657</b>

**NOTE NO. 21**

<b><u>Changes in Inventories</u></b>	<b>Year ended 31 March 2013 ₹</b>	<b>Year ended 31 March 2012 ₹</b>
Stock in Trade		
Opening Stock	21,744,449	8,184,837
Closing Stock	35,290,487	21,744,449
Changes in inventories of Stock-in-trade (A)	<u>(13,546,038)</u>	<u>(13,559,612)</u>
Work in Progress		
Opening Stock	112,126,379	164,291,624
Closing Stock	68,785,422	112,126,379
Changes in inventories of Work in progress (B)	<u>43,340,957</u>	<u>52,165,245</u>
Finished Goods		
Opening Stock	57,189,638	40,696,754
Closing Stock	61,258,719	57,189,638
Changes in inventories of Finished Goods (C)	<u>(4,069,081)</u>	<u>(16,492,884)</u>
<b>Total (A+B+C)</b>	<b>25,725,838</b>	<b>22,112,749</b>

**NOTE NO. 22**

<b><u>Employee benefit expense</u></b>	<b>Year ended 31 March 2013 ₹</b>	<b>Year ended 31 March 2012 ₹</b>
salaries, Wages, Bonus etc.	136,688,937	126,462,926
Contribution to Provident and other Funds	5,501,439	4,690,653
Employees Welfare	2,924,908	3,442,894
<b>Total</b>	<b>145,115,284</b>	<b>134,596,473</b>

**NOTE NO. 23**

<b><u>Finance Costs</u></b>	<b>Year ended 31 March 2013 ₹</b>	<b>Year ended 31 March 2012 ₹</b>
Interest expense	92,534,626	83,704,801
Bank Charges	7,950,348	7,710,544
<b>Total</b>	<b>100,484,974</b>	<b>91,415,345</b>

**NOTE NO. 24**

<u>Other Expenses</u>	Year ended 31 March 2013 ₹	Year ended 31 March 2012 ₹
Consumption of Stores and Spares	17,934,540	16,853,163
Power & Fuel	65,287,387	63,714,140
Repair to :		
- Buildings	1,701,559	573,191
- Plant & Machinery	1,252,411	1,270,614
- Others	863,023	737,695
Director's Fees	224,969	236,000
Insurance	5,309,749	4,204,131
Payment to Auditors	764,332	544,298
Professional & Legal	9,785,533	10,548,829
Rates & Taxes	480,823	700,441
Rent	4,474,569	4,905,524
Conveyance	2,919,811	2,713,629
Motor Car & Scooter Expenses	3,118,123	2,371,556
Subscription	1,185,636	736,952
Donation	172,280	635,984
Postage Telegraph & Telephone	2,397,056	2,441,176
Books & Periodicals	41,357	46,554
Printing & Stationery	1,061,337	1,126,092
Fine & Penalty	2,000	-
Miscellaneous	7,384,891	7,056,966
Travelling Expenses	12,781,720	10,367,895
Advertisement	2,172,977	2,923,682
Cash Discount & Rebate & Damages	5,823,371	467,092
Excise Written Off	95,016	1,044,571
Sales Tax Written Off	2,868	4,223,288
Sales Commission	59,065	-
Sales Promotion	1,468,948	1,081,368
Balance Written off	819	14,515
Jobwork charges	-	157,566
Freight, Forwarding & Shipment Charges (Net)	39,086,866	35,102,804
<b>Total</b>	<b>187,853,036</b>	<b>176,799,716</b>

<u>Payment to Auditors</u>	Year ended 31 March 2013 ₹	Year ended 31 March 2012 ₹
a. As Auditor	275,000	275,000
b. For taxation matters	250,000	90,000
c. For other services ( Certifications)	220,674	146,500
d. For reimbursement of expenses	18,658	32,798
<b>Total</b>	<b>764,332</b>	<b>544,298</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 period at 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, 2013 amounting to Rs.20.28 lacs (previous year Rs.233.93 Lacs).
- (b) 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 (now competition appellate tribunal) 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 (now competition appellate tribunal) and the tribunal had given the judgment in favour of the company. M/s Himalayan International Limited has filed an appeal before Appellate Tribunal for reviewing the decision now appellate tribunal has adjourned the matter sine die.
- (c) Income Tax demand Rs.8.83 Lacs for Assessment Year 2008-09 and demand of Rs.3.62 Lacs for Assessment Year 2010-11.
- (d) Rs 19,88,241/- for the year 2008-09 to 2012-13 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 now matter is pending before the hon'ble Supreme Court on department appeal.

### 27.2 Commitments

- (a) The estimated amount of contract remaining to be executive on capital account and not provided for, net of advances Rs. 11.88 Lacs. (Previous year Rs.28.20 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. 78.57 lacs (previous year Rs 70.69 lacs).
- (c) Unclaimed dividend of Rs. 8.29 Lacs as on 31st Mar 2013 is lying with Bank.

S.No.	Dividend Year	Bank Name	Balance as on 31 <sup>st</sup> March, 2013
1.	2005-2006	AXIS Bank	1,56,226.00
2.	2006-2007	AXIS Bank	1,02,962.00
3.	2007-2008	IDBI Bank	1,31,278.40
4.	2008-2009	IDBI Bank	1,28,676.40
5.	Interim 2009-10	IDBI Bank	53,202.00
6.	2009-10	IDBI Bank	80,607.00
7.	2010-11	IDBI Bank	1,14,350.00
8.	2011-12	IDBI Bank	61,570.25
<b>Total</b>			<b>8,28,872.05</b>

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

1. Year to which dividend relates	<u>2011-12</u>	<u>2010-11</u>
2. No. of NRI Shareholders	<b>38</b>	42
3. No. of Share held by them	<b>1035132</b>	1064855
4. Amount Paid (Rs.)	<b>724592.40</b>	1490797

**30. Directors Remuneration**

	<u>2012-13</u>	<u>2011-12</u>
Salaries & Allowances	<b>86,05,776</b>	81,80,705
Commission	<b>9,60,000.00</b>	-
Sitting Fees	<b>2,24,969.00</b>	2,36,000
	<b>97,90,745</b>	84,16,705

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

	<u>2012-13</u>	<u>2011-12</u>
<b>Profit As per P &amp; L A/c</b>	<b>11,03,04,048</b>	8,35,28,765
Add: Salary & Allowance to Directors	<b>95,65,776</b>	81,80,705
Less: Profit on Sale of Fixed assets	<b>21,09,726</b>	1,74,716
	<b>11,77,60,098</b>	9,15,34,754

**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 31.03.13. (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 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 that Fixed Assets has increased by Rs 3447055/- with consequent increase in profit for the year by Rs 3447055/-

### 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 2012-13 are as follows.

(Figures in lacs)		
Under Head	2012-13	2011-12
Under Head	<b>2012-13</b>	2011-12
Export Sales	<b>52.96 Credit.</b>	122.54 Credit.
Import Purchases	<b>53.45 Debit</b>	294.99 Debit
Finance Expenses		
E C B Loan	<b>0.00</b>	0.00
E E F C Account	<b>0.00</b>	0.00
S C Bank Singapore Current A/c	<b>0.00</b>	0.00
<b>Total</b>	<b>0.49 Debit</b>	172.45 Debit

(b) The amount of exchange difference (other than regarded as borrowing cost) debited to the carrying amount of fixed assets is Rs 34.47 Lac (Previous year: Rs.72.02 lacs)

(c) (i) The derivative instruments that are hedged and outstanding as on 31.03.13 US\$ NIL (INR NIL) {previous year US\$ Nil ( INR Nil)}.

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

(Figures in lacs)					
		31/03/2013		31/03/2012	
		In foreign Currency	In Indian Currency	In foreign Currency	In Indian Currency
(a)	Assets /Receivable				
	US\$	<b>18.19</b>	<b>987.53</b>	7.77	395.25
	Euro £	<b>0</b>	<b>0</b>	0	0
(b)	Liabilities / Payable				
	US\$	<b>14.30</b>	<b>777.61</b>	26.27	1336.52
	Euro £	<b>0.72</b>	<b>50.07</b>	0	0


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

(a) The company has recognized Rs.43.07 lacs in the Profit & Loss Account for the year ended 31.03.2013 under defined plan.

(b) Detail of Defined Benefit Plan

	<b>Gratuity</b>	<b>Leave Encashment</b>
	<b>In Rupee</b>	<b>In Rupee</b>
<b>A Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
Defined Benefit obligation at beginning of the year	20450557	6824956
Current Service Cost	1968488	1066015
Interest Cost	1682549	561516
Actuarial (gain)/loss	486625	845325
Benefits paid	613184	186536
Defined Benefit obligation at year end	23975035	9111276
<b>B Reconciliation of opening and closing balances of of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	17731834	5692755
Expected return on plan assets	1659142	644445
Actuarial (gain)/loss	0	0
Employer contribution	2229527	1966915
Benefits paid	613184	186536
Fair value of plan assets at year end	21007319	8117579
Actual return on plan assets	1659142	644445
<b>C Reconciliation of fair value of assets and obligation</b>		
Fair value of plan assets as at 31st March, 2013	21007319	8117579
Present value of obligation as at 31st March, 2013	23975035	9111276
Amount recognized in Balance sheet	2967716	993697
<b>D Expenses recognized during the year</b>		
Current service Cost	1968488	1066015
Interest Cost	1682549	561516
Expected Return on plan assets	1659142	644445
Actuarial (gain)/loss	486625	845325
Net Cost	<b>2478520</b>	<b>1828411</b>
<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)	8.25%	8.25%
Expected rate of return on plan asset (per annum)	9.15%	9.15%
Expected return on plan assets (per annum)	1659142	644445
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 31.03.2013			For the year ended 31.03.2012		
	Mfg.	Trading	Total	Mfg.	Trading	Total
<b>A. PRIMARY SEGMENT BUSINESS SEGMENTS</b>						
<b>I. SEGMENT REVENUE</b>						
a) Segment Revenue	19940.90	7340.82	27281.72	18395.57	6268.84	24664.41
b) Inter Segment Revenue	0	0	0	0	0	0
c) Operating Revenue external (a)-(b)	19940.90	7340.82	27281.72	18395.57	6268.84	24664.41
<b>II. SEGMENT RESULTS</b>						
a. Segment Results	1636.53	203.62	1840.05	1446.11	47.74	1493.85
b) Unallocated Income			267.84			255.59
c) Profit before interest & Income Tax (a)+(b)			2107.89			1749.44
d) Interest			1004.85			914.15
e) Net Profit before Income Tax (c)-(d)			1103.04			835.29
f) Tax Expenses			368.15			266.09
g) Net Profit after Income Tax			734.89			569.20
<b>III. ASSETS &amp; LIABILITIES</b>						
a) Segment Assets	15350.86	4029.28	19380.14	15028.29	3514.10	18542.49
b) Unallocated Assets			1827.35			1684.07
c) Total Assets			21207.49			20226.56
d) Segment Liabilities	9205.28	1572.85	10778.13	9247.75	1250.27	10498.02
e) Unallocated Liabilities			772.47			745.70
f) Total Liabilities			11550.60			11243.72
<b>IV. OTHER INFORMATION</b>						
a) Cost incurred during the period to acquire fixed assets (Incl. CWIP) (Unallocated)	805.00	0	805	551.53	0	551.53
b) Depreciation	416.34	2.99	419.33	433.29	0.32	433.61
c) Non Cash Expenses (other than depreciation)	0	0	0	0	0	0
<b>B. SECONDARY SEGMENT</b>						
	Domestic	Export	Total	Domestic	Export	Total
1. Net sales/income from operations	22421.30	4860.42	27281.72	20545.94	4118.47	24664.41
2. Total Assets (Unallocated)			21207.49			20226.56
3. Cost incurred during the period to acquire fixed assets			805			551.53

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 Tinplates, Easy Open Ends, Scrap.

**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	
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
	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 OTHER EXPENSES PURCHASE & SALE OF TINPLATE	132000 40127 NIL	NIL 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	72,000	72,000	NIL
4. Rexam HTW Beverage Can (India) Ltd.	Joint Venture Company	RECEIPTS Royalty Management Services Reimbursement of Expenses	561800 7644972 173062	1938998	NIL
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 Returned Int. paid	7500000 7500000 NIL		
6. Hi-Tech Detergents Pvt. Ltd.		ICD	NIL	NIL	NIL
7. Mrs. Manju Bhatia Mrs. Sareeta Bhatia		Rent Paid Rent Paid	1566204 1566204	NIL NIL	NIL NIL
8. Director & Relatives remuneration	Mr. Vijay Kumar Bhatia Mr. Ashok Kumar Bhatia Mr. Sanjay Bhatia Mr. P. P. Singh Mr. Paras Bhatia Mr. Saket Bhatia Mr. Gaurav Bhatia Mr. Atit Bhatia	Salary	21546786	1004915	NIL

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

	(In Rs.) 2012-13	(In Rs.) 2011-12
(a) Face value of equity share	10	10
(b) No. of Equity Shares	1,03,99,683	1,03,99,683
(c) Net profit after Tax	7,34,89,289	5,69,20,308
(d) Basic and Diluted Earnings per share (c/b)	7.07	5.47

**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. 1072529/- (Previous year Rs. 1045293)		
(ii) Company's share of the Capital Commitments of the Rexam HTW Beverage can ( India ) Limited is Rs.0.05 crore (Previous year Rs.4.27 crore)		
(iii) 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>2012-2013</u>	<u>2011-2012</u>
Fixed Assets	<b>6.35</b>	2.06
Net Current Assets	<b>-1.04</b>	0.43
Secured Loans	<b>4.08</b>	0.63
Deferred Tax Liability	-	-
Deferred Tax Assets	-	-
Shareholders Funds	<b>0.54</b>	1.86
Income	<b>2.17</b>	1.53
Expenses	<b>3.25</b>	2.62

(ii) Information relating to 2012-13 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 of 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>4800.01</b>	5217.75
Spares	<b>31.34</b>	52.58
Capital goods	<b>457.91</b>	142.11
<b>Total</b>	<b>5289.26</b>	5412.44

**42. Expenditure In Foreign Currency**

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Travelling	38.62	19.19
Subscription	5.85	2.95
Interest	15.60	41.89
Professional & Consultation Fees	18.76	20.21
Advertisement	6.72	5.62
Others	2.42	5.60
<b>Total</b>	<b>87.97</b>	<b>95.46</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	3846.58	26.98	3240.00	24.69
Indigenous	10406.89	73.02	9881.17	75.31
	<b>14253.47</b>	<b>100</b>	<b>13121.17</b>	<b>100</b>
<b>ii) STORES AND SPARES</b>				
Imported	35.77	16.44	59.36	30.54
Indigenous	181.75	83.56	134.99	69.46
	<b>217.52</b>	<b>100</b>	<b>194.35</b>	<b>100</b>

**44. Earnings In Foreign Currency**

Export Goods on FOB Basis Rs. 4743.01 Lacs (Previous Year Rs. 3956.01 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, 2013 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.

Signature to the notes 1 to 45  
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 : May 30, 2013

**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 **55<sup>th</sup> Annual General Meeting** of the Company held on Friday, the 27<sup>th</sup> September, 2013 at 10.00 A.M. at Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi.

**Signature of Shareholder/Proxy:**



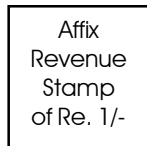
**HINDUSTAN TIN WORKS LIMITED**

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 **55<sup>th</sup> Annual General Meeting** of the Company to be held on Friday, the 27<sup>th</sup> September, 2013 at 10.00 A.M at Asha Farms, Palla Gaon Road, Bakhtawarpur, Delhi, and/or at any adjournment thereof.

Signed this ..... day of ..... 2013.



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.

## **HTW'S RECOGNITION - AWARDS**

During the period of report, your Company has received the following prestigious awards:



September, 2012  
Award for Export Excellence  
(Northern Region) 2009-10



September, 2012  
Award for Export Excellence  
(Northern Region) 2010-11



October, 2012  
Asia CanTech  
Award 2012 for Oreo Cans

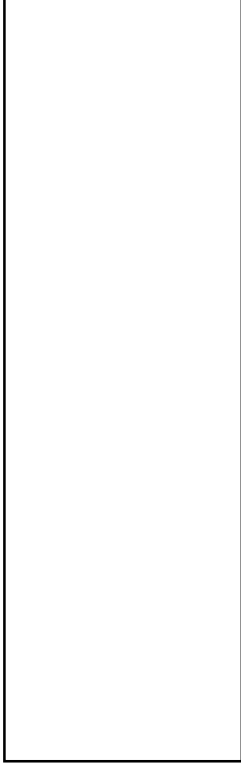


January, 2013  
India Star Award 2012  
for Zarda Pan Masala Can

**One more award conferred in December 2012 for  
Oreo can at "mondelez india supplier summit" (cadbury)**

---

**BOOK-POST**



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