
Hindustan Tin Works eyes PE funding

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VC Circle reported that Hindustan Tin Works is looking to set up new plants near ports or near its market in South or West India.

Mr Sanjay Bhatia MD of Hindustan Tin Work said that tin can manufacturer Hindustan Tin Works has initiated talks with private equity funds to raise capital to fuel its expansion plans. The company plans to expand its production capacity and set up more plants across the country. We are in touch with private equity players.

Mr Bhatia said that the Delhi based firm plans to close its fund raising exercise by March. The firm which has a plant in Murthal in Haryana is looking to set up new units near ports or near its market in South or West India.

HTW's sales stood at INR 244.3 crore in FY09 compared to INR 185.4 crore in FY08. HTW has doubled its export turnover to INR 36.83 crore in the financial year ended in March 2009 from INR 15.30 crore. Over the last few years, the firm has pushed exports to 20 countries. It supplies cans to Nestle, Tata Coffee, Parle, Novartis, Asian Paints, among others. HTW is expecting sales of INR 270 crore this year with around INR 50 crore coming from exports.

According to the India Food Report 2008, the Indian food industry has been estimated at over USD 182 billion and it is expected to grow at 14%. Packaging will play an important part of this growth.

Mr Bhatia pointed out that another factor working for this industry is the number of overseas players looking to enter the Indian market. Case in point is US firm Abbott's acquisition of Wockhardt's nutrition business which is a client of HTW. The total size of metal packaging industry in India is pegged at INR 3,000 crore.

HTW which was till now mainly focusing on packaging for food products is also looking to make cans for other products now like beverages and aerosol cans. The company has entered the beverage space by forming a JV with UK based Rexam plc. HTW owns a 49% stake in this venture while the rest is held by Rexam and the unit started commercial production 2008. Rexam HTW Beverage Can Limited makes cans for carbonated soft drinks and beer and has a plant in Mumbai.

(Sourced from Vccircle.com)

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