



HINDUSTAN EVEREST TOOLS LTD.
48th ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

Shri Shravan Kumar Mandelia, *Chairman & Mg. Director*
Shri Balgopal Mandelia, *Vice-Chairman and Jt. Mg. Director*
Shri Umesh Kumar Khaitan
Shri Vibhu Bakhru
Shri Pradeep Jain
Shri V.K. Khanna, Executive Director (Finance)

COMPANY SECRETARY

Shri Govind Deora

AUDITORS

Singhi & Co.
Chartered Accountants,
Pragati House
401-408, Nehru Place,
New Delhi-110 019

BANKERS

UCO Bank,
Punjab National Bank
HDFC Bank
Citi Bank

REGISTERED OFFICE

Dohil Chambers,
46, Nehru Place,
New Delhi-110 019

WORKS

Village Jatheri,
Distt. Sonapat,
Haryana

SHARES LISTED AT

Bombay Stock Exchange

REGISTAR & TRANSFER AGENT

LINK INTIME INDIA PVT. LTD.
A-40, 2nd Floor
Near Batra Banquet Hall
Naraina Industrial Area, Phase-II,
New Delhi-110028.



HINDUSTAN EVEREST TOOLS LTD.

NOTICE

Notice is hereby given that the 48th Annual General Meeting of the Members of Hindustan Everest Tools Ltd. will be held at "PHD House", opposite Asian Games Village, Siri Fort Road, New Delhi-110016 on Friday the 30th day of September, 2011 at 2.30 P.M. to transact the following business :-

AS ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date together with Reports of the Auditors' and Directors' thereon.
- 2) To appoint Director in place of Shri Pradeep Jain who retires by rotation and being eligible, offer himself for re-appointment.
- 3) To appoint Director in place of Shri V.K. Khanna, who retires by rotation and being eligible, offer himself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS :

- 5) To consider and if thought fit to pass with or without modification, the following resolutions as Ordinary Resolution:
"Resolved that pursuant to section 314 and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time, the Directors' Relatives (office or Place of Profit) Rules, 2003 and as recommended/approved by the Remuneration Committee at its Meeting held on May 30, 2011 and as approved by the Board of Directors at their Meeting held on May 30, 2011 and subject to such approvals by the Shareholders of the Company, as may be required, the consent of the Company be and hereby accorded to Shri Anant Vijay Mandelia, who is a relative of a Directors to hold and office or place of profit under the Company as Marketing Executive or with such designation as the Board of Directors of the Company may, from time to time, decide, for revision of his remuneration for a period of three years from 1st May, 2011 on a remuneration and on the terms and conditions as set out in the Explanatory Statement attached hereto which shall be deemed to form part hereof with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said remuneration from time to time."

Shri Anant Kumar Mandelia is related to Shri S.K. Mandelia and Shri B.G. Mandelia are deemed to be the interested in this resolution.

BY ORDER OF THE BOARD

Place : New Delhi
Dated : 30th May, 2011

Sd/-
GOVIND DEORA
Company Secretary

HINDUSTAN EVEREST TOOLS LTD.



NOTES :

- (1) A Member entitled to attend and Vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by Company not less than 48 hours before the meeting.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 23rd day of September, 2011 to Friday the 30th day of September, 2011 (both the days inclusive).
- (3) Pursuant to Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31.3.1999 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the **Investor Education and Protection Fund** established by the Central government pursuant to Section 205C of the Companies Act, 1956.
- (4) (a) Members holding shares in physical form are requested to notify/send the following to the Registrar and Transfer Agent of the Company M/s Link Intime India Pvt. Limited, A-40, 2nd Floor, Naraina Industrial area, Phase-II, Near Batra Banquet Hall, New Delhi-110028, Phone No.: 41410592, Fax: 41410591, E-mail: delhi@linkintime.co.in and Company's e-mail: admin@everesttools.com
 - i) Any change in their address/mandate/bank details.
 - (b) Members holding shares in the dematerialised form are requested to notify all changes with respect to their address, mandate and bank details to their Depository Participant.
 - (c) Shareholders are also requested to quote their Folio No. / DP ID-Client ID and details of shares held in physical/ demat mode, E-mail IDs and Telephone / Fax numbers for prompt reply to their communications.

Green Initiative in Corporate Governance : Register E-mail Address

The Ministry of Corporate Affairs has now permitted companies to send various notices / documents under the Companies Act 1956, to its shareholders, through electronic mode. We request the Members to support this initiative and register their E-mail addresses in respect of shares held in : (1) dematerialised mode, with their Depository Participants; and (2) physical mode with Link Intime India Pvt. Ltd. (RTA). Please quote the following particulars in the E-mail Registration request : Folio No. / DPID-Client ID, PAN, name(s) of Registered Holder(s), Address, Telephone and E-mail address (to be registered for sending future communications through E-mail) and send the same under your signature(s).

BY ORDER OF THE BOARD

Place : New Delhi
Dated : 30th May, 2011

Sd/-
GOVIND DEORA
Company Secretary



HINDUSTAN EVEREST TOOLS LTD.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO. 5

Shri Anant Vijay Mandelia is working as a Business Executive (Marketing) in our Company since 1st February 2008 on a monthly remuneration of Rs. 20,000/- and perquisites applicable to other employees in the similar post within the same grade which is well within the permissible limit subject to the approval of the Shareholders in the ensuing Annual General Meeting of the Company. He is son of Shri Balgopal Mandelia, Vice-Chairman & Managing Director of the Company.

Shri Anant Vijay Mandelia current salary is not commensurate with the role and responsibility carried out by him. Hence, on the recommendation/approved by the Remuneration Committee at its Meeting held on May 30, 2011, the Board of Directors at their Meeting held on May 30, 2011 approved of remuneration in the Scale of Rs. 30,000-40,000-50,000 per month for a period of three years respectively from 1st May, 2011, subject to the approval of the Shareholders in the ensuing Annual General Meeting. Further the Board shall have discretion and authority to revise his remuneration from time to time as it may deem fit, however within the above overall limit as approved by the members of the Company.

Shri Anant Vijay Mandelia appointed u/s 314(1-B). The terms and conditions of appointment of Shri Anant Vijay Mandelia are given below: -

A) Salary: Rs. 30,000/- per month in the Scale of Rs. 30,000-40,000-50,000.

B) Perquisites & Allowances :

1. He shall also be eligible to the following perquisites which shall however not be included in the computation of ceiling on remuneration: -
 - a) Company's contribution to Provident Fund of an amount not exceeding 12% of his salary.

The Board of Directors recommends the passing of the resolution at Item No.5 of the Notice convening the Meeting for the approval of the members under Section 314 of the Companies Act, 1956 by way of a special resolution.

Except Shri S.K. Mandelia and Shri B.G. Mandelia no other Director is interested in this resolution.

BY ORDER OF THE BOARD

Place : New Delhi
Dated : 30th May, 2011

Sd/-
GOVIND DEORA
Company Secretary

HINDUSTAN EVEREST TOOLS LTD.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 48th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

| | Rs. in Lakhs | |
|--------------------------------|--------------|-----------|
| | 2010-2011 | 2009-2010 |
| Profit/ (Loss) before interest | 158.92 | (97.07) |
| Less: Interest | 124.26 | 128.62 |
| Cash Profit/(loss) | 34.66 | (225.59) |
| Depreciation | 64.13 | 67.43 |
| Net Profit/(Loss) | (29.47) | (293.12) |
| Add/Less: | | |
| : Provision for taxation | (0.63) | (0.80) |
| : Provisions for Deferred Tax | 7.10 | 41.89 |
| | 6.47 | 42.69 |
| | (23.00) | (335.81) |

| APPROPRIATION | | |
|-------------------------------|---------|--------|
| Transfer from General Reserve | — | 335.81 |
| Carried over to next year | (23.00) | — |

OPERATIONS

The overall performance of the company for the year under review should under the circumstances be considered satisfactory.

Whilst the exports registered a growth of 70%, domestic sales registered an increase of 16%, and the production also increased by 25% over the previous year.

However, inflationary pressures remain a matter of concern, as the cost of all inputs including power and fuel and especially salaries and wages increased very sharply and these continue to do so even currently.

The Management spares no effort to curtail consumption and costs on each front whilst making best efforts to increase the realization by way of up-gradation of quality and search for new markets for the products of your Company.

The outlook for current year continues to be encouraging as demand for the products is increasing and additional machines have been recently imported to add to the current range of products which should increase the production and sales during the current year.

DIVIDEND

In view of the Company having suffered a loss during the year, the Directors hereby express their inability to recommend any dividend for the year ended 31st March, 2011.

CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS & OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies Declaration of particulars in the Report of Board of Directors Rules, 1988, the information relating to the Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earning and Outgo is given in the Annexure 'A' forming part of this report.

DIRECTORS

In accordance with the provision of Companies Act, 1956 and Articles of Association, Shri Pradeep Jain and Shri Vinod Kumar Khanna retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENTS

In compliance to the Provisions of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed.

- That in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- That the Directors 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 fraud and other irregularities.
- That the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a "going concern" basis.

AUDITORS

M/s Singhi & Company, Chartered Accountants, Auditors of the Company retires at the conclusion of this Annual General meeting and being eligible offer themselves for re-appointment.



HINDUSTAN EVEREST TOOLS LTD.

As regards auditors observations/ qualification made in the Auditor's Report, Regarding other observations/ qualification made in the Auditor's Report, relevant Notes of Notes on Accounts are self-explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

PERSONNEL

Your Directors wish to place on record their sincere appreciation to employees for their continuous efforts and valuable services rendered by them at all levels.

There is no employee who was in receipt of remuneration as required to be disclosed under Section 217(2A) of the Companies Act, 1956.

Place : New Delhi
Dated : 30th May, 2011

For & On Behalf of the Board
Sd/-
S.K. MANDELIA
Chairman



Information as per Section 217(i)(e) read with the Companies (Declaration of Particulars in respect of the Board of Directors) Rule, 1988 and forming part of the Directors' Report.

A) CONSERVATION OF ENERGY

(a) Energy Conservation measures taken:

Energy conservation is an on-going activity in the Company and depending upon the average energy consumption per unit of each department, Internal Checking, necessary corrective measures are being taken to reduce the energy consumption per unit of Production.

(b) Additional Investments and Proposals:

With the help of equipment like Automatic Power Factor Correction Meter, Ammeter in each phase, the Company is monitoring the consumption of plant as well various equipment's as and where required. Installation of additional equipment is done to improve efficiency.

(c) Impact of measures:

With the implementation of various measures taken, total energy consumption and the energy consumption per unit of production should be considered satisfactory due to emphasis on production of high value added products and processes, which consume more specific energy.

(d) Total energy consumption and Energy Consumption per Unit of production:

| | | Current Year | Previous Year |
|----|------------------------------------|-----------------|---------------|
| 1. | Power & Fuel Consumption | | |
| | (a) Electricity | | |
| | i. Purchased Units | 23,06,200 | 19,20,523 |
| | Amount | Rs. 1,24,63,715 | 85,53,912 |
| | Rate/Unit (average) | Rs. 5.40 | 4.45 |
| | ii. Own generation DG Sets | | |
| | Units Generated | 5,41,340 | 4,58,790 |
| | Units per Ltr. of Diesel | 3.28 | 2.96 |
| | Rate per Ltr. of Fuel | Rs. 35.34 | 32.51 |
| | Cost/Unit (average) | Rs. 10.77 | 10.98 |
| | (b) LPG | | |
| | Quantity | (Kg.) 2,99,952 | 2,79,647 |
| | Amount | Rs. 1,35,30,488 | 1,04,24,205 |
| | Average Rate | Rs. 45.11 | 37.28 |
| | (c) PNG | | |
| | Quantity (SCM) | (Kg.) 20,841 | — |
| | Amount | Rs. 4,31,208 | — |
| | Average Rate | Rs. 20.69 | — |
| 2. | Consumption per Unit of Production | | |
| | Product – Hand Tools | | |
| | Electricity Units/MT | 3,064 | 3,194 |
| | LPG | 323 | 375 |
| | PNG | — | — |

B) TECHNOLOGY ABSORPTION

Research & Development :

- (i) The Research & Development Center of the Company continuously endeavors to upgrade the existing product process and venture in new product development and process improvement. This has lead to enhance progress and efficiency throughout the plant. The benefits derived can be summed-up as under:-
- Extension of Product Range & introduction of new product.
 - Upgradation of process leading to better quality, performance and efficiency.
 - Upgradation of existing product for better quality and performance.
 - Extensive study of process, product function vis-à-vis customer requirement and its modification.



HINDUSTAN EVEREST TOOLS LTD.

(ii) Benefits derived as a result of the in-house R & D:

- a) Improving productivity by designing better accuracy & ergonomic production Tools & Fixtures.
- b) Better and product with better performance.
- c) Effective and better controls of process thereby increasing the consistency of quality.

(iii) Expenditure on R & D:

(Rs. in Lakhs)

- a) Capital —
- b) Recurring 4.25
- c) Total 4.25
- d) Total R & D expenditure of total turnover 0.11%

(iv) Technology Imports:

No technology was imported during last five years.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

Total Foreign Exchange used and earned:

(Rs. in Lakhs)

Total Foreign Exchange used

26.92

Total Foreign Exchange Earned

1,532.18



HINDUSTAN EVEREST TOOLS LTD.

AUDITORS' REPORT

To the Shareholders,

We have audited the attached Balance Sheet of HINDUSTAN EVEREST TOOLS LIMITED, as at 31st March, 2011, and also the Profit and Loss account and Cash Flow for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating, the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- ii. 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;
- iii. The Balance Sheet, Profit and Loss account and Cash Flow dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011, from being appointed as directors in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011 and
 - b) In the case of the Profit and Loss account, of the loss of the company for the year ended on that date.
 - c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **SINGHI & CO.**
Chartered Accountants
Firm Reg No. 302049E

B.K. Sipani
Partner
Membership No. 88926

Place : New Delhi
Dated : 30th May, 2011



HINDUSTAN EVEREST TOOLS LTD.

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date Re: Hindustan Everest Tools Ltd.)

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed Assets have been physically verified by the Management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c. The Company has not disposed off substantial part of fixed assets during the year.
- (ii) a. As explained to us inventories were physically verified during the year by the management at reasonable intervals.
- 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. In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) a. According to the information and explanations given to us, the Company has taken unsecured loan including in previous year from four parties (maximum and year end balance Rs. 5, 22, 15,000/-).
- b. The rate of interest and other terms & condition of such loan are prima facie not prejudicial to the interest of the Company.
- c. As informed to us, the Company has not granted any loan to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control.
- (v) a. In our opinion and according to the information and explanations provided by the management, we are of the opinion that the particulars of contract or arrangements that need to be entered into 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, there is no transaction of purchase and sale of goods, materials and services made from the parties covered under section 301 of the Companies Act'1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not received any public deposit during the year.
- (vii) In our opinion, the Company has internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records for the Company's products under section 209(1)(d) of the Companies Act, 1956.
- (ix) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, services tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities though *there have been some delays*. There are no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.
- b. According to the records of the Company, there are no dues outstanding of sales tax, income tax, service tax, custom tax, wealth tax, excise duty and cess on account of any dispute.
- (x) The Company has no accumulated loss at the end of the financial year and the Company has incurred cash loss during the current but not in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution and banks. We have been informed that the Company has not issued any debenture during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.

HINDUSTAN EVEREST TOOLS LTD.



- (xiv) The Company does not deal or trade in shares, securities, debentures and other securities.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees in favour of banks / financial institution for loans taken by others.
- (xvi) According to the information and explanations given to us, no term loan taken by the company.
- (xvii) According to the information and explanation given to us, on an overall basis, fund raised on short term basis has not been used during the year for long term investment.
- (xviii) 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.
- (xix) The Company did not have any outstanding debentures during the year. Hence, question of creation of security or charge does not arise.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company, was noticed or reported during the year.

Place : New Delhi
Dated : 30th May, 2011

For **SINGHI & CO.**
Chartered Accountants
Firm Reg No. 302049E

B.K. Sipani
Partner
Membership No. 88926



HINDUSTAN EVEREST TOOLS LTD.

BALANCE SHEET AS AT 31ST MARCH, 2011

| | Schedule No. | As at 31.3.2011 Rs. | As at 31.3.2010 Rs. |
|--|-----------------|----------------------------|----------------------------|
| I. SOURCES OF FUNDS | | | |
| 1. Shareholder's Funds | | | |
| a) Capital | 1 | 1,60,72,000 | 1,60,72,000 |
| b) Reserves and Surplus | 2 | 3,11,86,094 | 3,34,86,174 |
| | | <u>4,72,58,094</u> | <u>4,95,58,174</u> |
| 2. Loan Funds | | | |
| a) Secured Loans | 3 | 8,33,04,893 | 8,08,40,594 |
| b) Un-Secured Loans | 4 | 5,82,85,417 | 5,73,55,352 |
| | | <u>14,15,90,310</u> | <u>13,81,95,946</u> |
| Total | | <u><u>18,88,48,404</u></u> | <u><u>18,77,54,120</u></u> |
| II. APPLICATION OF FUNDS | | | |
| 1. Fixed Assets | | | |
| a) Gross Block | 5 | 19,86,80,663 | 19,68,40,386 |
| b) Less: Depreciation | | 12,97,36,255 | 12,65,83,425 |
| c) Net Block | | 6,89,44,408 | 7,02,56,961 |
| d) Capital-Work-in Progress | | — | 8,906 |
| | | <u>6,89,44,408</u> | <u>7,02,65,867</u> |
| 2. Investments | 6 | <u>6,82,649</u> | <u>8,04,053</u> |
| 3. Deferred Tax Assets (Net) | | <u>57,95,580</u> | <u>50,85,268</u> |
| 4. Current Assets, Loans & Advances | | | |
| a) Inventories | 7 | 15,34,78,031 | 14,85,77,066 |
| b) Sundry Debtors | 8 | 5,28,71,552 | 4,40,53,321 |
| c) Cash and Bank Balances | 9 | 43,79,005 | 38,73,556 |
| d) Loans & Advances | 10 | 1,84,85,344 | 1,28,71,969 |
| | | <u>22,92,13,932</u> | <u>20,93,75,912</u> |
| Less : Current Liabilities & Provisions | | | |
| a) Liabilities | 11 | 9,78,62,708 | 8,24,12,386 |
| b) Provisions | 12 | 1,79,25,457 | 1,53,64,594 |
| | | <u>11,57,88,165</u> | <u>9,77,76,980</u> |
| Net Current Assets | | <u>11,34,25,767</u> | <u>11,15,98,932</u> |
| Total | | <u><u>18,88,48,404</u></u> | <u><u>18,77,54,120</u></u> |
| Notes on Accounts & Accounting Policies | 22 | | |

The schedule referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report attached
for **SINGHI & CO.**
Chartered Accountants
Firm Reg No. 302049E

B.K. SIPANI
Partner
Membership No. 88926
Place: New Delhi
Dated: 30th May, 2011

GOVIND DEORA
Company Secretary

V.K. KHANNA
Executive Director (Finance)

For and on behalf of the Board of Directors
B.G. MANDELIA
Vice Chairman &
Joint Managing Director

S.K. MANDELIA
Chairman &
Managing Director

U.K. KHAITAN
VIBHU BAKHRU
PARDEEP JAIN
Directors



HINDUSTAN EVEREST TOOLS LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| | Schedule No. | Current Year Rs. | Previous Year Rs. |
|---|--------------|---------------------|----------------------|
| INCOME | | | |
| Sales | 13 | 38,10,93,316 | 28,12,02,880 |
| Other Income | 14 | 10,87,059 | 5,02,927 |
| Increase/(Decrease) in Stock | 15 | (7,18,311) | (1,64,16,346) |
| | (A) | <u>38,14,62,064</u> | <u>26,52,89,461</u> |
| EXPENDITURE | | | |
| Purchase (Non-Company Products) | | 7,57,46,519 | 5,57,64,577 |
| Raw Material Consumed | 16 | 7,00,68,200 | 4,65,25,528 |
| Manufacturing Expenses | 17 | 7,37,15,872 | 5,27,82,968 |
| Payment to & Provision for Employees | 18 | 8,25,20,807 | 6,43,61,826 |
| Selling & Distribution Expenses | 19 | 3,41,78,077 | 2,53,87,419 |
| Other Expenses | 20 | 2,93,41,084 | 3,01,73,689 |
| Interest & Bank Charges | 21 | 1,24,25,734 | 1,28,61,922 |
| | (B) | <u>37,79,96,293</u> | <u>28,78,57,929</u> |
| Profit/(Loss) Before Depreciation & | | | |
| Taxation | (A-B) | 34,65,771 | (2,25,68,468) |
| Depreciation | | 64,13,488 | 67,43,355 |
| Profit/(Loss) before Tax | | (29,47,717) | (2,93,11,823) |
| Deferred Tax (Charged)/Credit | | 7,10,312 | (41,89,191) |
| Provision for Wealth Tax | | (62,675) | (52,133) |
| Income Tax/FBT provision for earlier years | | — | (28,123) |
| Profit/(Loss) for the year carried to Balance Sheet | | <u>(23,00,080)</u> | <u>(3,35,81,270)</u> |
| Basic & Diluted Earning Per Share (Refer Note-10) | | <u>(1.43)</u> | <u>(20.89)</u> |
| Notes on Accounts & Accounting Policies | 22 | | |

The schedules referred to above and notes to accounts form an integral part of the Profit & Loss Account.

As per our report attached for **SINGHI & CO.**
Chartered Accountants
Firm Reg No. 302049E

B.K. SIPANI
Partner
Membership No. 88926
Place: New Delhi
Dated: 30th May, 2011

GOVIND DEORA
Company Secretary

For and on behalf of the Board of Directors
B.G. MANDELIA
Vice Chairman &
Joint Managing Director
S.K. MANDELIA
Chairman &
Managing Director
U.K. KHAITAN
VIBHU BAKHRU
PARDEEP JAIN
Directors



HINDUSTAN EVEREST TOOLS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 2011

| Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|--|--------------------|---------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/Loss before Tax and extra ordinary items | -29,47,717 | -2,93,11,823 |
| Add : Depreciation | 64,13,488 | 67,43,355 |
| Add : Interest paid | 1,10,26,784 | 1,17,50,536 |
| Less : Dividend Received | -18,624 | -13,362 |
| Deminution of value in investment | 1,21,404 | 0 |
| Add : Profit/Loss on sale of fixed Assets | 1,51,435 | 5,28,611 |
| Less : Exchange Rate fluctuation difference | -1,53,729 | 39,741 |
| Add : Bad Debts written off (Net) | 73,768 | 5,11,714 |
| Add : Provision for doubtful debts | 2,10,907 | 2,89,789 |
| Less : Liability no longer required | -30,774 | -11,991 |
| Less : Interest Received | -45,836 | -5,733 |
| Operating profit before working capital change | 1,48,01,106 | -94,79,163 |
| Adjustment for : | | |
| Trade & Other Receivable | -1,45,75,527 | 26,18,221 |
| Inventories | -49,00,965 | 1,35,27,787 |
| Trade Payable | 1,80,19,426 | -13,22,766 |
| Cash Generated from Operations | 1,33,44,040 | 53,44,079 |
| Less: Direct Tax (Paid)/Refund | -18,261 | -17,34,621 |
| Net cash from/(used in) operating activities | 1,33,25,779 | 36,09,458 |
| B. CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| Purchase of Fixed Assets | -53,13,773 | -5,04,719 |
| Sale of Fixed Assets | 61,403 | 29,89,320 |
| Movement in Fixed Deposit | 10,082 | 2,85,135 |
| Dividend Received | 18,624 | 13,362 |
| Interest Received | 45,836 | 5,733 |
| Net Cash Flow from investing activities | 51,77,828 | 27,88,831 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings (Net) | -28,06,728 | 1,11,28,558 |
| Proceeds from short Term borrowings (Net) | 63,11,922 | -41,35,850 |
| Interest Paid | -1,11,37,614 | -1,10,33,329 |
| Net Cash from/(used in) Financing Activities | -76,32,420 | -40,40,621 |
| Net Cash increase/Decrease in cash & equivalents (A+B+C) | 5,15,531 | 23,57,668 |
| Cash & Cash Equivalents as at (Opening Balance) | 34,05,537 | 10,47,869 |
| Cash & Cash Equivalents as at (Closing Balance) | 3,921,068 | 34,05,537 |
| Cash & Cash Equivalents includes | | |
| Cash & Cheques in Hand | 1,64,867 | 57,778 |
| Balance with schedule Banks | 37,44,958 | 33,36,516 |
| In Post office saving accounts | 11,243 | 11,243 |
| | 39,21,068 | 34,05,537 |

Note: Previous Year figures have been regrouped, wherever found necessary.

As per our report attached
for **SINGHI & CO.**
Chartered Accountants
Firm Reg No. 302049E

B.K. SIPANI
Partner
Membership No. 88926

Place: New Delhi
Dated: 29th May, 2010

14

GOVIND DEORA
Company Secretary

For and on behalf of the Board of Directors
B.G. MANDELIA
Vice Chairman &
Joint Managing Director

S.K. MANDELIA
Chairman &
Managing Director

V.K. KHANNA
Executive Director (Finance)

U.K. KHAITAN
VIBHU BAKHRU
PARDEEP JAIN
Directors



HINDUSTAN EVEREST TOOLS LTD.

SCHEDULE FORMING PART OF THE BALANCE SHEET

| | As at 31.3.2011 Rs. | As at 31.3.2010 Rs. |
|---|---------------------------|---------------------------|
| SCHEDULE-1 : SHARE CAPITAL | | |
| AUTHORISED | | |
| 23,00,000 Equity Share of Rs. 10/-each | 2,30,00,000 | 2,30,00,000 |
| 20,000 Redeemable Cumulative Preference Shares of Rs. 100/- each | 20,00,000 | 20,00,000 |
| | 2,50,00,000 | 2,50,00,000 |
| ISSUED SUBSCRIBED & PAID UP* | | |
| 16,07,200 Equity Shares of Rs.10/- each fully paid up(Previous Year Same) | 1,60,72,000 | 1,60,72,000 |
| | 1,60,72,000 | 1,60,72,000 |

*Out of the above shares 9,37,200 Equity shares of Rs.10/- each have been issued as fully paid up bonus shares by capitalisation of General Reserve of Rs.1 5,00,000/-, Capital Redemption Reserve Rs. 5,00,000/- and Share Premium Account of Rs.73,72,000/-

SCHEDULE-2 : RESERVES & SURPLUS

Capital Reserve:

| | | |
|--|-----------------|----------|
| a) Profit on re-issue of forfeited shares As per Last Balance Sheet | 12,400 | 12,400 |
| b) Capital Subsidy As per Last Balance Sheet | 7,40,000 | 7,40,000 |

Revaluation of Fixed Assets Reserve

| | | |
|---------------------------|------------------|-----------|
| As per Last Balance Sheet | 14,71,751 | 14,71,751 |
|---------------------------|------------------|-----------|

Share Premium Account

| | | |
|---------------------------|------------------|-----------|
| As per Last Balance Sheet | 73,28,000 | 73,28,000 |
|---------------------------|------------------|-----------|

General Reserve

| | | |
|---|--------------------|--------------|
| As per Last Balance Sheet | 2,39,34,023 | 5,75,15,293 |
| Less: Loss transferred as per profit & Loss Account adjusted. | 23,00,080 | -3,35,81,270 |
| | 2,16,33,943 | -3,35,81,270 |
| | 3,11,86,094 | 3,34,86,174 |



HINDUSTAN EVEREST TOOLS LTD.

| | As at 31.3.2011 Rs. | As at 31.3.2010 Rs. |
|---|---------------------------|---------------------------|
| SCHEDULE-3 : SECURED LOANS | | |
| 1 Borrowing under Hire Purchase Agreement from Banks Secured against specific assets | 34,79,385 | 26,71,677 |
| 2 Term Loan* First charge over Land, Building & Plant & Machinery & other immovable & movable Fixed Assets of the Company. | 1,08,13,776 | 1,58,17,212 |
| 3 Packing/Cash Credit Limits from Bank Secured by hypothecation of Raw Material Stores, Spares, Tools & Dies (not forming part of Plant & Machinery) Finished Goods, Goods-in-Process, Bill of Lading and /or Goods-in-course of clearance or in transit & First Charge on movable/immovable Assets of the Company other than those having exclusive charge | 6,90,11,732 | 6,21,53,810 |
| 4. Interest accrued and due on Term Loans | — | 1,97,895 |
| | <u>8,33,04,893</u> | <u>8,08,40,594</u> |

*Repayable within one year Rs.66,72,000/-
(Previous Year Rs.50,04,000/-)

SCHEDULE-4 : UNSECURED LOANS

Public Deposit

| | | |
|--|---------------------------|---------------------------|
| Managing Director & Joint Managing Director of the Company | — | 5,46,000 |
| Loans from Managing Director & Joint Managing Director & their Associates. (Interest free Loan) | 5,22,15,000 | 5,08,26,000 |
| Loan from a Body Corporate | 50,00,000 | 50,00,000 |
| Interest accrued & due | 10,70,417 | 9,83,352 |
| | <u>5,82,85,417</u> | <u>5,73,55,352</u> |



SCHEDULE-5 : FIXED ASSETS

| Description of Assets | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | |
|--|-----------------------|------------------|-------------------------|-----------------------------|---------------------|--------------------------|-------------------------|-----------------------|--------------------|--------------------|
| | Cost as at 01.04.2010 | Additions | Less Sales/ Adjustments | Total Cost as at 31.03.2011 | Upto 31.03.2010 | Provided During the year | Less Sales/ Adjustments | Total upto 31.03.2011 | As at 31.03.2011 | As at 31.03.2010 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Land (Freehold)** | 18,71,600 | — | — | 18,71,600 | — | — | — | — | 18,71,600 | 18,71,600 |
| Building | 2,24,15,263 | — | — | 2,24,15,263 | 1,03,14,779 | 3,63,800 | 30,82,926 | 1,06,78,579 | 1,17,36,684 | 1,21,00,484 |
| Plant & Machinery | 12,24,42,251 | 5,95,608 | 32,53,092 | 11,97,84,767 | 8,74,79,634 | 28,67,151 | — | 8,72,63,859 | 3,25,20,908 | 3,49,62,617 |
| Laboratory Apparatus | 2,31,939 | — | — | 2,31,939 | 2,24,435 | 432 | — | 2,24,867 | 7,072 | 7,504 |
| Jigs & Fixture* | 15,71,416 | 13,105 | — | 15,84,521 | 15,02,345 | 15,423 | — | 15,17,768 | 66,753 | 69,071 |
| Motor Vehicle & Cycles | 1,83,60,569 | 35,66,272 | 21,555 | 2,19,05,286 | 70,79,977 | 17,66,478 | 5,139 | 88,41,316 | 1,30,63,970 | 1,12,80,592 |
| Electric Installations | 62,45,449 | — | — | 62,45,449 | 51,50,483 | 92,109 | — | 52,42,592 | 10,02,857 | 10,94,966 |
| Tubewell & Water Supply Installation | 6,74,084 | — | — | 6,74,084 | 3,34,655 | 14,178 | — | 3,48,833 | 3,25,251 | 3,39,429 |
| Furniture & Fixture | 46,39,300 | 1,52,427 | — | 47,91,727 | 25,55,817 | 1,91,455 | — | 27,47,272 | 20,44,455 | 20,83,483 |
| Office Appliances, Air-Conditioners, Data Processing Unit & Other Equipments | 1,78,63,518 | 9,86,361 | 1,98,849 | 1,86,51,030 | 1,14,88,947 | 10,95,593 | 1,72,593 | 1,24,11,947 | 62,39,083 | 63,74,571 |
| Fire Extinguisher | 1,88,759 | — | — | 1,88,759 | 1,40,428 | 5,331 | — | 1,45,759 | 43,000 | 48,331 |
| Weigh Bridge | 3,36,238 | — | — | 3,36,238 | 3,11,925 | 1,538 | — | 3,13,463 | 22,775 | 24,313 |
| Total | 19,68,40,386 | 53,13,773 | 34,73,496 | 19,86,80,663 | 12,65,83,425 | 64,13,488 | 32,60,658 | 12,97,36,255 | 6,89,44,408 | 7,02,56,961 |
| Figures as at 31-3-2010 | 20,33,71,482 | 4,95,813 | 70,26,909 | 19,68,40,386 | 12,33,49,048 | 67,43,355 | 35,08,978 | 12,65,83,425 | 7,02,56,961 | |

*As certified and valued by the Management.

**includes Rs. 14,71,751/- added on account of revaluation done in one of the previous years.



HINDUSTAN EVEREST TOOLS LTD.

| | | As at 31.3.2011 Rs. | As at 31.3.2010 Rs. |
|---|---------------|---------------------------|---------------------------|
| SCHEDULE-6 : INVESTMENTS (AT COST) | | | |
| Other Than Trade (Long Term) | | | |
| Quoted Equity Shares | Face Value | | |
| 1,754* M/S Jay Shree Tea & Industries Ltd | 10 | 1,50,099 | 1,50,099 |
| 6000 M/S Hindalco Industries Ltd | 1 | 5,32,550 | 5,32,550 |
| 4000 Bharat Commerce & Industries Ltd. | 10 | 1,21,404 | 1,21,404 |
| | | 8,04,053 | 8,04,053 |
| Less: - Provision for Diminution of Value of Long Term Investment | | 1,21,404 | — |
| | | 6,82,649 | 8,04,053 |
| Market Value | | 15,44,558 | 16,39,205 |

*include 877 equity shares of Rs.10/-each received as bonus shares .

SCHEDULE-7 : INVENTORIES

(As taken, valued and certified by the Management)

Stores, Spare Parts, Tools & Accessories etc.

(including Dies Rs.66,88,453/-Previous Year Rs.64,92,422/- as revalued)

| | | | |
|-----------------------|--|---------------------|---------------------|
| Raw Materials | | 2,86,93,268 | 2,69,41,902 |
| Finished Goods | | 1,46,30,696 | 1,07,62,786 |
| Own Manufactured | | 7,04,70,137 | 7,45,28,505 |
| Trading Goods | | 1,49,83,284 | 1,51,74,046 |
| Work-in-Progress | | 2,37,91,610 | 2,02,63,575 |
| Steel Scrap | | 9,09,036 | 9,06,252 |
| | | 15,34,78,031 | 14,85,77,066 |

SCHEDULE-8 : SUNDRY DEBTORS

(Considered good unless otherwise stated)

Debts exceeding six months:

| | | | |
|-----------------------------------|--|--------------------|--------------------|
| Considered Good | | 1,34,52,320 | 1,20,55,456 |
| Considered Doubtfull | | 12,04,183 | 9,93,276 |
| Other Debts* | | | |
| Considered Good | | 3,94,19,232 | 3,19,97,865 |
| | | 5,40,75,735 | 4,50,46,597 |
| Less: Reserve for Doubtfull Debts | | -12,04,183 | -9,93,276 |
| | | 5,28,71,552 | 4,40,53,321 |

*Export Debts are not covered by any hedge instrument or otherwise
Rs. 29,75,881/- (Previous year Rs. 81,95,873/-)

HINDUSTAN EVEREST TOOLS LTD.



| | As at 31.3.2011 Rs. | As at 31.3.2010 Rs. |
|--|---------------------------|---------------------------|
| SCHEDULE-9 : CASH & BANK BALANCES | | |
| Cash & Cheques in Hand (As Certified) | 1,64,867 | 57,778 |
| Balance with Scheduled Bank: | | |
| In Current Account | 37,44,958 | 33,36,516 |
| (includes Rs.7,50,000/- in Margine Money a/c previous Year Rs. 2,50,000/-) | | |
| In Fixed Deposit Accounts* | | |
| (Including interest accrued Rs. 2,63,321/- previous Year Rs. 2,63,321) | 4,57,937 | 4,68,019 |
| In Post office Saving Account* | | |
| (Including interest accrued Rs. 3,243/- Previous Year Rs. 3,243/-) | 11,243 | 11,243 |
| | <u>43,79,005</u> | <u>38,73,556</u> |
| *Pledged with Central Excise Authorities | | |

SCHEDULE-10 : LOANS & ADVANCES

(Unsecured - Considered good unless otherwise stated)

| | | |
|--|--------------------|--------------------|
| Advances recoverable in cash or kind or for value to be received and/or to be adjusted | | |
| To Staff (Due from Officer of the Company | | |
| Rs.Nil Maximum Balance Rs.Nil/-) | | |
| (Previous Year Rs Nil/- Maximum Balance Rs.1,02,281/-) | 9,80,750 | 11,80,239 |
| To Supplier & Others (including | | |
| Rs. 3,85,203/- doubtfull previous Year Rs. 4,15,252/-) | 56,70,490 | — |
| Less: Reserve for doubtfull | <u>- 3,85,203</u> | 54,58,780 |
| Advance Tax/Tax Deducted at source | 1,17,345 | - 4,15,252 |
| Pre-Paid Expenses | 6,33,545 | 1,51,217 |
| Balance with Excise Authorities | 15,57,307 | 3,05,187 |
| DEPB & Export Benefit Receivable | 54,70,613 | 8,60,218 |
| Deposit with Govt. Department/Others | 44,40,497 | 28,28,509 |
| | <u>1,84,85,344</u> | <u>25,03,071</u> |
| | <u>1,84,85,344</u> | <u>1,28,71,969</u> |



HINDUSTAN EVEREST TOOLS LTD.

| | As at 31.3.2011 Rs. | As at 31.3.2010 Rs. |
|--|---------------------------|---------------------------|
| SCHEDULE-11 : CURRENT LIABILITIES | | |
| Sundry Creditors* for Goods and Expenses | 8,28,62,756 | 6,36,98,620 |
| Other Liabilities | 20,05,977 | 68,98,949 |
| Income Tax Deducted at Source | 5,56,499 | 4,38,756 |
| Advance from and Credit Balance of Customers | 48,64,410 | 41,16,753 |
| Trade Deposits | 75,73,066 | 72,59,308 |
| | <u>9,78,62,708</u> | <u>8,24,12,386</u> |

*Refer Note No. 14 in Schedule 22

SCHEDULE-12 : PROVISIONS

| | | |
|------------------------------|--------------------|--------------------|
| for Gratuity | 1,61,62,528 | 1,34,07,418 |
| for Leave Salary | 17,00,254 | 19,05,043 |
| for Wealth Tax (Net Payment) | 62,675 | 52,133 |
| | <u>1,79,25,457</u> | <u>1,53,64,594</u> |

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

| | Current Year Rs. | Previous Year Rs. |
|--|---------------------|----------------------|
| SCHEDULE-13 : SALES / EXPORT BENEFITS | | |
| A. Exports | 15,33,14,835 | 9,19,27,889 |
| Exports Incentives | 1,98,06,223 | 98,16,341 |
| Export Total | <u>17,31,21,058</u> | <u>10,17,44,230</u> |
| B. Home Markets | 22,07,66,773 | 18,83,79,458 |
| Steel Scrap | 81,65,224 | 52,32,790 |
| | <u>22,89,31,997</u> | <u>19,36,12,248</u> |
| Less : Excise Duty | <u>-2,09,59,739</u> | <u>- 1,41,53,598</u> |
| Total Home Market | <u>20,79,72,258</u> | <u>17,94,58,650</u> |
| Total Sale (A+B) | <u>38,10,93,316</u> | <u>28,12,02,880</u> |

SCHEDULE-14 : OTHER INCOME

| | | |
|---|------------------|-----------------|
| Miscellaneous Income | 1,650 | 1,957 |
| Freight Subsidy | 1,10,923 | 4,69,884 |
| Interest Received on Deposits etc (gross). (TDS nil Previous year nil) | 45,836 | 5,733 |
| Exchange Rate Difference | 8,79,252 | — |
| Dividend on Long Term Investment (Other than Trade) | 18,624 | 13,362 |
| Liability no longer required written back | 30,774 | 11,991 |
| | <u>10,87,059</u> | <u>5,02,927</u> |

HINDUSTAN EVEREST TOOLS LTD.



| | Current Year Rs. | Previous Year Rs. |
|---|---------------------|----------------------|
| SCHEDULE-15 : INCREASE/DECREASE IN STOCK | | |
| A. Closing Stock: | | |
| Finished Goods | | |
| Own Manufactured | 70470137 | 7,45,28,505 |
| Trading Goods | 14983284 | 1,51,74,046 |
| Work-in-Progress | 23791610 | 2,02,63,575 |
| Scrap | 909036 | 9,06,252 |
| | <u>110154067</u> | <u>11,08,72,378</u> |
| B. Opening Stock | | |
| Finished Goods | | |
| Own Manufactured | 7,45,28,505 | 8,68,46,430 |
| Trading Goods | 1,51,74,046 | 1,73,26,731 |
| Work-in Progress | 2,02,63,575 | 2,29,48,038 |
| Scrap | 9,06,252 | 1,67,525 |
| | <u>11,08,72,378</u> | <u>12,72,88,724</u> |
| A-B | <u>-7,18,311</u> | <u>-1,64,16,346</u> |
| SCHEDULE-16 : RAW MATERIAL CONSUMED | | |
| Opening Stock | 1,07,62,786 | 90,41,484 |
| Purchase (Including expenses) | 7,39,41,335 | 4,82,93,625 |
| | <u>8,47,04,121</u> | <u>5,73,35,109</u> |
| Less: | | |
| Sale | 5,225 | 46,795 |
| Closing Stock | 1,46,30,696 | 1,07,62,786 |
| | <u>7,00,68,200</u> | <u>4,65,25,528</u> |
| SCHEDULE-17 : MANUFACTURING EXPENSES | | |
| Stores, Dies Tools & Spare Parts Consumed | 1,90,94,373 | 1,31,33,253 |
| Components Consumed (including processing charges Rs.24,10,509/- Previous Year Rs.7,54,046/-) | 1,07,00,282 | 61,29,122 |
| Power & Fuel | 3,22,48,562 | 2,40,65,946 |
| Increase (Decrease) in Excise Duty on Stock | -4,35,094 | 3,07,597 |
| Repair, Replacement & Renovation: | | |
| Machinery | 67,39,088 | 45,78,459 |
| Building | 2,22,392 | 1,40,746 |
| Others | 51,46,269 | 44,27,845 |
| | <u>1,21,07,749</u> | <u>44,27,845</u> |
| | <u>7,37,15,872</u> | <u>5,27,82,968</u> |
| SCHEDULE-18 : PAYMENT TO AND PROVISION FOR EMPLOYEES | | |
| Salaries, Wages, Bonus & Allowances | 7,47,37,518 | 5,73,32,453 |
| Contribution to Provident & Other Fund | 46,60,633 | 46,67,322 |
| Worker's & Staff Welfare Expenses (Net) | 31,22,656 | 23,62,051 |
| | <u>8,25,20,807</u> | <u>6,43,61,826</u> |



HINDUSTAN EVEREST TOOLS LTD.

| | Current Year Rs. | Previous Year Rs. |
|--|---------------------|----------------------|
| SCHEDULE-19 : SELLING & DISTRIBUTION EXPENSES | | |
| Packing Material Consumed (net) | 1,25,46,424 | 79,94,351 |
| Forwarding and Freight etc | 94,32,939 | 73,39,752 |
| Commission to Other Selling Agents | 33,45,007 | 30,62,888 |
| Publicity & Advertisement | 6,76,219 | 11,95,845 |
| Cash Discounts | 50,28,656 | 29,24,093 |
| Insurance (Net) | 4,74,102 | 5,64,304 |
| Sale Promotion Expenses | 26,74,730 | 23,06,186 |
| | 3,41,78,077 | 2,53,87,419 |

| | | |
|--|--------------------|--------------------|
| SCHEDULE-20 : OTHER EXPENSES | | |
| Rent(Net)(including rent Received Rs. 1,76,012/- Previous Year Rs. 1,72,380/-) | 25,97,359 | 26,07,313 |
| Rates & Taxes | 1,05,690 | 6,07,737 |
| Reserch & Development (Including Salary & Wages Rs. 2,50,605/- Previous Year Rs. 4,00,725/-) | 4,25,018 | 5,17,382 |
| Insurance (Excluding on Sales) | 4,17,452 | 2,95,061 |
| Travelling & Conveyance (including Directors Travelling Rs. 31,53,033/-Previous Year Rs. 47,70,717/-) | 1,04,06,144 | 1,15,88,414 |
| Vehicle Running & Maintanance | 39,04,855 | 26,83,476 |
| Printing & Stationery | 15,01,276 | 12,93,266 |
| Postage,Telegrame & Telephone | 27,10,258 | 26,92,446 |
| Miscellaneous Expenses | 50,56,530 | 43,40,249 |
| Professional & Legal Expenses | 13,51,455 | 14,64,487 |
| Directors Fee | 8,000 | 5,000 |
| Payment to Auditors: | | |
| Audit Fee | 1,00,000 | 1,00,000 |
| Tax Audit Fee | 30,000 | 30,000 |
| for Certificates | 45,000 | 30,000 |
| for Expenses | 13,410 | 9,350 |
| Sales Tax and Purchase Tax | 1,11,123 | 33,411 |
| Bad Debts/Sundry Debit Balances /Advances etc. written off * | 73,768 | 5,11,714 |
| Exchange Rate Fluctuation | — | 5,45,983 |
| Provision for bad & doubtfull Debt/Advances | 2,10,907 | 2,89,789 |
| Provision for diminution in long term Investment | 1,21,404 | — |
| Loss on Sale of Fixed Asset/Discarted (Net) | 1,51,435 | 528,611 |
| | 2,93,41,084 | 3,01,73,689 |

* Net of Rs. 30,049 adjust against provision for doubtfull debt created in earlier year

| | | |
|--|--------------------|--------------------|
| SCHEDULE-21 : INTEREST AND BANK CHARGES | | |
| Interest to Bank | 78,08,277 | 86,77,744 |
| Interest on Term Loan | 21,14,015 | 18,23,775 |
| Interest on Deposits and Others* | 11,04,492 | 12,49,017 |
| Bank Charges | 13,98,950 | 11,11,386 |
| | 1,24,25,734 | 1,28,61,922 |

*Includes Rs. NIL (Previous Year Rs.43,680/-)
to Managing Director & Joint Managing Director



SCHEDULE-22 : NOTES ON ACCOUNTS & ACCOUNTING POLICIES

1. Significant Accounting policies:

A. Accounting Convention

The financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by The Companies (Accounting Standards) Rules, 2006 issued by the Central Government and the relevant provisions of Companies Act, 1956 of India.

B. Use of Estimates.

The preparation of financial statements require estimates and assumptions to be made that effect the reported amount of Assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are Known/materialized.

C. FIXED ASSETS:

i) Freehold Land is at revalued amount.

ii) Buildings, Plant & Machinery & Other Fixed Assets are stated at cost.

D. DEPRECIATION :

Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 (as amended).

E. INVESTMENTS: Long term Investments are stated at cost. The company provides diminution, other than temporary, in the value of long term investments.

F. IMPAIRMENT OF ASSETS

Impairment of Assets are assessed at Balance Sheet date if any indication of impairment exist, the same is assessed and provided for.

G. VALUATION OF INVENTORIES: Inventories are valued at cost or net realisable value whichever is lower except dies, which is re-valued based on estimated remaining useful life, Materials and other Supplies held for the use in the production of inventories are not written down below cost of the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is calculated on weighted average basis. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present condition and location. Excise duty on finished goods lying inside factory/ customs duty on goods lying at warehouse is also provided at the year end.

H. FOREIGN CURRENCIES: Transaction in foreign currency are accounted at exchange rates prevailing on the date of transaction. Foreign currency monetary assets as on the Balance Sheet dates are re-converted at rates prevailing at the year end and the resultant net gains or losses are adjusted in the profit & loss Accounts.

I. RETIREMENT BENEFITS : Year end Liabilities in respect of retirement benefits towards Gratuity & Leave encashment to the employees of the company has been provided as per actuarial valuation.

J. SALES: Sales is recognised on the transfer of significant risk and rewards of the ownership of the goods to the buyer and stated at net of sales returns (including relating to earlier years), discount and rebates.

K. RESEARCH & DEVELOPMENT: Expenditure incurred during research phase are charged to the revenue when no intangible assets arise from such research. Assets produced for research & Development activities are generally capitalised.

L. RECOGNITION OF INCOME AND EXPENDITURE : All income and expenditure are accounted on accrual basis except due to uncertainty in realization, interest on overdue bills from customers is accounted for on receipt basis.

M. DEFERRED TAXATION : In accordance with Accounting Standard-22 " Accounting for Taxes on Income" notified companies (Accounting Standard Rules 2006), the deferred tax for timing differences between the book and tax income for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred Tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future and the same is reviewed at each Balance Sheet date.

N. OTHERS: Profit/Loss on sale of raw material, components and stores, not being material, is being adjusted in respective consumption account and are not shown separately.



HINDUSTAN EVEREST TOOLS LTD.

O. CONTINGENT LIABILITIES: These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those contingencies, which are likely to materialize into liabilities after the year end till the finalisation of accounts and have material effect on the position stated in the Balance Sheet.

2. Contingent liabilities not provided for in respect of:

| | As at 31st March, 2011 (Rs.) | As at 31st March, 2010 (Rs.) |
|--|---|---|
| a) Bills discounted through bank and Outstanding (as per Bank certificate) | Nil | 53,97,591 |
| b) Bonds & Bank gurantees outstanding (Margine Money paid Rs.1,83,000/- previous year Rs1,83,000/-) | 80,000 | 1,00,000 |
| 3. Estimate amount of Capital Contract remaining to be executed and not provided for (Advance paid Rs. 40,000/- Previous year Rs. Nil) | 1,58,100 | Nil |
| 4 Expenses/adjustments relating to previous years not separately shown have been debited/credited to respective heads of accounts Rs. 1,47,280/- Net Credit (previous year Rs.1,59,591/-) (Net Debit). | | |
| 5. In the opinion of the Management the current assets and loans & advances are approximately at the value realisable in ordinary course of business. | | |
| 6. Sundry debtors/creditors & loans and advances are subject to reconciliation and confirmation. | | |
| 7. Cost of own manufactured Dies & Tools during the year as certified and valued by the Management Rs.13,65,059/- (previous year Rs.9,26,917/-). | | |

8. a) Remunerations to Managing Director, Joint Managing Director, Executive Director (Finance) are as under:

| | Current Year (Rs.) | Previous Year (Rs.) |
|--------------------------------|---------------------------|----------------------------|
| Salary | 9,48,000 | 9,48,000 |
| Contribution to Provident Fund | 1,13,760 | 1,13,760 |
| Special Allowances | 1,53,935 | 1,13,935 |
| Other perquisites* | 4,55,823 | 4,09,690 |
| Total | 16,71,518* | 15,85,385* |

* Excluding acturial provision for Gratuity.and leave encashment.

Due to loss no commission is payable to the Managing Director and the Joint Managing Director.

9. a) No Provision for Income Tax has been made in the accounts as the Company have no taxable income as per the provision of Income tax Act, 1961
- b) The Company has recognised deferred tax assets Rs. 47,95,580/- as on Balance Sheet date, which includes deferred tax assets on carry forward unabsorbed depreciation .Deferred Tax Assets on unabsorbed depreciation has been recognised only to the extent deferred tax liability provided due to the timing difference on depreciation, the reversal of which will result in sufficient income.

The deferred tax Assets/Liabilities as at 31st March 2010 comprise of the following: -

| Deferred Tax Assets | As at 31/03/2011 | Charge/Credit to Profit & Loss Account | As at 31/03/2010 |
|--------------------------------------|-------------------------|---|-------------------------|
| Unabsorbed Depreciation | 99,45,324 | 4,53,281 | 1,03,98,605 |
| Retirement Benefits. | 57,95,580 | (-)7,10,312 | 50,85,268 |
| Total tax | 1,57,40,904 | (-)2,57,031 | 1,54,83,873 |
| Less Deferred Tax Liabilities | | | |
| Depreciation | 99,45,324 | 4,53,281 | 1,03,98,605 |
| Net Deferred Tax Assets | 57,95,580 | 7,10,312 | 50,85,268 |



HINDUSTAN EVEREST TOOLS LTD.

| 10. Earning per share(EPS) | Current Year (Rs.) | Previous Year (Rs.) |
|---------------------------------------|-----------------------|------------------------|
| Profit /Loss after Tax | (-)23,00,080 | (-) 3,35,81,270 |
| No. of Equity Shares of Rs. 10/- each | 16,07,200 | 16,07,200 |
| Basic & Diluted EPS | (-)1.43 | (-)20.89 |

11. The Company is engaged in the Hand Tools Business, which in the context of Accounting Standard 17 is considered the only primary business segment. However, secondary segment reporting is performed on the basis of the location of the customer. All the business assets of the company are situated in India except Export debtors Rs.29,75,881/- (previous year Rs.81,95,873/-).

| | Current Year | Previous year |
|-------------------|--------------|---------------|
| i) Overseas Sale* | 17,31,21,058 | 10,17,44,230 |
| ii) Domestic Sale | 20,79,72,258 | 17,94,58,650 |

* Including export incentive Rs. 1,98,06.223/- (previous year Rs.98,16,341/-)

12. Related party Disclosures as required under Accounting Standard-18 notified by the companies (Accounting Standard Rules 2006)

a) Association of persons having significant influence on Key Management personnel.

S.K.Mandelia (HUF)

B.G.Mandelia (HUF)

b) Key Management Personnel

Shri S.K.Mandelia (Chairman & Managing Director)

Shri B.G.Mandelia (Vice Chairman & Jt. Managing Director)

Shri V.K.Khanna (Executive Director (Finance))

c) Relatives of the Key Management.

1. Mrs.Neeta Khanna- wife of Shri V.K.Khanna, Executive Director (Finance).

2. Shri Anant Vijay Mandelia Marketing Executive son of Shri B.G.Mandelia.

(a)

(b)

| | Sh. S.K. Mandelia | Sh. B.G. Mandelia | Sh. V.K. Khanna | Sh. S.K.M. (H.U.F.) | Sh. B.G.M (H.U.F.) | Sh. A.V.M. |
|-------------------------------|-----------------------------|------------------------------|---------------------------|---------------------------------|---------------------------------|-------------------------|
| Remuneration* | 4,46,300 (4,63,820) ** | 4,87,562 ** (4,57,910) ** | 7,37,656 (6,63,655) ** | — | — | 2,68,800 (2,68,800)* |
| Interest on public deposit | Nil (20,640) ** | Nil (23,040) ** | — | — | — | — |
| Loan received during the year | — | — | — | Nil | 8,43,000 | — |
| Outstanding payable | 25,58,000 (25,58,000) ** | 2,88,000 ** (2,88,000) ** | — | 2,69,00,000 (2,69,00,000) ** | 2,24,69,000 (2,16,26,000) ** | — |

* Including rent paid (net of recovery) Rs 1,18,800/- to Shri S.K.Mandelia(H.U.F.) (previous year Rs.1,18,800/-), Rs.1,20,000/- to Shri B.G.Mandelia(H.U.F.)(previous year Rs.1,20,000/- & Rs.59,000/- to Mrs.Neeta Khanna(previous year Rs.24,000/-)

** Figures in brackets are for previous year

13 Disclosure as per Accounting Standard-15

i) Define Contribution Plan.

The Company has recognised the following amounts in the Profit & Loss Account for the year Contribution to Employees Provident Fund Rs. 28,72,959/-.

ii) Define Benefit Obligation(DBO)

The following table set out the status of the unfunded gratuity plan as required under AS-15(Revised 2005) :

a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):



HINDUSTAN EVEREST TOOLS LTD.

| | Current year | Previous year |
|--|--------------|---------------|
| a) Opening DBO as on 1 st April,2010 | 13,4,07,408 | 1,66,72,134 |
| Current service Cost | 8,91,864 | 7,20,083 |
| Interest Cost | 10,72,593 | 12,50,410 |
| Actuarial (gain)/loss | 21,10,925 | (35,60,680) |
| Benefits paid | (1,66,05,19) | (16,74,529) |
| Past Service Cost | 3,40,247 | — |
| Closing DBO as on 31 st March,2011 | 1,61,62,528 | 1,34,07,418 |
| b) Liability recognised in the Balance Sheet. | | |
| Present value of the defined benefit obligation at the end of the period | 1,61,62,528 | 1,34,07,408 |
| Fair value of the plan assets at the end of the year | — | — |
| Liability recognized in the balance sheet | 1,61,62,528 | 1,34,07,408 |
| c) The total expenses recognized in the profit and loss account: | | |
| Current Service Cost | 8,91,864 | 7,20,083 |
| Interest Cost | 10,72,593 | 12,50,410 |
| Past Service Cost | 3,40,247 | — |
| Actuarial (gain)/loss | 21,10,925 | (35,60,680) |
| Net Gratuity Cost | 44,15,629 | (15,90,187) |

d) Actual return on plan assets
Defined benefit obligation are not funded.

e) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

| | | |
|--|--------|------|
| Discount rate | 8.00.% | 7.5% |
| Expected rate of return on any plan assets | | |
| Average salary escalation rate | 5.50% | 5.0% |

The estimates of the future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

14. The company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act,2006. Hence, the necessary disclosures under the Act can not be made.

15 Additional information pursuant to paragraph 3 & 4 of Part II of Schedule VI to Companies Act (as an ended).

A. Value of Imports on CIF Basis :

| | Current Year (Rs.) | Previous Year (Rs.) |
|--------------------|--------------------|---------------------|
| i) Stores & Spares | 49,114 | 8,33,540 |
| ii) Finished Goods | 1,79,048 | 8,00,495 |

B. Expenditure incurred in Foreign currency (accrual basis)

| | Current Year (Rs.) | Previous Year (Rs.) |
|--------------------------------|--------------------|---------------------|
| i) Travelling | 16,50,159 | 22,34,831 |
| ii) Commission | 6,25,774 | 2,76,689 |
| iii) Advertisement & Publicity | 11,870 | 5,80,691 |
| iv) Miscellaneous Expenses | 1,76,130 | 1,04,673 |

C. Raw Material & Components Consumed:

| | Current Year | | Previous Year | |
|----------------------|-----------------|--------------------|---------------|--------------|
| | Qty.(M.T.) | Amount (Rs.) | Qty. (M.T.) | Amount (Rs.) |
| i) Steel | 1722.762 | 7,00,68,200 | 1236.906 | 4,65,25,528 |
| ii) Other Component* | — | 1,03,87,659 | — | 60,26,820 |
| Total | 1722.762 | 8,04,55,859 | 1236.906 | 5,25,52,348 |

* Charge separately under manufacturing expenses.

D. Value of Raw Materials and Components, Dies tools & spares consumed

| | Current Year | | Previous Year | |
|-------------------------------|--------------------|---------------|---------------|------------|
| | Amount (Rs.) | Percentage | Amount (Rs.) | Percentage |
| a) Raw Material & Components: | | | | |
| i) Imported | — | — | — | — |
| ii) Indigenous | 8,04,55,859 | 100.00 | 5,25,52,348 | 100.00 |
| Total | 8,04,55,859 | 100.00 | 5,25,52,348 | 100.00 |

HINDUSTAN EVEREST TOOLS LTD.



| | Current Year | | Previous Year | |
|---------------------------------------|--------------------|---------------|---------------|------------|
| | Amount (Rs.) | Percentage | Amount (Rs.) | Percentage |
| b) Stores, Dies, Tools & Spare Parts* | | | | |
| i) Imported | 86,406 | 0.45 | 5,79,617 | 2.35 |
| ii) Indigenous | 1,90,07,967 | 99.65 | 1,25,53,636 | 97.65 |
| | 1,90,94,373 | 100.00 | 1,31,33,253 | 100.00 |

* Including debited to other heads of accounts.

E. Particulars in respect of goods (Hand Tools) manufactured

| | Current Year | Previous Year |
|-------------------------|------------------------|------------------------|
| i) Licensed capacity ** | — | — |
| ii) Installed capacity* | 1800 MT. | 1800 M.T |
| iii) Actual production | 929.654 MT | 745.043 MT |
| | (45,13,178 pcs) | (34,44,484 pcs) |

* Installed capacity as certified by the Management.** Delicensed

F. Particulars of Manufacturing Activities:*

| | Current Year | | Previous Year | |
|---------------|--------------|--------------|---------------|--------------|
| | Pieces | Value (Rs.) | Pieces | Value (Rs.) |
| Hand Tools | — | — | — | — |
| Opening Stock | 19,11,697 | 7,45,28,505 | 22,63,535 | 8,68,20,770 |
| Sales ** | 47,31,860 | 27,52,84,901 | 37,96,320 | 20,43,46,047 |
| Closing Stock | 16,92,938 | 7,04,70,137 | 19,11,697 | 7,45,28,505 |

* Excluding Samples 77 pieces (previous year 2 pcs)** Including Export benefits and after adjusting discount.

G. Particulars of Trading Activities :*

| | Current Year | | Previous Year | |
|--------------------------|--------------|--------------|---------------|-------------|
| | Pieces | Value (Rs.) | Pieces | Value (Rs.) |
| Hand Tools & Other Tools | | | | |
| Opening Stock | 3,51,735 | 1,51,74,046 | 4,51,705 | 1,73,52,391 |
| Purchases | 29,20,161 | 7,57,46,519 | 20,70,605 | 5,57,64,577 |
| Sales ** | 29,39,903 | 10,58,08,415 | 21,70,575 | 7,68,56,833 |
| Closing Stock | 3,31,983 | 1,49,83,284 | 3,51,735 | 1,51,74,046 |

* Excluding samples 10 pieces (previous year NIL pcs.)** Including Export Benefits and after adjusting discounts..

H. Earning in Foreign Exchange:

| | Current Year | Previous Year |
|---|--------------|---------------|
| | Rs. | Rs. |
| Export of Hand Tools(On FOB Basis) (Rupees) | 15,32,18,215 | 9,18,73,772 |

16. Previous year's figures have been regrouped wherever found necessary to conform with current year's classification.

As per our report attached
for **SINGHI & CO.**
Chartered Accountants
Firm Reg No. 302049E

B.K. SIPANI
Partner
Membership No. 88926
Place: New Delhi
Dated: 30th May, 2011

GOVIND DEORA
Company Secretary

V.K. KHANNA
Executive Director (Finance)

For and on behalf of the Board of Directors
B.G. MANDELIA
Vice Chairman &
Joint Managing Director

S.K. MANDELIA
Chairman &
Managing Director

Directors



HINDUSTAN EVEREST TOOLS LTD.

17. Balance Sheet Abstract and Company's General Business Profile as per Schedule VI of the Companies Act, 1956

I. Registration Details

State Code Registration No. Balance Sheet Date
Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

| | | | |
|--------------|----------------------------------|-------------------|----------------------------------|
| Public Issue | <input type="text" value="NIL"/> | Rights Issue | <input type="text" value="NIL"/> |
| Bonus Issue | <input type="text" value="NIL"/> | Private Placement | <input type="text" value="NIL"/> |

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

| | | | |
|----------------------|-------------------------------------|--------------------|-------------------------------------|
| Total Liabilities | <input type="text" value="304636"/> | Total Assets | <input type="text" value="304636"/> |
| Sources of Funds | | Net Fixed Assets | <input type="text" value="68944"/> |
| Paid-up Capital | <input type="text" value="16072"/> | Investments | <input type="text" value="683"/> |
| Reserve & Surplus | <input type="text" value="31186"/> | Net Current Assets | <input type="text" value="113426"/> |
| Application of Funds | | Misc. Expenditure | <input type="text" value="NIL"/> |
| Secured Loan | <input type="text" value="83305"/> | Accumulated Losses | <input type="text" value="NIL"/> |
| Unsecured Loan | <input type="text" value="48285"/> | | |

IV. Performance of Company (Amount in Rs. Thousands)

| | | | |
|----------------------------------|-------------------------------------|-----------------------|-------------------------------------|
| Turnover including Other Incomes | <input type="text" value="381462"/> | Total Expenditure | <input type="text" value="379150"/> |
| Profit/Loss Before Tax | <input type="text" value="2947"/> | Profit/Loss After Tax | <input type="text" value="2300"/> |
| + - | <input type="text" value="-2089"/> | Dividend Rate % | <input type="text" value="NIL"/> |
| Earning Per Share in Rs. | <input type="text" value="-2089"/> | | |

V. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

| | |
|--------------------------|---|
| Item Code No. (ITC Code) | <input type="text" value="8203"/> |
| Product Description | <input type="text" value="PLIERS ETC"/> |
| Item Code No. (ITC Code) | <input type="text" value="8204"/> |
| Product Description | <input type="text" value="SOCKET SPANNERS & WRENCHES ETC"/> |

Schedule 1 to 22 form an integral part of the Balance Sheet and Profit & Loss Account of the Company.

*For and on behalf of the Board of Directors*B.G. MANDELIA
Vice Chairman &
Joint Managing DirectorS.K. MANDELIA
Chairman &
Managing DirectorPlace: New Delhi
Dated: 30th May, 2011
28GOVIND DEORA
Company SecretaryV.K. KHANNA
Executive Director (Finance)

Directors



PROXY FORM
HINDUSTAN EVEREST TOOLS LIMITED

Regd. Office : Dohil Chambers, 46, Nehru Place, New Delhi-110 019

I/We _____
of _____ in the district of _____
being a member / members of HINDUSTAN EVEREST TOOLS LIMITED hereby appoint _____
of _____ in the district of _____
or failing him _____ of _____
in the district of _____

as my / our proxy to attend and vote for me / us on my / our behalf at the FOURTY EIGHTH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 30th September, 2011 and at any adjournment thereof at PHD House, opposite Asian Games Village, Siri Fort Road, New Delhi-110 016

Signed this _____ day of _____ 2011.

Registered Folio No. /Client ID No. _____ Signature _____

No. of shares held _____

Affix a
Revenue
Stamp

NOTE : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



ADMISSION SLIP
HINDUSTAN EVEREST TOOLS LIMITED

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of the member attending _____

Full Name of the first-joint holder _____
(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy _____
(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the Fourty Eighth Annual General Meeting of the Company being held at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi-110 016 on Friday, the 30th September, 2011.

Registered Folio No. / Client ID No. _____ Member's / Proxy's Signature _____

No. of Shares held _____

Note : 1. Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.
2. In view of the Central Government Guidelines no gift / Coupons shall be distributed at the annual General Meeting.

BOOKPOST

If undelivered, please return to :



HINDUSTAN EVEREST TOOLS LTD.
Dohil Chambers, 46, Nehru Place,
New Delhi-110019

48th
Annual Report
2010-2011



**Hindustan
Everest
Tools Ltd.**

"The first and the only ISO 9001 Hand Tools Company in India"
