



HINDUSTAN EVEREST TOOLS LTD.

51ST ANNUAL REPORT 2013-2014

Board of Directors

Shri Shravan Kumar Mandelia, Chairman & Mg. Director
Shri Balgopal Mandelia, Vice-Chairman & Jt. Mg. Director
Smt Pallavi Joshi Bakhru
Shri Pradeep Jain
Shri V.K. Khanna, Executive Director (Finance) & CFO
Shri Ambarish Raj
Shri Lokesh Sood

Company Secretary

Shri Govind Deora

AUDITORS

Singhi & Co,
Chartered Accountants,
401-408, Pragati House
44-45, 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
Ph. : 91-11-46692600 Fax : 011-41606788
Email : ho@everesttools.com
CIN : L74899 DL1962 PLC003634
Website : <http://www.everesttools.com>

WORKS

Village Jatheri,
Distt. Sonapat,
Haryana

SHARES LISTED AT

Bombay Stock Exchange

REGISTAR & TRANSFER AGENT LINK INTIME INDIA PVT. LTD.

44 Community Centre,
2nd Floor
Naraina Industrial Area, Phase-I, Near PVR Naraina
New Delhi- 110 028
Ph. : 41410592 Fax : 41410591
Email : delhi@linkintime.co.in



HINDUSTAN EVEREST TOOLS LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTY FIRST ANNUAL GENERAL MEETING OF HINDUSTAN EVEREST TOOLS LIMITED .will be held at" PHD House" opposite Asian Games Village ,Siri Fort Road, New Delhi110016 on Tuesday, 30th September, 2014 at 11:00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet for the year ended 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.
" RESOLVED that M/s Singhi & Company, Chartered Accountants, (ICAI Registration No. 302049E) be and is hereby re-appointed as Statutory Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting of the Company till the conclusion of 54th Annual General Meeting of the Company, subject to annual ratification by the members at the Annual General Meeting in accordance with the provisions of Section 139 of the Companies Act, 2013 and rules made there under at such remuneration including Service Tax and out of pocket expenses to be fixed by the Board of Directors of the Company in consultation with the Auditors."

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Pradeep Jain (holding DIN 00108240), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, was appointed by members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years term up to 29th September, 2019.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms Pallavi Joshi Bakhru (holding DIN 015266187), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, was appointed by members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years term up to 29th September, 2019.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Lokesh Sood (holding DIN 00916746), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, was appointed by members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years term up to 29th September, 2019.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ambarish Raj (holding DIN 01423870), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, was appointed by members as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29h September, 2019.



7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) , the consent of the Company be and is hereby accorded to the appointment of Sh. Shravan Kumar Mandelia (holding DIN 00040532), who was re-appointed as a "Managing Director" of the Company by the Board of Directors with effect from 14th December, 2013 under the Articles of Association of the Company, as the "Managing Director" of the Company for a period of five years effective from 14th December 2013, on the remuneration and terms and conditions as set in the explanatory statement, and the Board of Director be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956)".
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) , the consent of the Company be and is hereby accorded to the appointment of Sh. Balgopal Mandelia (holding DIN 00040592), who was re-appointed as " Joint Managing Director" of the Company by the Board of Directors with effect from 1st January 2014 under the Articles of Association of the Company, as the "Joint Managing Director" of the Company for a period of five years effective from 1st January 2014, on the remuneration and terms and conditions as set in the explanatory statement, and the Board of Director be and is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956)"
9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-
" RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the rules made thereunder(including any statutory modification(s) or re-enactment thereof for the time being in force) M/ s Kabra & Associates, Cost Accountants(Firm Registration No.75) appointed as Cost Auditors by the Board of Directors of the Company, be paid a remuneration of Rs. 40000/- (Rupees forty thousand only) plus Service Tax for the financial year ending March 2015."

New Delhi
7th August, 2014

By Order of the Board
Sd/-
(GOVIND DEORA)
Company Secretary

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 22nd September, 2014 to Tuesday, 30th September, 2014 (both days inclusive) for annual closing .
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than
48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must
4. 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
5. Pursuant to Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31.03.1999 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection



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Fund established by the Central government pursuant to Section 205C of the Companies Act, 1956. However please note that company have not declared any dividend for the financial year 1999-2000 onwards.

6.
 - (a) Members holding shares in physical form are requested to notify/inform any change in their address/e-mail/mandate/bank details to the Registrar and Transfer Agent(RTA) of the Company M/s. Link Intime India Pvt. Limited 44, Community Centre, 2nd Floor, Naraina Industrial area, Phase-II, Near PVR Naraina, New Delhi-110028, Phone No. 41410592, Fax : 41410591, E-Mail : delhi@linkintime.Co.in and Company's - E-mail: admin@everesttools.com
 - b) Members holding shares in the dematerialized 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.
 - d) All corporate members are requested to communicate their Corporate Identification number to either company or RTA of the company.
7. Members may also note that the Notice of the 51st Annual General Meeting and the Annual Report will also be available on the Company's website :-www.everesttools.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: admin@everesttools.com.

8. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 51st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

Shareholders of the company holding shares either physical form or dematerialized form, as on record date, i.e. 22nd August, 2014, are eligible to cast their vote.

The instructions for e-voting are as under:

- (i) The Notice of 51th Annual General Meeting of the Company inter alia indicating the process and the manner of e-voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members, Login Id and initial password is mentioned in the attendance slip attached to the Notice of AGM as below:-

<u>EVEN (E Voting Even Number)</u>	<u>USER ID</u>	<u>PASSWORD</u>
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 - (ii) NSDL shall be sending the USER ID and Password, to those Members who shareholding is in dematerialized format and whose email address are registered with the Company/Depository Participant(s) for members who have not registered their email address can use the details as provided above.
 - (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iv) Click on Shareholder - Login
 - (v) Enter the login credential i.e. User ID and password mentioned in the attendance slip attached with the notice of the annual general meeting.
 - (vi) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vii) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles. (viii) Select "EVEN" of Hindustan Everest Tools Limited.
 - (ix) Now you are ready for e-voting as Cast Vote page opens.
 - (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (xi) Upon confirmation, the message "Vote cast successfully" will be displayed
 - (xii) Once you have voted on the resolution, you will not be allowed to modify your vote
 - (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to Satyenderfcs@gmail.com or admin@everesttools.com with a copy marked to evoting@nsdl.co.in
- (II) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsd.com



- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 24th September, 2014 (9:00 am) and ends on 26th September 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22nd August, 2014.
- VII. Mr. Satyender Kumar, Practising Company Secretary (CP No. 4087) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not **exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses** not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website : www.everesttools.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
- I. **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

Item No 3 to 6

As per the provisions of Companies Act 2013 and Clause 49 of the listing agreement with BSE the company Board of Directors shall constitute have half of its total s number of directors as Independent Directors. .Mr.Pradeep Jain,Ms Pallavi Joshi Bakhru,Mr. Lokesh Sood and Mr. Ambarish Raj all being non-executive Independent Directors were appointed by the members at earlier General Meetings as Directors liable to retire by rotation.As per the new Companies Act, 2013 and Clause 49 of the listing agreement the Independent Directors shall hold office for a term upto five years and are not liable to retire before expiry of said term. .Mr.Pradeep Jain, Ms Pallavi Joshi Bakhru, Mr. Lokesh Sood and Mr. Ambarish Raj all non –executive Directors of the Company, who are eligible for appointment have consented to seek reappointment as Independent Directors for a period of five consecutive years.

The Company has also received notices in writing from members proposing the candidature of each of the said Directors of the Company at the ensuing Annual General Meeting. The company has received confirmation from said Directors that they meet the criteria of Independent director as provided in Section 149(6) of the Companies Act 2013 and in the opinion of the Board they are person of integrity and possess the relevant expertise and experience.

The Directors recommend adoption of the resolution at item Nos. 3 to 6 of the Notice by the members.

None of the Directors or their relatives and key managerial personnel or their relatives , except Mr Pradeep Jain, Ms Pallavi Joshi Bakhru, Mr. Lokesh Sood and Mr. Ambarish Raj ,are concerned with or interested in the Resolutions set out at the Item No 3 to 6 of the Notice.

In compliance with the provisions of Section 149 read with the Schedule IV of the Act, the appointment of these Directors as Independent Directors is now being placed before the Members for their approval.

Item No 7

The Board of Directors in its meeting held on 13th November ,2013 re-appointed Shri Shravan Kumar Mandelia as Managing Director for a further period of five years w.e.f. 14th December,2013 on the terms and conditions fixed by the Board of directors in the said meeting . The said terms and conditions are mentioned hereunder:

1. **SALARY** : Rs. 42,000/- (Rupees Forty Two Thousand only) per month.
2. **COMMISSION** : One percent of the net profit of the Company for each financial year or part thereof computed in the manner laid down under section 349 of the Companies Act, 1956 and not to exceed overall ceiling on remuneration laid -down in section 198 and 309 of the Companies Act, 1956.
3. **PERQUISITES**: In addition to the aforesaid salary and commission the following perquisites will be allowed which shall be restricted to an amount equal to the annual salary or Rs. 4,50,000/- per annum whichever is less.



HINDUSTAN EVEREST TOOLS LTD.

CATEGORY ' A '

- (l) Housing
 - (a) The expenditure incurred by the Company on hiring unfurnished accommodation for the Managing director shall be subject to ceiling of 60% of the salary over and above 10 % payable by the Managing Director.
 - (b) In case the accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.
 - (c) In case no accommodation is provided by the Company, the Managing director shall be entitled to House Rent Allowance subject to ceiling laid-down in (a) above as the case may be.

The expenditure which may be incurred by the Company on gas, electricity, maintenance, water and furnishings shall be valued as per the Income Tax Rules, 1962 subject to ceiling of 10% of the salary of the Managing Director.

- (ii) **Medical Reimbursement** : Expenses incurred for the Managing director and his family subject to the ceiling of one month's salary in a year or three months salary over a period of three years.
- (iii) **Leave Travel Concession** : For Managing Director and his family, once in a year in accordance with the rules specified by the Company.
- (iv) **Club Fees** : Fees of clubs subject to a maximum of two clubs.
This will not include admission and life membership fees.
- (v) **Personal Accident Insurance** : premium not to exceed Rs. 4,000/- per annum.
For the purpose of this category 'Family' means spouse, dependent children and dependent parents of the Managing Director.

CATEGORY ' B '

- (i) Company's contribution to Provident Fund subject to ceiling of 12 % of the salary.
Company's contribution towards Super -Annuation/Annuity Fund, such contribution together with contribution to the Provident Fund shall not exceed 25% of the salary.
Contribution to Provident Fund-Super Annuation Fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
Gratuity not exceeding half a month's salary for each completed year of service.
- (ii) Leave on full pay and allowances as per Rules of the Company but not exceeding one month's leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of perquisites.

CATEGORY ' C '

- Free use of Company's Car with Driver.
- Free use of Telephone at his residence.
- Provision for car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director." However, he shall be among directors who are liable to retire by rotation.

None of the Directors or their relatives and key managerial personnel or their relatives except the appointee himself and Shri Bal Gopal Mandelia are in any way interested in the resolution.

The Directors commends the resolution for your approval.

Item No. 8

The Board of Directors in its meeting held on 13th November, 2013 re-appointed Shri Bal Gopal Mandelia as Joint Managing Director for a further period of five years w.e.f. 1st January,2014 on the terms and conditions fixed by the Board of Directors in the said meeting . The said terms and conditions are mentioned hereunder:

1. **SALARY** : Rs. 40,000/- (Rupees Forty Thousand only) per month.
2. **COMMISSION** : One percent of the net profit of the Company for each financial year or part thereof computed in the manner laid down under Section 349 of the Companies Act, 1956 and not to exceed overall ceiling on remuneration laid-down Section 198 and 309 of companies Act, 1956.
3. **PERQUISITES**: In addition to the aforesaid salary and commission the following perquisites will be allowed which shall be restricted to an amount equal to the annual salary or Rs. 4,50,000/- per annum whichever is less.

CATEGORY ' A '

- (l) Housing
 - (a) The expenditure incurred by the Company on hiring unfurnished accommodation for the Joint Managing director shall



be subject to ceiling of 60% of the salary over and above 10 % payable by the Joint Managing Director.

- (b) In case the accommodation is owned by the Company, 10% of the salary of the Joint Managing Director shall be deducted by the Company.
- (c) In case no accommodation is provided by the Company, the Joint Managing director shall be entitled to House Rent Allowance subject to ceilings laid-down in (a) above as the case may be.

The expenditure which may be incurred by the Company on gas, electricity, maintenance, water and furnishings shall be valued as per the Income Tax Rules, 1962 subject to ceiling of 10% of the salary of the Joint Managing Director.

- (ii) **Medical Reimbursement:** Expenses incurred for the Joint Managing director and his family subject to the ceiling of one month's salary in a year or three months salary over a period of three years.
- (iii) **Leave Travel Concession:** For Joint Managing Director and his family, once in a year in accordance with the rules specified by the Company.
- (iv) **Club Fees:** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) **Personal Accident Insurance:** Premium not to exceed Rs. 4,000/- per annum.

For the purpose of this category 'Family' means spouse, dependent children and dependent parents of the Joint Managing Director.

CATEGORY ' B '

- (i) Company's contribution to Provident Fund subject to ceiling of 12 % of the salary.
Company's contribution towards Super-Annuation /Annuity Fund, such contribution together with contribution to the Provident Fund shall not exceed 25% of the salary.
Contribution to Provident Fund-Super Annuation Fund will not be included in the Computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
Gratuity not exceeding half a month's salary for each completed year of service.
- (ii) Leave on full pay and allowances as per Rules of the Company but not exceeding one month's leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of perquisites.

CATEGORY ' C '

Free use of Company's Car with Driver.

Free use of Telephone at his residence.

Provision for car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Joint Managing Director.

However, he shall be among directors who are liable to retire by rotation

None of the Directors or their relatives and key managerial personnel or their relatives except the appointee himself and Shri Shravan Kumar Mandelia are in any way interested in the resolution

The Directors commends the resolution for your approval.

Item No.9

M/S Kabra & Associates, Cost Accountants, were appointed as cost Auditors of the Company to audit the accounts relating to Hand Tools for the financial year ending March 31, 2015 by the Board of Directors of the Company and have recommended remuneration to be paid to them for the said Cost Audit.

In accordance with the provisions of Section 148 of the Act read with the Companies(Audit and Auditors) Rules, 2014 , the said remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

None of the Directors or their relatives and key managerial personnel or their relatives are concerned or interested in the resolution.

New Delhi
7th August, 2014

By Order of the Board
(GOVIND DEORA)
Company Secretary



HINDUSTAN EVEREST TOOLS LTD.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 51st Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2014.

	Rs. In Lakhs	
FINANCIAL RESULTS	2013- 2014	2012-2013
Profit/(Loss) before Finance Cost	256.25	1.28
Less: Finance Cost	<u>136.66</u>	<u>141.01</u>
Cash Profit/(Loss)	119.59	(139.77)
Depreciation	<u>61.87</u>	<u>64.71</u>
Net Profit/(Loss)	57.72	(204.48)
Add/Less:		
Provisions for Deferred Tax	<u>14.57</u>	<u>15.61</u>
	72.29	(220.09)
APPROPRIATION		
Transfer from General Reserve	-	-
Carried over to next year	<u>72.29</u>	<u>(220.09)</u>

OPERATIONS

The year under review has been a critical one for the Company. Whilst the turnover registered an increase of more than 10% over the previous year, exports registered an increase of more than 50% over the previous year and domestic sales registered decrease of about 10%.

As reported in the last Director's Report, the Company had been facing protracted labour unrest which unfortunately culminated in the union resolving to flash strike on 22nd May 2013 without having given any advance due notice to the Management as is required under the relevant laws. This illegal strike/ mass absenteeism continued for 104 days, inspite of the Government of Haryana prohibiting continuation of strike and company directed all striking labour to unconditionally report back to work within 3 days of the order dated 19/06/2013. In spite of such an order, other various notices/publications issued by the company calling workers to resume duty, the union leaders in their wisdom chose to ignore these directions and instigated the workers to remain absent in concerted manner. The loss of contribution accrued due to loss of production as a result of strike/ mass absenteeism and turnover amounted to Rs. 219 Lacs.

The Charter of Demands as given to the Management by the labour union stands pending in the relevant Court for adjudication.

DIVIDEND

In view of the Company having insufficient profit during the year, the Directors hereby express their inability to recommend any dividend for the year ended 31st March, 2014.

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

Pursuant to requirement of section 149(6) of Companies Act, 2013 and applicability of clause 49 of Listing Agreement with Bombay Stock Exchange w.e.f. 01/10/2014, it is proposed that Shri Pradeep Jain, Smt. Pallavi Joshi Bakhru, Shri Lokesh Sood and Shri Ambarish Raj who have been appointed as Directors liable to retire by rotation by members in earlier AGM shall be appointed as non-Executive Independent Directors for 5 years from the date of AGM. The Company has received confirmation from said Directors that they meet the criteria of Independent director as provided in Section 149(6) of the Companies Act, 2013 and in the opinion of the Board they are person of integrity and possess the relevant expertise and experience. The Board recommend their appointment. Necessary resolution for appointment of aforesaid Directors have been included in the Notice in ensuing AGM.

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, 2014, 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, 2014 on a "going concern" basis.

DEPOSIT

The Company has not accepted any deposit from the Public during the Financial Year 2013-14 and there was no outstanding deposit as on 31.03.2014.



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 for three years subject to annual ratification by the members at the Annual General Meeting in accordance with the provisions of Section 139 of the Companies Act, 2013 and rules there under. 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.

COST AUDITORS

In view of the direction of the Central Government that the cost accounts maintained by the Company be audited by the Cost auditor, the Company has appointed M/s Kabra & Associates, Cost Accountants, as Cost Auditors for conducting the cost audit for the Hand Tools manufacturing business of the Company for the financial year ending 31.03.2015. The remuneration payable to them is subject to the approval of members of the Company.

PERSONNEL

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

CORPORATE GOVERNANCE

Clause 49 of the Listing Agreement is applicable to the Company w.e.f. October, 2014. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. For this the Company has started the implementation by appointment of Independent Directors. The Company is already having a Professional Independent Women Director on its Board.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation to the staff members who stood by the management in these most trying times.

FOR & ON BEHALF OF THE BOARD

Place : New Delhi
Dated : August 7th, 2014

S.K.MANDELIA
CHAIRMAN



ANNEXURE TO DIRECTORS' REPORT

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 for the year ended 31st March, 2014.

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.

Form - A

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

1. Power & Fuel Consumption		Current Year	Previous Year
(a) Electricity		2,167,900	2,331,260
i. Purchased Units			
Amount	Rs.	18,080,929	16,183,470
Rate/Unit (average)	Rs.	8.34	6.94
ii. Own generation DG Sets			
Units Generated		62,620	401,860
Units per Ltr. of Diesel		2.67	2.53
Rate per Ltr. of Fuel	Rs.	58.43	42.39
Cost/Unit (average)	Rs.	21.88	16.75
(b) PNG			
Quantity (SCM)		264,657	344,743
Amount	Rs.	12,434,867	11,380,095
Average Rate	Rs.	46.98	33.01
2 Consumption per Unit of Production			
Product – Hand Tools			
Electricity Units/MT		3,832	3,374
PNG SCM/MT		455	426

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:-



- a) Extension of Product Range & introduction of new product.
- b) Upgradation of process leading to better quality, performance and efficiency.
- c) Upgradation of existing product for better quality and performance.
- d) Extensive study of process, product function vis-à-vis customer requirement and its modification.
- (ii) Benefits derived as a result of the in-house R & D:
 - a) Improving productivity by designing better accuracy & aromatic 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	3.54
c) Total	3.54
d) Total R & D expenditure of total turnover	0.08%

(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	22.65
Total Foreign Exchange Earned	2343.86

Place: New Delhi
Dated: August 7th, 2014

FOR & ON BEHALF OF THE BOARD
S.K.MANDELIA
CHAIRMAN



HINDUSTAN EVEREST TOOLS LTD.

INDEPENDENT AUDITOR'S REPORT

To the Members of HINDUSTAN EVEREST TOOLS LIMITED,

Report on the Financial Statements

We have audited the accompanying financial statements of Hindustan Everest Tools Limited, ("the company") which comprise the Balance Sheet as at 31st March, 2014 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 the 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 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 conduct 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 to 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 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 31st March, 2014;
- b. In the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on the other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") 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 statements on the matters specified in the 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, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

B.K. Sipani
Partner
Membership No.088926

Place: New Delhi
Date: 29th May, 2014



Annexure referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: Hindustan Everest Tools Limited)

- (i) a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As per information given to us, the process of physical verification of fixed assets by the management was initiated but not completed 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. Discrepancy in physical and book quantity if any shall be reconciled and adjusted on completion of physical 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 interest free unsecured loans including in previous year from four parties (Maximum balance Rs. 4,97,05,466 and year end balance was Rs. 4,35,13,404) listed in the register maintained under section 301 of the Companies Act' 1956.
- b. 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, we have not noticed any continuing failure to correct major weakness in internal control system.
- (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 exceeding the value of Rs. five lakhs from any party 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 an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the 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 facie ,the prescribed cost records have been made and maintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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 significant undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable *except service tax Rs.43,878*.
- 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 has not incurred any cash loss during the year. However, it has incurred cash loss in 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 Order are not applicable to the company.
- (xiv) The company does not deal or trade in shares, securities, debentures and other securities.



HINDUSTAN EVEREST TOOLS LTD.

- (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, term loan taken by the company during the year has been utilized for the purpose for which loan was obtained.
- (xvii) According to the information and explanation given to us, on an overall basis, fund raised on short term during the year has not been used 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. Accordingly clause 4(xix) of the Order is not applicable.
- (xx) The company has not raised any money through a public issue during the year. Accordingly clause 4(xx) of the Order is not applicable.
- (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.

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

B.K. Sipani
Partner
Membership No.088926

Place: New Delhi
Date: 29th May, 2014

HINDUSTAN EVEREST TOOLS LTD.



BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	16,072,000	16,072,000
(b) Reserve & Surplus	2	9,822,071	2,550,213
		<u>25,894,071</u>	<u>18,622,213</u>
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	52,168,209	59,573,005
(b) Long Term Provisions	4	11,554,076	12,485,168
(c) Other Non Current Liabilities	5	9,756,662	9,928,732
		<u>73,478,947</u>	<u>81,986,905</u>
(3) Current Liabilities			
(a) Short Term Borrowings	6	111,230,431	116,062,848
(b) Trade Payables	7	77,041,198	62,034,438
(c) Other Current Liabilities	8	24,067,625	25,202,959
(d) Short Term Provisions	4	5,470,300	4,886,272
		<u>217,809,554</u>	<u>208,186,517</u>
Total		<u>317,182,572</u>	<u>308,795,635</u>
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	67,546,718	67,859,753
(iii) Capital Work-in-progress		-	401,828
(b) Non Current Investments	10	682,649	682,649
(c) Deferred Tax Assets (Net)	11	5,507,788	4,050,813
(d) Long Term Loan & Advances	12	4,677,543	4,415,806
(e) Other Non Current Assets			
		<u>78,414,698</u>	<u>77,410,849</u>
(2) Current Assets			
(a) Current Investments			
(b) Inventories	13	165,418,173	164,629,548
(c) Trade Receivables	14	49,577,926	52,628,170
(d) Cash & Bank Balance	15	6,316,167	3,607,460
(e) Short Term Loan & Advances	16	8,449,551	79,856,672
(f) Other Current Assets	17	9,006,057	2,936,385
		<u>238,767,874</u>	<u>231,787,235</u>
Total		<u>317,182,572</u>	<u>308,795,635</u>
Commitments and Contingent Liabilities	18		
Significant accounting policies and other notes on accounts	28		

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

As per our report even date attached

For **SINGHI & CO.**

Chartered Accountants

Firm Reg. No. 302049E

B.K.SIPANI

Partner

Membership No. 088926

Place: New Delhi

Dated: 29th May, 2014

GOVIND DEORA

Company Secretary

For and on behalf of the Board of Directors

B.G.MANDELIA

Vice Chairman &
Joint Managing Director

V.K.KHANNA

Executive Director (Finance)
& CFO

S.K.MANDELIA

Chairman &
Managing Director

PRADEEP JAIN

LOKESH SOOD

AMBARISH RAJ

Directors



HINDUSTAN EVEREST TOOLS LTD.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

		For the Year ended 31st March, 2014 (Rs.)	For the Year ended 31st March, 2013 (Rs.)
I	Revenue	Note No.	
	Revenue from operations	19	429,825,980
	Excise Duty		-15,637,877
	Net Revenue from operations		<u>364,983,507</u>
II	Other Income	20	1,771,396
III	Total Revenue (I+II)		<u>367,674,146</u>
IV	Expenses		
	Raw Material Consumed	21	59,975,041
	Purchase of Stock in Trade		116,621,083
	Change in Inventories of Finished Goods work-in-progress and Stock-in-Trade,	22	-2,388,086
	Employees Benefits Expenses	23	90,212,682
	Other Expenses	25	119,866,644
	Total Expenses		<u>384,287,364</u>
V	Profit before Finance Cost, Depreciation and Tax		31,672,135
	Finance Cost	24	13,666,292
	Depreciation and amortization expenses	9	6,187,560
	Profit before Exceptional Item		<u>11,818,283</u>
	Exceptional Item	26	6,046,719
	Profit after Exceptional Item		5,771,564
VII	Tax expenses		
	(1) Current tax		-
	(2) Deferred tax (charged)/Credited		1,456,975
VIII	Profit/ (Loss) for the period for the period (VI-VII)		<u>7,228,539</u>
	Earning Per Share (Equity share of Rs. 10 each)		
	Basic and Diluted	27	4.50
	Significant accounting policies and other notes on accounts	28	-13.69

The notes referred to above form an integral part of the Statement of Profit and Loss.

As per our report even date attached
for SINGHI & CO.

For and on behalf of the Board of Directors

Chartered Accountants
Firm Reg. No. 302049E

B.K.SIPANI
Partner
Membership No. 088926

B.G.MANDELIA
Vice Chairman &
Joint Managing Director

S.K.MANDELIA
Chairman &
Managing Director

Place: New Delhi
Dated: 29th May, 2014

GOVIND DEORA
Company Secretary

V.K.KHANNA
Executive Director (Finance)
& CFO

PRADEEP JAIN
LOKESH SOOD
AMBARISH RAJ
Directors



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Particulars	Current Year (Rs.)	Previous Year (Rs.)
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/Loss before Tax and extra ordinary items	5,771,564	(20,448,004)
	Add: Depreciation	6,187,560	6,471,090
	Add: Finance Cost	13,666,292	14,100,563
	Add: (Profit)/Loss on sale of fixed Assets	537,367	1,011,547
	Less: Dividend Received	(8,400)	(19,824)
	Less: Interest Received	(168,019)	(125,174)
	Operating profit before working capital change	25,986,364	990,198
	Adjustment for :		
	Trade & Other Receivables	(2,851,787)	5,274,917
	Inventories	(788,625)	(6,075,207)
	Trade & Other Payables	13,478,190	(20,727,197)
	Cash Generated from Operations	35,824,142	(20,537,289)
	Less: Direct Tax (Paid)/Refund	12,802	6,153
	Net cash from/(used in) operating activities	35,836,944	(20,531,136)
B	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Fixed Assets	(6,948,035)	(8,689,522)
	Sale of Fixed Assets	535,520	515,334
	Movement in Fixed Deposit	0	4,109
	Movement in margin money	0	775,000
	Dividend Received	8,400	19,824
	Interest Received	(12,802)	332,738
	Net Cash Flow from investing activities	(6,416,917)	(7,042,517)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Long Term Borrowings (Net)	(8,662,883)	6,830,039
	Proceeds from short Term borrowings (Net)	(4,832,417)	33,504,066
	Finance Cost	(13,216,020)	(13,470,835)
	Net Cash from/(used in) Financing Activities	(26,711,320)	26,863,270
	Net Cash increase/Decrease in cash & equivalents (A+B+C)	2,708,707	(710,383)
	Cash & Cash Equivalents as at (Opening Balance)	1,934,460	2,644,843
	Cash & Cash Equivalents as at (Closing Balance)	4,643,167	1,934,460
	Cash & Cash Equivalents includes		
	Cash & Cheques in Hand	257,271	148,285
	Balance with schedule Banks	4,385,896	1,786,175
		4,643,167	1,934,460

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

As per our report of even date attached

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

For and on behalf of the Board of Directors

B.K.SIPANI
Partner
Membership No. 088926

B.G.MANDELIA
Vice Chairman &
Joint Managing Director

S.K.MANDELIA
Chairman &
Managing Director

Place: New Delhi
Dated: 29th May, 2014

GOVIND DEORA
Company Secretary

V.K.KHANNA
Executive Director (Finance)
& CFO

PRADEEP JAIN
LOKESH SOOD
AMBARISH RAJ
Directors



HINDUSTAN EVEREST TOOLS LTD.

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
NOTE 1: SHARE CAPITAL		
Authorised:		
23,00,000 ,(Previous Year 23,00,000) Equity share of Rs. 10/- each	23,000,000	23,000,000
20,000, (Previous Year 20,000) Redeemable Cumulative Preference Shares of Rs.100/-each.	20,00,000	20,00,000
	25,000,000	25,000,000
Issued, Subscribed and Paid-up:		
16,07,200, (Previous Year 16,07,200) Equity Shares of Rs. 10/- each fully paid up	16,072,000	16,072,000
	16,072,000	16,072,000

Notes:

(a) Reconciliation of Shares outstanding at the beginning and at the end of year are given below:

	As at 31/3/2014		As at 31/3/2013	
	Numbers	Rs.	Numbers	Rs.
Equity Shares outstanding at the beginning of the year	1,607,200	16,072,000	1,607,200	16,072,000
Add: Equity Shares Issued during the year	-		-	
Less: Equity Shares bought back/ redeemed during the year	-		-	
Equity Shares outstanding at the end of the year	1,607,200	16,072,000	1,607,200	16,072,000

(b) Details of shareholder holding more than 5% of the company as on reporting date are given below:

Name of the Shareholder	As at 31/3/2014		As at 31/3/2013	
	No. of Shares	Percentage	No. of Shares	Percentage
M/S Mandelia Investment Pvt. Ltd.	832,902	51.82%	830,917	51.59%
M/S Transparent Agro Pvt. Ltd.	89,990	5.60%	89,990	5.60%

(c) Right attached to Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
NOTE 2: RESERVES AND SURPLUS		
(a) Capital Reserve:		
Opening Balance	752,400	752,400
(b) Revaluation of Fixed Assets Reserve		
Opening Balance	1,471,751	1,471,751
(c) Share Premium Account		
Opening Balance	7,328,000	7,328,000
(d) General Reserve		
Opening Balance	-6,958,619	15,007,280
Less: Profit/(Loss) for the year as per Profit and Loss Statement	7,228,539	-22,009,218
Total (a+b+c+d)	9,822,071	2,550,213



NOTE 3 : LONG TERM BORROWINGS

	Ref.	Non Current Portion		Current Maturities	
		As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
(i) Secured	3.1				
Term loan from a bank		1,500,000	2,400,000	1,200,000	2,470,064
Vehicle loan from Bank		2,154,506	2,467,539	2,164,869	2,152,892
Total (i)		3,654,506	4,867,539	3,364,869	4,622,956
(ii) Unsecured					
Loan from Managing Director & Joint Managing Director & their associates. (Interest free Loan)	28.8	43,513,704	49,705,466	—	—
Loan from a Body Corporate		5,000,000	5,000,000	—	—
Total (ii)		48,513,704	54,705,466	—	—
Total (i) + (ii)		52,168,209	59,573,005	3,364,869	4,622,956
(iii) Amount disclosed under the head "Other Current Liabilities"		0	0	-3,364,869	-4,622,956
Total (iii)		52,168,209	59,573,005	0	0

3.1 (a) Secured against Land, Building and Plant & Machinery and other immovable & movable fixed assets of the Company. These Loans further secured by personal guarantees of Chairman & Managing Director of the company.

(b) (i) Term Loan from a bank carrying interest rate (BPLR(10.20%) +5.25%) and payable in quarterly installment of Rs. 3,00,000/-.

(c) Vehicle loan from a bank secured by hypothecation of vehicles financed and carries interest rate of 10.50% to 12.50% per annum. Payable in 6-36 equal monthly installment beginning with April, 2013.

NOTE 4: PROVISIONS

	Ref.	As at	As at	As at	As at
		31st March, 2014 (Rs.)	31st March, 2013 (Rs.)	31st March, 2014 (Rs.)	31st March, 2013 (Rs.)
Provision for employees benefits					
- Gratuity	Note: 28.7	10,496,116	10,984,486	4,830,498	4,170,817
- Accrued Leave		1,057,960	1,500,682	591,193	630,749
Provision for Wealth Tax				48,609	84,706
Total		11,554,076	12,485,168	5,470,300	4,886,272



HINDUSTAN EVEREST TOOLS LTD.

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
NOTE-5: OTHER NON CURRENT LIABILITIES		
Trade Deposits	<u>9,756,662</u>	9,928,732
	<u>9,756,662</u>	<u>9,928,732</u>

NOTE-6: SHORT TERM BORROWINGS

Short Term Loan from Banks (Repayable on demand):

Secured Packing/ Cash credit facilities	<u>111,230,431</u>	116,062,848
	<u>111,230,431</u>	<u>116,062,848</u>

Nature of security

Packing/Cash Credit Limits from Bank secured by hypothecation of Raw Material Stores, Tools & Dies (not forming part of Plant & Machinery) Finished Goods, Work-in-progress, 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. These Loans further secured by personal guarantees of Chairman & Managing Director of the company.

NOTE-7: TRADE PAYABLE

Sundry Creditors for goods & services	7.1 & 7.2	<u>77,041,198</u>	62,034,438
		<u>77,041,198</u>	<u>62,034,438</u>

7.1 The company has not received any intimation from any of its suppliers regarding their status under the Micro Small Medium Enterprises Act and hence disclosures, relating to amounts unpaid as at the year end along with interest if any payable as required under the said Act have not been given.

7.2 Trade Payables are subject to reconciliation & confirmations.

NOTE-8: OTHER CURRENT LIABILITIES

Current maturities of long term debt	<u>3,364,869</u>	4,622,956
Interest accrued & due on Borrowings	<u>2,160,000</u>	1,709,728
Employee Emoluments etc.	<u>6,826,704</u>	7,627,567
Statutory Dues Payable	<u>7,508,406</u>	7,462,987
Advance from & Credit balance of Customers	<u>4,207,646</u>	3,779,721
	<u>24,067,625</u>	<u>25,202,959</u>



NOTE-9: FIXED ASSETS - TANGIBLE ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 01-04-13 (Rs.)	Additions (Rs.)	Less Sale/ Adjustments (Rs.)	Total Cost 31-03-14 (Rs.)	Upto 04-01-13 (Rs.)	Provided During the Year (Rs.)	Less Sale/ Adjustments (Rs.)	Total upto 31-03-14 (Rs.)	As at 31-03-14 (Rs.)	As at 31-03-13 (Rs.)
-Tangible Assets										
Land (Free Hold)**	1871600			1871600	0				1871600	1871600
Building	22540183	98298		22638481	11438547	355596		11794143	10844338	11101636
Plant & Equipments	125746654	1028060		126774714	93189810	2755344		95945154	30829560	32556844
Laboratory Apparatus	231939			231939	225731	432		226163	5776	6208
Jigs & Fixture*	1589213			1589213	1522225	0		1522225	66988	66988
Motor Vehicle & Cycles	20293263	3170127		2398680	8137383	1776942	1333978	8580347	12484363	12155880
Electric Installations	6796945			6796945	5438999	104560		5543559	1253386	1357946
Tubewell & Water Supply										
Installation	674084			674084	376952	14060		391012	283072	297132
Furniture & Fixture	5054134	814265		5868399	3115507	247182		3362689	2505710	1938627
Air Conditioner	4164181	153917		4318098	1932118	180649		2112767	2205331	2232063
Computers	6806567	548267	12950	7341884	5301440	366180	4765	5662855	1679029	1505127
Other Office Equipments	9982714	1135101		11117815	7270284	382052		7652336	3465479	2712430
Fire Extinguisher	188759			188759	151809	3025		154834	33925	36950
Weigh Bridge	336238			336238	316539	1538		318077	18161	19699
Total	206276474	6948035	2411630	210812879	138417344	6187560	1338743	143266161	67546718	67859130
Total	206276474	6948035	2411630	210812879	138417342	6187560	1338743	143266159	67546720	67859132
Previous Year	200765725	9091350	358601	2062276474	13399974	6471090	2053720	138417344	67859130	

*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 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
NOTE-10: NON CURRENT INVESTMENTS			
(Valued at lower of cost or Fair value) (Other than trade.)			
Fully paid up Equity Shares			
Quoted (At Cost)			
1754 (Previous Year 1754 shares) of Rs. 10 each			
M/S Jay Shree Tea & Industries Ltd	10.1	150,099	150,099
6000 (Previous Year 6000 shares) of			
Rs. 1 each M/S Hindalco Industries Ltd		121,404	121,404
Unquoted (At Cost)			
4000 (Previous Year 4000 shares) of Rs. 10 each			
M/S Bharat Commerce & Industries Ltd		<u>271,503</u>	<u>271,503</u>
		<u>121,404</u>	<u>121,404</u>
Less: Provision for diminution In value of long Term Investment		<u>150,099</u>	<u>150,099</u>
		<u>682,649</u>	<u>682,649</u>
Aggregate Book Value of Quoted investment		<u>682,649</u>	<u>682,649</u>
Aggregate amount of Unquoted investment		121,404	121,404
Aggregate Market Value of Quoted investment		998,676	699,230

10.1 877 equity shares of '10/- each received as bonus shares in earlier year

NOTE 11: Deferred Tax Assets

On Unabsorbed Depreciation	11.1	8,970,134	8,934,319
On Retirement Benefits		<u>5,507,788</u>	<u>4,050,813</u>
		<u>14,477,922</u>	<u>12,985,132</u>
Less Deferred Tax Liabilities			
On Depreciation		<u>8,970,134</u>	<u>8,934,319</u>
Net Deferred Tax Assets		<u>5,507,788</u>	<u>4,050,813</u>

11.1 Deferred tax assets on unabsorbed depreciation has been recognised to the extent deferred tax liability on timing difference of depreciation provided , the reversal of which will result in sufficient income.

NOTE-12: LONG TERM LOANS & ADVANCES

	Ref.	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
Unsecured, Considered Good			
Deposit with Govt. Department		2,322,063	2,032,530
Deposit with others		<u>2,355,480</u>	<u>2,383,276</u>
		<u>4,677,543</u>	<u>4,415,806</u>

NOTE-13: INVENTORIES

(As taken. Valued and certified by the management)	28.1		
Raw Materials		10,311,442	10,519,275
Work-in-Progress (Hand Tools)		24,121,678	21,898,219
Finished Goods		73,321,380	80,215,101
Stock in trade		25,724,974	17,761,736
Stores, Spare Parts, Tools & Accessories etc.		31,377,339	32,768,967
(includes dies '7905864/- (previous Year '8025043/-)			
Others (Steel Scrap)		<u>561,360</u>	<u>1,466,260</u>
		<u>165,418,173</u>	<u>164,629,548</u>



Ref.	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
NOTE-14: TRADE RECEIVABLE		
(Considered good unless otherwise stated)		
<u>Debts exceeding six months from due date:</u>		
Considered good	8,309,162	17,401,060
Considered Doubtful	2,212,724	2,212,724
	10,521,886	19,613,784
Less: Provision for doubtful debts.	(2,212,724)	(2,212,724)
	8,309,162	17,401,060
Other Debts-Considered good	41,268,764	35,227,110
	49,577,926	52,628,170
14.1 (a) Trade Receivables become due on the date of Invoice.		
(b) Export Debts are not covered by any hedge instrument or otherwise Rs. 5540660/- (previous year Rs. 11079567/-)		
(c) Trade Receivables are subject to reconciliation & confirmation.		
NOTE-15: CASH & BANK BALANCES		
	As at	As at
	31st March, 2014	31st March, 2014
Cash & Cash Equivalent	257,271	148,285
Cash & Cheques in hand (As certified)	4,385,896	1,786,175
in Current Account	4,643,167	1,934,460
Earmarked balances with banks		
Fixed Deposit (Maturity Beyond 90 Days from deposit date)	190,000	190,000
in Saving Account	8,000	8,000
Balances with bank to the extent held as margin money	1,475,000	1,475,000
	6,316,167	3,607,460
15.1 Pledged with Central Excise Authorities..		
NOTE-16: SHORT TERM LOANS & ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Considered Good		
Pre-paid Expenses	1,700,549	962,781
Advances to Suppliers	3,663,768	4,925,416
Advances to Employees	1,572,738	1,345,989
Advance Tax /Tax deducted at source	140,255	127,453
Balance with Excise Authorities	1,372,241	624,033
	8,449,551	7,985,672
Total (a)		
Considered doubtful		
Advances to Suppliers	385,203	385,203
Less: Provision for doubtful	(385,203)	385,203
Total (b)	770,406	0
Total (a) + (b)	9,219,957	7,985,672
16.1 Advance to suppliers are subject to reconciliation and confirmation.		



HINDUSTAN EVEREST TOOLS LTD.

	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
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NOTE-17: OTHER CURRENT ASSETS

Export Incentive Receivable	6,808,382	2,877,385
Claim Receivable	1,983,458	0
Interest accrued on Fixed Deposit etc.	214,217	59,000
	<u>9,006,057</u>	<u>2,936,385</u>

NOTE-18: COMMITMENTS AND CONTINGENT LIABILITIES

a) Commitments:

Estimated amount of contract remaining to be executed and not provided for
(Advance paid Rs. NIL Previous year Rs.Nil)

Nil	Nil
-----	-----

b) Contingent Liabilities

Bonds & Bank Guarantees outstanding (Margin Money paid Rs. 1,83,000/-
Previous year Rs. 1,83,000/-)

80,000	80,000
<u>80,000</u>	<u>80,000</u>



NOTES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014.

	For the Year ended 31st March, 2014 (Rs.)	For the Year ended 31st March, 2013 (Rs.)
NOTE-19 REVENUE FROM OPERATIONS		
<u>Sales (Hand Tools)</u>		
Export Sales	234,510,747	151,885,655
Domestic Sales	166,839,781	215,571,619
Other Operating Revenue		
- Export Incentives	20,686,494	13,398,206
- Scrap Sale	<u>7,788,958</u>	<u>8,349,366</u>
Gross Revenue from Operations	<u>429,825,980</u>	<u>389,204,846</u>
NOTE-20: OTHER INCOME		
Miscellaneous Income	9,720	0
Interest Received	168,019	125,174
Dividend Received	8,400	19,824
Liability no longer required written back.	0	29,950
Exchange Rate Difference	<u>1,585,257</u>	<u>2,515,691</u>
	<u>1,771,396</u>	<u>2,690,639</u>
NOTE-21: Raw Material Consumed		
Steel	49,671,962	65,123,758
Components	4,391,856	7,224,892
Nickel	1,651,670	3,144,064
Others	<u>4,259,553</u>	<u>1,866,922</u>
	<u>59,975,041</u>	<u>77,359,636</u>
NOTE-22: CHANGE IN INVENTORIES		
Inventories at the end of the year		
Finished Goods	73,321,380	80,215,101
Stock in Trade	25,724,974	17,761,736
Work-in-Progress (Hand Tools)	24,121,678	21,898,219
Others (Steel Scrap)	<u>561,360</u>	<u>1,466,250</u>
	<u>123,729,392</u>	<u>121,341,306</u>
Inventories at the beginning of the year		
Finished Goods	80,215,101	67,250,371
Trading Goods	17,761,736	21,633,482
Work-in-Progress (Hand Tools)	21,898,219	22,069,154
Others (Steel Scrap)	<u>1,466,250</u>	<u>710,049</u>
	<u>121,341,306</u>	<u>111,663,056</u>
	<u>-2,388,086</u>	<u>-9,678,250</u>
NOTE-23: EMPLOYEES BENEFITS EXPENSES		
Salaries,Wages,Bonus & Allowances	81,790,326	88,531,454
Contribution to Provident & other Fund	3,429,146	4,447,494
Workers & Staff welfare Expenses	<u>4,993,210</u>	<u>4,106,408</u>
	<u>90,212,682</u>	<u>97,085,356</u>



HINDUSTAN EVEREST TOOLS LTD.

		For the Year ended 31st March, 2014 (Rs.)	For the Year ended 31st March, 2013 (Rs.)
NOTE-24: OTHER EXPENSES			
Stores dies Tools & Spare Parts Consumed	24.1	12,052,103	14,003,056
Packing Material Consumed		11,783,696	11,241,314
Power & Fuel		32,005,574	34,168,683
Increase/(Decrease) in Excise duty on Finished Goods Stocks		-192,483	663,862
Repair Replacement& Renovation			
Machinery		5,747,212	8,073,362
Buildings		1,215,153	468,545
Others		5,179,581	6,949,254
Forwarding & Freight etc.		9,752,494	8,129,294
Commission to other selling Agents		2,359,059	2,847,448
Publicity & Advertisement		822,719	804,043
Cash Discount		3,537,427	4,506,719
Insurance		1,882,155	1,392,114
Sale Promotion Expenses		1,832,015	2,371,871
Rent		3,024,328	3,111,093
Rates & Taxes		119,950	177,035
Travelling & Conveyance (including Directors		7,477,611	8,023,026
Travelling Rs 2020229/- (Previous year Rs.1742289/-)			
Vehicle Running & Maintenance		4,454,086	3,611,571
Printing & Stationery		1,160,809	1,442,712
Postage Telegram & Telephone		2,720,915	2,871,780
Miscellaneous Expenses		6,582,813	5,889,120
Professional & Legal expenses		2,610,710	1,875,709
Directors Fee		13,000	8,674
Payment to Auditors			
Audit Fee		100,000	100,000
Tax Audit Fee		30,000	0
For Limited Review.		100,000	60,000
For Expenses		17,990	14,152
Sales Tax & Purchase Tax		104,084	422,511
Bad Debts/Sundry Debit Balances etc. written off.		361,106	0
Exchange Rate Fluctuation.		907,504	0
Provision for bad & doubtful Debt/Advances		378,824	789,579
Loss on Sale of Fixed Assets/Discarded (Net)		537,367	1,011,547
Bank Charges		1,188,842	1,462,423
		<u>119,866,644</u>	<u>126,490,497</u>

24.1 Cost of own Manufactured Dies & Tools during the year as certified and valued by the Management Rs.12,49,197/- (Previous year Rs.19,55,546/-)



	For the Year ended 31st March, 2014 (Rs.)	For the Year ended 31st March, 2013 (Rs.)
NOTE-25: FINANCE COST		
<u>(a) Interest expenses</u>		
Interest Expenses	11,877,770	13,524,138
Other Borrowing Cost	<u>1,788,522</u>	<u>576,425</u>
	<u>13,666,292</u>	<u>14,100,563</u>
 NOTE-26: EXCEPTIONAL ITEMS		
(a) PNG bill for Strike Period (Towards MGQ)	3,786,059	0
(b) Rent as per Court order	1,603,362	0
(c) Interest on rent as above	<u>657,298</u>	<u>0</u>
	<u>6,046,719</u>	<u>0</u>
 NOTE-27: EARNING PER SHARE (EPS)		
Profit/(Loss) after Tax	7,228,539	-22,009,218
No. of Shares of Rs. 10/-each.	<u>1,607,200</u>	<u>1,607,200</u>
Basic & Diluted EPS	<u>4.50</u>	<u>-13.69</u>



Note- 28: Summary of significant accounting policies and other notes on accounts

28.1 Summary of significant Accounting Policies

(i) General Information

Hindustan Everest Tools Limited (hereinafter referred to as 'the Company' HETL) is a manufacturer of Hand Tools. The Company's manufacturing facilities are located at village Jatheri P.O. Rai, Sonipat.

(ii) Accounting Convention

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

(iii) Use of Estimates

The Preparation of financial statement 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. Differences between the actual results and estimates are recognized in the period which the results are known/ materialised.

(iv) Fixed Assets

- i) Freehold Land is at revalued amount.
- ii) Buildings, Plant and Machinery & Other Fixed Assets are stated at cost.

(v) 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)

(vi) Investments

Long term investments are stated at cost. The company provides diminution, Other than temporary, in the value of long term investments.

(vii) Impairment of Assets

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

(viii) Inventories

Inventories are valued at cost or net reliable value whichever is lower except dies, which is re-valued based on estimated useful life, Materials and other supplies held for the use in the production of inventories are not written down below cost of 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.

(ix) Foreign Currencies

Transaction in foreign currency are accounted at exchange rates prevailing on the date of transaction. Foreign currency monetary as on Balance Sheet date are reconverted at the rate prevailing at the year end and the resultant net gains or losses are adjusted in the Profit and Loss Statement.

(x) 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.

(xi) 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 related to earlier years). Discount & rebates.

(xii) Recognition of Income and Expenditure

All Income and expenditure are accounted on accrual basis except due to uncertainty in realisation, interest on overdue bills from customers is accounted for on receipt basis.



(xiii) **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 accounting income and taxable income for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on 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.

(xiv) **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.

(xv) **Contingent Liabilities**

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts on 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 the position stated in the Balance Sheet.

28.2 The company is engaged in the Hand tool 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.

	Current Year (Rs.)	Previous Year (Rs.)
(i) Overseas Sale*	25,544,103	165,283,861
(ii) Domestic Sale	174,628,739	223,920,985

* Including export incentive Rs. 20,930,288/- (Previous year Rs. 13,398,206/-)

All the business assets of the company are situated in India except export debtors Rs5757329/-

28.3 **CIF VALUE OF IMPORTS**

Stores & Spares	93,028	1,511,039
Finished Goods	864,327	380,108
	957,355	1,891,147

28.4 **EXPENSES IN FOREIGN CURRENCY**

Travelling	760,285	444,416
Commission	735,652	457,943
Advertisement & Publicity	495,226	-
Miscellaneous Expenses	274,208	132,371
	2,265,371	1,034,730

28.5 **VALUE OF RAW MATERIAL, STORES AND SPARE PARTS CONSUMED**

	Current Year Amount (Rs.)	Current Year Percentage	Previous Year Amount (Rs.)	Previous Year Percentage
Raw Material & components				
Imported	0	0	0	0
Indigenous	59975041	100	77,359,636	100
	59975041	100	77,359,636	100
Stores, Dies, Tools & Spare Parts				
Imported	44,602	0.35	985,074	7.37
Indigenous	12,511,611	99.65	13,017,982	92.63
	12,556,213	100	14,003,056	100



HINDUSTAN EVEREST TOOLS LTD.

28.6	EARNING IN FOREIGN EXCHANGE	Current Year	Previous Year
	Export of Hand Tools (On FOB Bases)	234,386,065	151,876,620

28.7 DISCLOSURE PURSUANT TO ACCOUNTING STANARD -15 ON EMPLOYEES BENEFITS

I) Define Contribution Plan.

The Company has recognised the following amounts in the profit & loss Statement for the year Contribution to Employees Provident Fund Rs.3429146/- (Previous year Rs. 4447494/-)

II) Define Benefit Obligation (DBO)

The following table set out the status of 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 (DOB)

A)	Opening DOB as on 1st April,2013	15155303	15,950,659
	Current Service Cost	914303	831,931
	Interest Cost	1212424	1,276,053
	Actuarial (gain)/Loss	-605944	162,944
	Benefit Paid	-1349472	(3,066,284)
	Past Service Cost	-	-
	Closing DOB as on 31st March,2014	15326614	15,155,303
B)	Liability recognised in the Balance Sheet		
	Present value of the defined obligation at the end of the period	15326614	15,155,303
	Fair value of the plan assets at the end of the year	-	
	Liability recognised in the Balance Sheet	15326614	15,155,303
C)	The total expenses recognised in the Profit & Loss Account		
	Current Service Cost	914303	831,931
	Interest cost	1212424	1,276,053
	Past Service Cost	-	
	Actuarial (gain)/Loss	-605944	162,944
	Net Gratuity Cost	1520783	2,270,928
D)	Actual Return on plan assets		
E)	Following are the Principal Actuarial Assumptions used as at the balance sheet date		
	Discount rate	8.50%	8.00%
	Expected rate of return on any plan assets		
	Average salary escalation rate	6.00%	5.50%

The estimates of the future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. Defined benefit obligation are not funded.

28.8 RELATED PARTY DISCLOSURES

- Association of persons having significant influence on Key management personnel
S.K.Mandelia (HUF)
B.G.Mandelia (HUF)
- 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)
- Relative of the Key Management.
Mrs. Neeta Khanna-wife of Shri V.K.Khanna Excutive Director (Finance)
Shri Anant Vijay Mandelia Marketing Executive son of Shri B.G.Mandelia.



Transaction with related Parties	Current Year (Rs.)	Previous Year (Rs.)
Remuneration Paid*		
a) Sh. Shravan Kumar Mandelia	547,255	515,080
b) Sh. Bal Gopal Mandelia	521,858	566,410
c) Vinod Kumar Khanna	899,525	876,366
d) Sh. Anant Vijay Mandelia	672,000	526,400
	<u>2,640,365</u>	<u>2,484,256</u>
Loan Received During the year		
Sh B.G. Mandelia (HUF)	-	-
Loan Paid During the year		
Sh. S.K. Mandelia	-	-
Sh. B.G.Mandelia	6,192,062	3,446,396
Outstanding Payable During the year		
a) Sh. Shravan Kumar Mandelia	908,000	908,000
b) Sh. Bal Gopal Mandelia	288,000	288,000
c) Sh. S.K. Mandelia (HUF)	26,900,000	26,900,000
d) Sh B.G. Mandelia (HUF)	15,417,404	21,609,466
	<u>43,513,404</u>	<u>49,705,466</u>
Rent Paid (Net of Recovery)		
a) Sh. Shravan Kumar Mandelia	118,000	118,800
b) Sh. Bal Gopal Mandelia	120,000	120,000
c) Mrs. Neeta Khanna	-	56,000
	<u>238,000</u>	<u>294,800</u>
* Including Rent Paid (net of recovery)		
Particulars in respect of goods (Hand Tools) manufactured		
	Current Year	Previous Year
Licensed Capacity**	1800 MT	1800 MT
Installed Capacity*	582.085 MT	809.967 MT
Actual Production	(2913689 Pcs)	(3714839 Pcs)
*Installed capacity as certified by the management **Delicensed		

28.9 Previous year figures has been reclassified/regrouped to confirm current year figures.
Particulars of Manufacturing Activities*

	Current Year		Previous Year	
	Pieces	Value (Rs.)	Pieces	Value (Rs.)
Hand Tools				
Opening Stock	1425347	80215101	1480676	67250371
Sales**	3124829	258322416	3770160	267845543
Closing Stock	1214204	73321380	1425347	80215101

* Excluding Samples 3 Pieces (Previous Year 8 Pcs) ** Including Export benefit but excluding scrap sale and after adjusting discount.



HINDUSTAN EVEREST TOOLS LTD.

Particulars of Trading Activities*

	Current Year		Previous Year	
	Pieces	Value (Rs.)	Pieces	Value (Rs.)
Hand Tools & Other Tools				
Opening Stock	662888	13465881	379584	12166070
Purchases	8202263	113405614	2817320	70024854
Sales**	7410569	171747358	2534016	93491442
Closing Stock	1454582	17791690	662888	13465881

* Excluding Samples Pieces (Previous Year nil Pcs) ** Including Export benefit and after adjusting discount.

28.9 The Company has prepared current year account as per presentation and disclosure requirement of Revised Schedule-VI to the Companies Act, 1956 applicable with effect from 1st April, 2011. Previous year figures has been reclassified/ regrouped to confirm current year figures.

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

For and on behalf of the Board of Directors

B.K.SIPANI
Partner
Membership No. 088926

B.G.MANDELIA
Vice Chairman &
Joint Managing Director

S.K.MANDELIA
Chairman &
Managing Director

Place: New Delhi
Dated: 29th May, 2014

GOVIND DEORA
Company Secretary

V.K.KHANNA
Executive Director (Finance)
& CFO

PRADEEP JAIN
LOKESH SOOD
AMBARISH RAJ
(Directors)

HINDUSTAN EVEREST TOOLS LIMITED

CIN: L74899DL1962PLC003634

Registered Office : Dohil Chambers, 46, Nehru Place, New delhi 110019

PLEASE FILL AT TENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **51st ANNUAL GENERAL MEETING** of the Company held on Tuesday the 30th days of September, 2014, at 11.00 a.m. at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi 110016

*Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

HINDUSTAN EVEREST TOOLS LTD.

CIN: L74899DL1962PLC003634

Registered Office : Dohil Chambers, 46, Nehru Place, New Delhi 110019

Name of the member(s):		e-mail id:	
Registered address:		Folio No./*Client id:	
		*DP Id:	

I/We, being the member(s) of _____ shares of Hindustan Everest Tools Ltd., hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the

51st ANNUAL GENERAL MEETING of the Company held on **Tuesday the 30th days of September, 2014**, at 11.00 a.m. at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:



HINDUSTAN EVEREST TOOLS LTD.

I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions		
Ordinary Business	For	Against
1. Consider and adopt Audited Financial Statement, Report of the Board of Directors and Auditors		
2. Appointment of M/s Singhi & Co. Chartered Accountants as Auditors and fixing their remuneration.		
Special Business		
3. Appointment of Shri Pradeep Jain as an Independent Director		
4. Appointment of Smt. Pallavi Joshi Bakhru as an Independent Director		
5. Appointment of Shri Ambarish Raj as an Independent Director		
6. Appointment of Shri Lokesh Sood as an Independent Director		
7. Approval of terms of appointment of Shri Shravan Kumar Mandelia as the Managing Director		
8. Approval of terms of appointment of Shri Balgopal Mandelia as the Joint Managing Director		
9. Approval of the Remuneration of the Cost Auditors		

Signed this _____ day of _____ 2014

Signature of Shareholder

Affix a
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

- (1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- (2) **A Proxy need not be a member of the Company.**
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.