



HINDUSTAN EVEREST TOOLS LTD.
47th ANNUAL REPORT 2009-2010

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
47-48, 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 47th 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 Thursday the 30th day of September, 2010 at 11.00 A.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, 2010 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 Umesh Kumar Khaitan who retires by rotation and being eligible, offer himself for re-appointment.
- 3) To appoint Director in place of Shri Vibhu Bakhru, who retires by rotation and being eligible, offer himself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS :

To consider and if thought fit to pass with or without modification, the following resolutions as Ordinary Resolution:

- 5) "Resolved that in accordance with the provisions of section 198,269,309 and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof and subject to such approvals as may be necessary, Shri Shravan Kumar Mandelia be re-appointed as Managing Director of the Company for a further period of Five years w.e.f. 14th December, 2008 on a remuneration and on the terms and conditions as set out in the Explanatory Statement to this Resolution with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary any of the terms and conditions of the said appointment and/or agreement, if any, to alter in such manner as may be agreed to between the Board of Directors and Shri Shravan Kumar Mandelia so as not to exceed the limit specified in Schedule XIII of the Companies Act, 1956 or any amendment thereon.
- 6) "Resolved that in accordance with the provisions of section 198,269,309 and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereof and subject to such approvals as may be necessary, Shri Balgopal Mandelia be re-appointed as Joint Managing Director of the Company for a further period of Five years w.e.f. 1st January, 2009 on a remuneration and on the terms and conditions as set out in the Explanatory Statement to this Resolution with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary any of the terms and conditions of the said appointment and/or agreement, if any, to alter in such manner as may be agreed to between the Board of Directors and Shri Balgopal Mandelia so as not to exceed the limit specified in Schedule XIII of the Companies Act, 1956 or any amendment thereon.
- 7) "Resolved that pursuant to the provisions of Section 19,83,09,310 and other applicable provisions of the Companies Act, 1956, read with schedule XIII and any other applicable provisions of the aforesaid Act and subject to the approval of the Central Government, if necessary, the consent of the Company be and is hereby accorded to the re-appointment of Shri Vinod Kumar Khanna as Executive Director (Finance) of the Company for a period of 3 years w.e.f. 17th August, 2010 on a remuneration and on the terms and conditions as set out in the Explanatory Statement to this Resolution with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary any of the terms and conditions of the said appointment and/or agreement, if any, to alter in such manner as may be agreed to between the Board of Directors and Shri Vinod Kumar Khanna so as not to exceed the limit specified in Schedule XIII of the Companies Act, 1956 or any amendment thereon.

BY ORDER OF THE BOARD

Sd/-

GOVIND DEORA
Company Secretary

Place : New Delhi
Dated : 29th May, 2010



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 Thursday the 23rd day of September, 2010 to Thursday the 30th day of September, 2010 (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 :
 - 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.

BY ORDER OF THE BOARD

Sd/-

GOVIND DEORA
Company Secretary

Place : New Delhi
Dated : 29th May, 2010



HINDUSTAN EVEREST TOOLS LTD.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

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

ITEM NO. 5

The Board of Directors in its meeting held on 31st October, 2008 re-appointed Shri Shravan Kumar Mandelia as Managing Director of the Company for a further period of five years w.e.f. 14th December, 2008 on the terms and conditions as specified in the proposed Resolution forming part of the Notice, subject to the provisions contained in Schedule XIII as amended upto date of the Companies Act, 1956 are given below :-

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.

CATEGORY ' A '

(i) 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.



HINDUSTAN EVEREST TOOLS LTD.

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."

None of the Directors other than the appointee himself is interest in the said resolution except Shri Balgopal Mandelia who are related to Shri Shravan Kumar Mandelia.

The Directors commends the resolution for your approval.

ITEM NO. 6

The Board of Directors in its meeting held on 31st October 2008 re-appointed Shri Balgopal Mandelia as Joint Managing Director of the Company for a further period of five years w.e.f.1st January,2009 on the terms and conditions as specified in the proposed Resolution forming part of the Notice, subject to the provisions contained in Schedule XIII as amended upto date of the Companies Act,1956 are given below :-

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 '

(I) 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.



HINDUSTAN EVEREST TOOLS LTD.

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."

None of the Directors other than the appointee himself is interest in the said resolution except Shri Shravan Kumar Mandelia who are related to Shri Balgopal Mandelia.

The Directors commends the resolution for your approval.

ITEM NO. 6

The Board of Directors in its meeting held on 29th May,2010 re-appointed Shri Vinod Kumar Khanna as Executive Director(Finance) of the Company for a further period of three years w.e.f. 17th August,2010 on the terms and conditions as specified in the proposed Resolution forming part of the Notice , subject to the provisions contained in Schedule XIII as amended upto date of the Companies Act,1956 are given below :-

A) Salary : Rs. 38,000/- per month and Special Allowance Rs. 12,000/— per month with annual increment in Special Allowance of Rs. Rs.4,000/- each for 1st year, 2nd and 3rd year respectively.

B) Perquisites & Allowances :

I. In addition to his salary, Shri Vinod Kumar Khanna shall be entitled to following perquisites and allowances :

- 1) Unfurnished accommodation or House Rent Allowance in lieu of, subject to maximum of 50% of the salary.
- 2) Medical Reimbursement : Reimbursement of expenses incurred for self and family subject to a ceiling of 15,000/- in a year or Rs. 45,000/- over a period of three years.
- 3) Leave Travel Concession : For self and family, subject to ceiling of one month's salary in a year or three month's salary over a period of three years.

II. He shall also be eligible to the following perquisites which shall however not be included in the computation of ceiling on remuneration specified in Part II of Schedule XIII.

- 1) Company's contribution towards provident Fund as per the Rules of the Company.
- 2) Gratuity as per the Rules of the Company but shall not exceed half month's salary for each completed year of service.
- 3) Earned Leave : Encashment of un-availed Earned Leaves as per the rules of the Company at the end of each year on his request or at the end of his tenure.

III. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personnel long distance calls on telephone and use of car for private purpose shall be billed by the Company.

The Board recommends the Resolution for your approval.

Except Shri Vinod Kumar Khanna no other Director is interested in this resolution.



HINDUSTAN EVEREST TOOLS LTD.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 47th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2010.

Rs. in Lakhs

FINANCIAL RESULTS

	2009-2010	2008-2009
Profit/ (Loss) before interest	(97.07)	142.14
Less: Interest	128.62	116.42
Cash profit/(loss)	(225.59)	25.72
Depreciation	67.43	69.79
Net Profit/(Loss)	(293.12)	(44.07)
Add/Less:		
: Provision for taxation (Including fringe benefit tax)	(0.80)	(21.19)
: Provisions for Deferred Tax	(41.89)	9.89
	(42.69)	(11.30)
	(335.81)	(55.37)
Brought forward from previous year	—	—
APPROPRIATION		
Transfer from General Reserve	335.81	55.37
Carried over to next year	—	—

OPERATIONS

The working of the Company during the year under review was adversely affected due to the global recession. The export of the Company registered a decline of 42.5% as compared to previous year, and the overall turnover declined by 15%. It should be heartening to note that in spite of recessionary trend, the domestic sales of the your Company registered an increase of 15.52% and all efforts are being made to develop domestic market further. On the export front also the recessionary trend having abated, it is hoped that during the current year the working of the Company shall be much better.

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, 2010.

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.

Place : New Delhi
Dated : 29th May, 2010

DIRECTORS

In accordance with the provision of Companies Act, 1956 and Articles of Association, Shri Umesh Kumar Khaitan and Shri Vibhu Bakhru 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, 2010, 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, 2010 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. 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.

FIXED DEPOSITS

The total amount of Fixed Deposits held by the Company as on 31st March 2010 stood at Rs.5.46 Lac. There were no overdue deposits.

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.

for & on behalf of the Board
Sd/-
S.K. MANDELIA
Chairman



HINDUSTAN EVEREST TOOLS LTD.

ANNEXURE 'A'

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		19,20,523	24,40,884
Amount	Rs.	85,53,912	1,10,04,905
Rate/Unit (average)	Rs.	4.45	4.51
ii. Own generation DG Sets			
Units Generated		4,58,790	5,45,690
Units per Ltr. of Diesel		2.96	3.13
Rate per Ltr. of Fuel	Rs.	32.51	34.27
Cost/Unit (average)	Rs.	10.98	10.95
(b) LPG			
Quantity	(Kg.)	2,79,647	3,27,287
Amount	Rs.	1,04,24,205	1,55,04,619
Average Rate	Rs.	37.28	47.37
2. Consumption per Unit of Production			
Product – Hand Tools			
Electricity Units/MT		3,194	3,340
LPG		375	366

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.

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

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

(iii) Expenditure on R & D:

- | | (Rs. in Lakhs) |
|--|----------------|
| a) Capital | — |
| b) Recurring | 5.17 |
| c) Total | 5.17 |
| d) Total R & D expenditure of total turnover | 0.18% |

(iv) Technology Imports:

No technology was imported during last five years.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

	(Rs. in Lakhs)
Total Foreign Exchange used and earned:	
Total Foreign Exchange used	48.31
Total Foreign Exchange Earned	918.74



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, 2010, 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 2010, from being appointed as directors in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- vi. a) Non-provision of diminution of Rs. 3,16,165, in value of long term investment which in the opinion of the management is temporary in nature.
b) Refer note no. 8(b) in schedule 22 regarding appointment and remuneration of Chairman & Managing Director and Vice Chairman & Managing Director, which is subject to approval of shareholders.
- vii. Subject to paragraph (vi) above, 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, 2010 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 : 29th May, 2010



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, 08, 26,000/-).
- 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 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, term loan taken by the company has been applied for the purpose for which that was taken.
- (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 : 29th May, 2010

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, 2010

	Schedule No.	As at 31.3.2010 Rs.	As at 31.3.2009 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	3,34,86,174	6,70,67,444
		<u>4,95,58,174</u>	<u>8,31,39,444</u>
2. Loan Funds			
a) Secured Loans	3	8,08,40,594	7,80,00,991
b) Un-Secured Loans	4	5,73,55,352	5,24,85,040
		<u>13,81,95,946</u>	<u>13,04,86,031</u>
Total		<u>18,77,54,120</u>	<u>21,36,25,475</u>
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	5	19,68,40,386	20,33,71,482
b) Less: Depreciation		12,65,83,425	12,33,49,048
c) Net Block		7,02,56,961	8,00,22,434
d) Capital-Work-in Progress		8,906	—
		<u>7,02,65,867</u>	<u>8,00,22,434</u>
2. Investments	6	<u>8,04,053</u>	<u>8,04,053</u>
3. Deferred Tax Assets (Net)		<u>50,85,268</u>	<u>92,74,459</u>
4. Current Assets, Loans & Advances			
a) Inventories	7	14,85,77,066	16,21,04,853
b) Sundry Debtors	8	4,40,53,321	4,49,13,213
c) Cash and Bank Balances	9	38,73,556	18,01,023
d) Loans & Advances	10	1,28,71,969	1,54,18,123
		<u>20,93,75,912</u>	<u>22,42,37,212</u>
Less : Current Liabilities & Provisions			
a) Liabilities	11	8,24,12,386	8,00,27,928
b) Provisions	12	1,53,64,594	2,06,84,755
		<u>9,77,76,980</u>	<u>10,07,12,683</u>
Net Current Assets		<u>11,15,98,932</u>	<u>12,35,24,529</u>
Total		<u>18,77,54,120</u>	<u>21,36,25,475</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: 29th May, 2010

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
V.K. KHANNA
Executive Director (Finance)



HINDUSTAN EVEREST TOOLS LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	Current Year Rs.	Previous Year Rs.
INCOME			
Sales	13	28,12,02,880	33,22,25,478
Other Income	14	5,02,927	25,37,362
Increase/(Decrease) in Stock	15	(1,64,16,346)	1,47,54,773
	(A)	26,52,89,461	34,95,17,613
EXPENDITURE			
Purchase (Non-Company Products)		5,57,64,577	6,31,48,705
Raw Material Consumed	16	4,65,25,528	7,22,57,261
Manufacturing Expenses	17	5,27,82,968	6,77,60,916
Payment to & Provision for Employees	18	6,43,61,826	7,66,22,567
Selling & Distribution Expenses	19	2,53,87,419	2,70,58,320
Other Expenses	20	3,01,73,689	2,84,55,560
Interest & Bank Charges	21	1,28,61,922	1,16,41,903
	(B)	28,78,57,929	34,69,45,232
Profit/(Loss) Before Depreciation & Taxation (A-B)		(2,25,68,468)	25,72,381
Depreciation		67,43,355	69,79,063
Profit/(Loss) before Tax		(2,93,11,823)	(44,06,682)
Deferred Tax (Charged)/Credit		(41,89,191)	9,88,731
Provision for Fringe Benefit Tax		—	(14,84,360)
Provision for Wealth Tax		(52,133)	(54,653)
Income Tax/FBT provision for earlier years		(28,123)	(5,80,285)
Profit/(Loss) for the year Carried to Balance Sheet		(3,35,81,270)	(55,37,249)
Basic & Diluted Earning Per Share (Refer Note-10)		(20.89)	(3.45)

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: 29th May, 2010

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.

CASH FLOW STATEMENT FOR THE YEAR ENDED 2010

(Rs. in Lacs)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss before Tax and extra ordinary items	-2,93,11,823	-44,06,682
Add : Depreciation	67,43,355	69,79,063
Add : Interest paid	1,17,50,536	1,04,25,804
Less : Dividend Received	-13,362	-15,485
Add : Profit/Loss on sale of fixed Assets	5,28,611	2,08,364
Less : Exchange Rate fluction difference	39,741	-1,10,734
Add : Bad Debts written off (Net)	5,11,714	28,095
Add : Provision for doubtfull debts	2,89,789	4,15,252
Less : Liability no longer required	-11,991	—
Less : Interest Received	-5,733	-77,897
Operating profit before working capital change	-94,79,163	1,34,45,780
Adjustment for :		
Trade & Other Receivable	26,18,221	2,00,92,334
Inventories	1,35,27,787	-1,07,72,072
Trade Payable	-13,22,766	70,36,795
Cash Generated from Operations	53,44,079	2,98,02,837
Less: Direct Tax (Paid)/Refund	-17,34,621	-11,09,963
Net cash from/(used in) operating activities	36,09,458	2,86,92,874
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	-5,04,719	-1,34,14,520
Sale of Fixed Assets	29,89,320	2,38,999
Movement in Fixed Deposit	2,85,135	-39,833
Dividend Received	13,362	15,485
Interest Received	5,733	77,897
Net Cash Flow from investing activities	27,88,831	-1,31,21,972
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	1,11,28,558	37,79,117
Proceeds from short Term borrowings (Net)	-41,35,850	-1,15,33,645
Interest Paid	-1,10,33,329	-99,61,762
Net Cash from/(used in) Financing Activities	-40,40,621	-1,77,16,290
Net Cash increase/Decrease in cash & equivalents (A+B+C)	23,57,668	-21,45,388
Cash & Cash Equivalents as at (Opening Balance)	10,47,869	31,49,777
Cash & Cash Equivalents as at (Closing Balance)	34,05,537	10,04,389
Cash & Cash Equivalents includes		
Cash & Cheques in Hand	57,778	4,07,221
Balance with schedule Banks	33,36,516	6,29,405
In Post office saving accounts	11,243	11,243
	34,05,537	10,47,869
Less: Exchange rate fluctuation on US\$ account	—	-43,480
	34,05,537	10,04,389

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

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 31.3.2010 Rs.	As at 31.3.2009 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
	<u>2,50,00,000</u>	<u>2,50,00,000</u>
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
	<u>1,60,72,000</u>	<u>1,60,72,000</u>

*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
---------------------------	-----------	-----------

Reserve for Renovation & Modernisation

As per Last Balance Sheet		50,00,000
Less: Transfer to General Reserve Account		-50,00,000

General Reserve

As per Last Balance Sheet	<u>5,75,15,293</u>	5,80,52,542
Add: Transfer from Reserve for Renovation & Modernisation		50,00,000
Less: Loss for the year as per annexed Profit & Loss Account adjusted.	<u>-3,35,81,270</u>	-55,37,249
	<u>2,39,34,023</u>	<u>6,70,67,444</u>
	<u>3,34,86,174</u>	<u>6,70,67,444</u>



HINDUSTAN EVEREST TOOLS LTD.

	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
SCHEDULE-3 : SECURED LOANS		
1 Borrowing under Hire Purchase Agreement from Banks Secured against specific assets	26,71,677	55,36,331
2 Term Loan* First charge over Land, Building & Plant & Machinery & other immovable & movable Fixed Assets of the Company.	1,58,17,212	61,75,000
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	6,21,53,810	6,62,89,660
4. Interest accrued and due on Term Loans	1,97,895	—
	<u>8,08,40,594</u>	<u>7,80,00,991</u>

*Repayable within one year Rs.50,04,000/-

SCHEDULE-4 : UNSECURED LOANS

Deposit

Managing Director & Joint Managing Director of the Company	5,46,000	5,46,000
Loans from Managing Director & Joint Managing Director & their Associates. (Interest free Loan)	5,08,26,000	4,64,75,000
Loan from a Body Corporate	50,00,000	50,00,000
Interest accrued & due	9,83,352	4,64,040
	<u>5,73,55,352</u>	<u>5,24,85,040</u>



SCHEDULE-5 : FIXED ASSETS

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 01.4.2009 Rs.	Additions Rs.	Less Sales/ Adjustments Rs.	Total Cost as at 31.3.2010 Rs.	Upto 31.3.2009 Rs.	Provided During the year Rs.	Less Sales/ Adjustments Rs.	Total upto 31.3.10 Rs.	As at 31.03.10 Rs.	As at 31.03.09 Rs.
Land (Freehold)**	18,71,600	—	—	18,71,600	—	—	—	—	18,71,600	18,71,600
Building	2,54,49,864	—	30,34,601	2,24,15,263	1,00,30,985	3,93,157	1,09,363	1,03,14,779	1,21,00,484	1,54,18,879
Plant & Machinery	12,50,20,390	2,50,468	28,28,607	12,24,42,251	8,66,21,883	31,61,790	23,04,039	8,74,79,634	3,49,62,617	3,83,98,507
Laboratory Apparatus	2,31,939	—	—	2,31,939	2,24,003	432	—	2,24,435	7,504	7,936
Jigs & Fixture*	15,56,049	15,367	—	15,71,416	14,77,811	24,534	—	15,02,345	69,071	78,238
Motor Vehicle & Cycles	1,84,35,217	—	74,648	1,83,60,569	54,64,211	16,87,158	71,392	70,79,977	1,12,80,592	1,29,71,006
Electric Installations	62,45,449	—	—	62,45,449	50,57,134	93,349	—	51,50,483	10,94,966	11,88,315
Tubewell & Water Supply	—	—	—	—	—	—	—	—	—	—
Installation	6,74,084	—	—	6,74,084	3,19,600	15,055	—	3,34,655	3,39,429	3,54,484
Furniture & Fixture	55,06,182	73,447	9,40,329	46,39,300	31,98,322	2,47,157	8,89,662	25,55,817	20,83,483	23,07,860
Office Appliances, Air-Conditioners, Data Processing Unit & Other Equipments	1,78,55,711	1,56,531	1,48,724	1,78,63,518	1,05,10,166	11,13,303	1,34,522	1,14,88,947	63,74,571	73,45,545
Fire Extinguisher	1,88,759	—	—	1,88,759	1,34,546	5,882	—	1,40,428	48,331	54,213
Weight Bridge	3,36,238	—	—	3,36,238	3,10,387	1,538	—	3,11,925	24,313	25,851
Total	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	8,00,22,434
Figures as at 31-3-2009	19,09,97,649	1,71,47,386	47,73,553	20,33,71,482	11,69,63,309	69,79,063	58,93,324	12,33,49,048	8,00,22,434	

*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 31.3.2010 Rs.	As at 31.3.2009 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
		<u>8,04,053</u>	<u>8,04,053</u>
Market Value		<u>16,39,205</u>	<u>4,87,888</u>

*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.6492422/-Previous Year Rs.6313940/- as revalued)

		2,69,41,902	2,57,74,645
Raw Materials		1,07,62,786	90,41,484
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
Steel Scrap		9,06,252	1,67,525
		<u>14,85,77,066</u>	<u>16,21,04,853</u>

SCHEDULE-8 : SUNDRY DEBTORS

(Considered good unless otherwise stated)

Debts exceeding six months:

Considered Good		1,20,55,456	1,29,95,886
Considered Doubtfull		9,93,276	7,03,487
Other Debts			
Considered Good		3,19,97,865	3,19,17,327
		<u>4,50,46,597</u>	<u>4,56,16,700</u>
Less: Reserve for Doubtfull Debts		-9,93,276	-7,03,487
		<u>4,40,53,321</u>	<u>4,49,13,213</u>

*Export Debts are not covered by any hedge instrument or otherwise



HINDUSTAN EVEREST TOOLS LTD.

	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
SCHEDULE-9 : CASH & BANK BALANCES		
Cash & Cheques in Hand (As Certified)	57,778	4,07,221
Balance with Scheduled Bank:		
In Current Account	33,36,516	2,57,967
(includes Rs.2,50,000/- in Margine Money a/c previous Year Rs. 5,37,500/-)		
Under Companies Acceptance of Deposits Rules (1975)	—	82,123
In EEFC Accounts (US\$ 5,698.54)	—	2,89,315
In Fixed Deposit Accounts*		
(Including interest accrued Rs. 2,63,321/- previous Year Rs. 2,63,321)	4,68,019	7,53,154
In Post office Saving Account*		
(Including interest accrued Rs. 3,243/- Previous Year Rs. 3,243/-)	11,243	11,243
	<u>38,73,556</u>	<u>18,01,023</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.102281/-)

(Previous Year Rs 102281/- Maximum Balance Rs.167281/-)

11,80,239

19,44,023

To Supplier & Others (including

Rs. 4,15,252/- doubtfull previous Year Rs. 4,15,252/-)

54,58,780

50,43,528

63,19,303

Less: Reserve for doubtfull

-4,15,252

-4,15,252

Advance Tax/Tax Deducted at source

1,51,217

97,798

Pre-Paid Expenses

3,05,187

3,73,611

Balance with Excise Authorities

8,60,218

7,23,570

Export Benefit Receivable

28,28,509

30,41,084

Deposit with Govt. Department/Others

25,03,071

33,33,986

1,28,71,969

1,54,18,123



HINDUSTAN EVEREST TOOLS LTD.

	As at 31.3.2010 Rs.	As at 31.3.2009 Rs.
SCHEDULE-11 : CURRENT LIABILITIES		
Sundry Creditors* for Goods and Expenses	6,36,98,620	6,37,46,354
Other Liabilities	68,98,949	62,78,931
Income Tax Deducted at Source	4,38,756	5,94,330
Advance from and Credit Balance of Customers	41,16,753	33,00,282
Trade Deposits	72,59,308	61,08,031
	<u>8,24,12,386</u>	<u>8,00,27,928</u>

*Refer Note No. 14 in Schedule 22

SCHEDULE-12 : PROVISIONS

for Gratuity	1,34,07,418	1,66,72,134
for Leave Salary	19,05,043	23,59,542
for Wealth Tax (net Payment)	52,133	54,653
for F.B.T. (Less Payment)	—	15,98,426
	<u>1,53,64,594</u>	<u>2,06,84,755</u>

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

	Current Year Rs.	Previous Year Rs.
SCHEDULE-13 : SALES / EXPORT BENEFITS		
A. Exports	9,19,27,889	16,47,49,650
Exports Incentives	98,16,341	1,21,43,749
Export Total	<u>10,17,44,230</u>	<u>17,68,93,399</u>
B. Home Markets	18,83,79,458	17,22,03,697
Steel Scrap	52,32,790	99,79,870
	<u>19,36,12,248</u>	<u>18,21,83,567</u>
Less : Excise Duty	-1,41,53,598	-2,68,51,488
Total Home Market	<u>17,94,58,650</u>	<u>15,53,32,079</u>
Total Sale (A+B)	<u>28,12,02,880</u>	<u>33,22,25,478</u>

SCHEDULE-14 : OTHER INCOME

Miscellaneous Income	1,957	3,71,850
Freight Subsidy	4,69,884	—
Interest Received on Deposits etc gross. (TDS nil Previous year nil)	5,733	77,895
Exchange Rate Difference	—	20,72,132
Dividend on Long Term Investment (Other than Trade)	13,362	15,485
Liability no longer required written back	11,991	—
	<u>5,02,927</u>	<u>25,37,362</u>



HINDUSTAN EVEREST TOOLS LTD.

	Current Year Rs.	Previous Year Rs.
SCHEDULE-15 : INCREASE/DECREASE IN STOCK		
A. Closing 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>
B. Opening Stock		
Finished Goods		
Own Manufactured	8,68,46,430	7,20,43,656
Trading Goods	1,73,26,731	1,71,74,454
Work-in Progress	2,29,48,038	2,23,48,116
Scrap	1,67,525	9,67,725
	<u>12,72,88,724</u>	<u>11,25,33,951</u>
A-B	<u>-1,64,16,346</u>	<u>1,47,54,773</u>

SCHEDULE-16 : RAW MATERIAL CONSUMED

Opening Stock	90,41,484	1,14,68,559
Purchase (Including expenses)	4,82,93,625	6,98,50,491
	<u>5,73,35,109</u>	<u>8,13,19,050</u>
Less:		
Sale	46,795	20,305
Closing Stock	1,07,62,786	90,41,484
	<u>4,65,25,528</u>	<u>7,22,57,261</u>

SCHEDULE-17 : MANUFACTURING EXPENSES

Stores, Dies Tools & Spare Parts Consumed	1,31,33,253	1,90,78,898
Components Consumed (including processing charges Rs.7,54,046/- Previous Year Rs.7,79,451/-)	61,29,122	62,07,174
Power & Fuel	2,40,65,946	3,24,91,910
Increase (Decrease) in Excise Duty on Stock	3,07,597	-21,46,619
Repair, Replacement & Renovation:		
Machinery	45,78,459	61,70,053
Building	1,40,746	6,15,713
Others	44,27,845	53,43,787
	<u>91,47,050</u>	<u>119,29,553</u>
	<u>5,27,82,968</u>	<u>6,77,60,916</u>

SCHEDULE-18 : PAYMENT TO AND PROVISION FOR EMPLOYEES

Salaries, Wages, Bonus & Allowances	5,73,32,453	6,83,84,005
Contribution to Provident & Other Fund	46,67,322	49,73,870
Worker's & Staff Welfare Expenses (Net)	23,62,051	32,64,692
	<u>6,43,61,826</u>	<u>7,66,22,567</u>



HINDUSTAN EVEREST TOOLS LTD.

	Current Year Rs.	Previous Year Rs.
SCHEDULE-19 : SELLING & DISTRIBUTION EXPENSES		
Packing Material Consumed (net)	79,94,351	90,50,406
Forwarding and Freight etc	73,39,752	66,31,510
Commission to Other Selling Agents	30,62,888	37,43,766
Publicity & Advertisement	11,95,845	17,09,344
Cash Discounts	29,24,093	22,53,944
Insurance (Net)	5,64,304	6,91,158
Sale Promotion Expenses	23,06,186	29,78,192
	<u>2,53,87,419</u>	<u>2,70,58,320</u>

SCHEDULE-20 : OTHER EXPENSES

Rent(Net)(including rent Received Rs. 1,72,380/- Previous Year Rs. 1,72,380/-)	26,07,313	28,04,500
Rates & Taxes	6,07,737	52,142
Reserch & Development(Including Salary & Wages Rs. 4,00,725/- Previous Year Rs. 4,26,694/-)	5,17,382	5,18,508
Insurance (Excluding on Sales)	2,95,061	3,92,478
Travelling & Conveyance (including Directors Travelling Rs. 47,70,717/-Previous Year Rs. 36,28,432/-)	1,15,88,414	1,02,11,171
Charity & Donation	—	24,601
Vehicle Running & Maintanance	26,83,476	29,16,899
Printing & Stationery	12,93,266	14,46,409
Postage,Telegrame & Telephone	26,92,446	33,33,802
Miscellaneous Expenses	43,40,249	40,43,582
Professional & Legal Expenses	14,64,487	17,76,837
Directors Fee	5,000	7,000
Payment to Auditors:		
Audit Fee	1,00,000	1,00,000
Tax Audit Fee	30,000	24,000
for Certificates	30,000	35,000
for Expenses	9,350	13,200
Sales Tax and Purchase Tax	33,411	1,03,719
Bad Debts/Sundry Debit Balances /Advances etc. written off	5,11,714	28,095
Exchange Rate Fluctuation	5,45,983	—
Provision for bad & doubtfull Debt/Advances	2,89,789	4,15,253
Loss/Profit on Sale of Fixed Asset/Discarted (Net)	528,611	2,08,364
	<u>3,01,73,689</u>	<u>2,84,55,560</u>

SCHEDULE-21 : INTEREST AND BANK CHARGES

Interest to Bank	86,77,744	84,62,340
Interest on Term Loan	18,23,775	7,94,376
Interest on Deposits and Others*	12,49,017	11,69,086
Bank Charges	11,11,386	12,16,101
	<u>1,28,61,922</u>	<u>1,16,41,903</u>

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



HINDUSTAN EVEREST TOOLS LTD.

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" issued by the Institute of Chartered Accountants of India, 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, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
a) Bills discounted through bank and Outstanding (as per Bank certificate)	53,97,591	23,69,676
b) Bonds & Bank guarantees outstanding (Margine Money paid Rs.1,83,000/- previous year Rs1,83,000/-)	1,00,000	1,67,000
3. Estimate amount of Capital Contract remaining to be executed and not provided for (Advance paid Rs. Nil Previous year Rs. Nil)	Nil	Nil
4. Expenses/adjustments relating to previous years not separately shown have been debited/credited to respective heads of accounts Rs. 1,59,591/-Net Credit (.previous year Rs.1,79,247/-) (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.9,26,917/- (previous year Rs.10,89,397/-).		
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	1,13,935	77,935
Other perquisites*	4,09,690	3,44,085
Total	15,85,385*	14,83,780*

* Excluding actuarial provision for Gratuity.and leave encashment.

b) Appointment & Remuneration aggregating Rs. 9,21,730/-(previous Year Rs. 8,56,125/-) is subject to approval of share holders in next Annual General Meeting.

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 Rs50,85,268/- 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

	As at 31/03/2010	Charge/Credit to Profit & Loss Account	As at 31/03/2009
Deferred Tax Assets			
Unabsorbed Depreciation	1,03,98,605	37,35,460	1,41,34,065
Retirement Benefits.	50,85,268	13,83,599	64,68,867
Total tax	1,54,83,873	51,19,059	2,06,02,932
Less Deferred Tax Liabilities			
Depreciation	1,03,98,605	9,29,868	1,13,28,473
Net Deferred Tax Assets	50,85,268	41,89,191	92,74,459



HINDUSTAN EVEREST TOOLS LTD.

10. Earning per share(EPS)	Current Year (Rs.)	Previous Year (Rs.)
Profit /Loss after Tax	(-) 3,35,81,270	(-)55,37,249
No. of Equity Shares of Rs. 10/- each	16,07,200	16,07,200
Basic & Diluted EPS	(-)20.89	(-)3.45

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.81,95,873(previous year Rs. 13,45,895/-)..

	Current Year	Previous year
i) Overseas Sale*	10,17,44,230	17,68,93,399
ii) Domestic sale	17,94,58,650	15,53,32,079

* Including export incentive Rs. 98,16,341/-(previous year Rs.1,21,43,749/-)

12. Related party Disclosures as required under Accounting Standard-18 issued by ICAI. to the extent identified by the Company

- 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)
- Relatives of the Key Management.
 - Mrs.Neeta Khanna- wife of Shri V.K.Khanna, Executive Director (Finance)
 - 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*	4,63,820 (4,56,425) **	4,57,910 ** (3,99,700) **	6,63,655 (6,27,655)	— —	— —	2,68,800** (2,68,800)*
Interest on public deposit	20,640 (20,640) **	23,040 (23,040) **	— —	— —	— —	— —
Loan received during the year	—	—	—	10,00,000	33,51,000	—
Outstanding payable	25,58,000 (25,58,000)	2,88,000 ** (12,38,000) **	— —	2,69,00,000 (2,59,00,000) **	2,88,000 (1,73,25,000) **	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.24,000/- to Mrs.Neeta Khanna(previous year Rs.24,000/-)

** Figures in brackets are for previous year

13 Disclosure as per Accounting Standard-15

- Define Contribution Plan.

The Company has recognised the following amounts in the Profit & Loss Account for the year Contribution to Employees Provident Fund Rs. 29,53,975/-.

- Define Benefit Obligation(DBO)

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

- 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,2009	1,66,72,134	1,65,87,580
Current service Cost	7,20,083	9,29,754
Interest Cost	12,50,410	11,61,131
Acturial (gain)/loss	(35,60,680)	2,05,221
Benefits paid	(16,74,529)	(22,11,552)
Closing DBO as on 31 st March,2010	1,34,07,418	1,66,72,134
b) Liability recognised in the Balance Sheet.		
Present value of the defined benefit obligation at the end of the period	1,34,07,408	1,66,72,134
Fair value of the plan assets at the end of the year	—	—
Liability recognized in the balance sheet	1,34,07,408	1,66,72,134
c) The total expenses recognized in the profit and loss account:		
Current Service Cost	7,20,083	9,29,754
Interest Cost	12,50,410	11,61,131
Actual return on plan assets	—	—
Acturial (gain)/loss	(35,60,680)	2,05,221
Net Gratuity Cost	(15,90,187)	22,96,106

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

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

Discount rate	7.5%	7%
Expected rate of return on any plan assets		
Average salary escalation rate	5.0%	4.5%

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 amended).

A. Value of Imports on CIF Basis :

	Current Year (Rs.)	Previous Year (Rs.)
i) Stores & Spares	8,33,540	34,30,593
ii) Finished Goods	8,00,495	11,32,548

B. Expenditure incurred in Foreign currency (accrual basis)

	Current Year (Rs.)	Previous Year (Rs.)
i) Travelling	22,34,831	23,52,808
ii) Commission	2,76,689	5,97,274
iii) Advertisement & Publicity	5,80,691	6,14,767
iv) Miscellaneous Expenses	1,04,673	—

C. Raw Material & Components Consumed:

C) Raw Material & Components:

	Current Year		Previous Year	
	Qty.(M.T.)	Amount (Rs.)	Qty. (M.T.)	Amount (Rs.)
i) Steel	1236.906	4,65,25,528	1628.636	7,22,57,261
ii) Other Component*		60,26,820	—	62,07,174
Total	1236.906	5,25,52,348	1628.636	7,84,64,435

* 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	5,25,52,348	100.00	7,84,64,435	100.00
	5,25,52,348	100.00	7,84,64,435	100.00



HINDUSTAN EVEREST TOOLS LTD.

	Current Year		Previous Year	
	Amount (Rs.)	Percentage	Amount (Rs.)	Percentage
b) Stores, Dies, Tools & Spare Parts*				
i) Imported				
ii) Indigenous	5,79,617	2.35	4,93,234	2.35
	1,25,53,636	97.65	1,85,85,664	97.65
	1,31,33,253	100.00	1,90,78,898	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	745.043 MT	894.285 MT
	(34,44,484 pcs)	(45,36,408 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	22.63,535	8,68,20,770	19,79,114	7,20,43,656
Sales **	37,96,320	20,43,46,047	42,51,980	24,07,48,330
Closing Stock	19,11,697	7,45,28,505	22,63,535	8,68,20,770

* Excluding Samples 2 pieces (previous year 7 pcs)** Including Export benefits but excluding scrap sale 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	4,51,705	1,73,52,391	4,16,023	1,71,74,454
Purchases	20,70,605	5,57,64,577	38,79,625	6,31,48,705
Sales **	21,70,575	7,68,56,833	38,43,895	9,14,77,148
Closing Stock	3,51,735	1,51,74,046	4,51,705	1,73,52,391

* Excluding samples NIL pieces (previous year 48 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)	9,18,73,772	16,47,28,437

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: 29th May, 2010

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)

S.K. MANDELIA
Chairman &
Managing Director

U.K. KHAITAN
VIBHU BAKHRU
PARDEEP JAIN
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="285691"/>	Total Assets	<input type="text" value="285691"/>
Sources of Funds		Net Fixed Assets	<input type="text" value="70265"/>
Paid-up Capital	<input type="text" value="16072"/>	Investments	<input type="text" value="804"/>
Reserve & Surplus	<input type="text" value="334861"/>	Net Current Assets	<input type="text" value="118660"/>
Application of Funds		Misc. Expenditure	<input type="text" value="NIL"/>
Secured Loan	<input type="text" value="80642"/>		
Unsecured Loan	<input type="text" value="64614"/>		
Accumulated Losses	<input type="text" value="NIL"/>		

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

Turnover including Other Incomes	<input type="text" value="265289"/>	Total Expenditure	<input type="text" value="298869"/>
Profit/Loss Before Tax	<input type="text" value="29311"/>	Profit/Loss After Tax	<input type="text" value="33581"/>
+ -	<input type="text" value="29311"/>	+ -	<input type="text" value="33581"/>
Earning Per Share in Rs.	<input type="text" value="-20.89"/>	Dividend Rate %	<input type="text" value="NIL"/>

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 Director

S.K. MANDELIA
Chairman &
Managing Director
U.K. KHAITAN
VIBHU BAKHRU
PARDEEP JAIN
Directors

Place: New Delhi
Dated: 29th May, 2010
28

GOVIND DEORA
Company Secretary

V.K. KHANNA
Executive Director (Finance)

HINDUSTAN EVEREST TOOLS LTD. _____





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 SEVENTH ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 30th September, 2010 and at any adjournment thereof at PHD House, opposite Asian Games Village, Siri Fort Road, New Delhi-110 016

Signed this _____ day of _____ 2010.

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

No. of shares held _____

Affix a
30 Paise
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 Seventh Annual General Meeting of the Company being held at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi-110 016 on Thursday, the 30th September, 2010.

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.

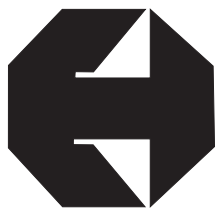
BOOK POST

If undelivered, please return to :

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



47th
Annual Report
2009-2010



**Hindustan
Everest
Tools Ltd.**

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