



HINDUSTAN EVEREST TOOLS LTD.
50TH ANNUAL REPORT 2012-2013

Board of Directors

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

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



HINDUSTAN EVEREST TOOLS LTD.

NOTICE

Notice is hereby given that the 50th 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 Monday the 30th day of September, 2013 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, 2013 and the Balance Sheet as at that date together with Reports of the Auditors and Directors thereon.
- 2) To appoint Director in place of Shri Pradeep Jain who retires by rotation and being eligible, offer himself for re-appointment.
- 3) To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS :

- 4) To consider and if thought fit to pass with or without modification(s), the following resolutions as an Ordinary Resolution :
" Resolved that Shri Pallavi Joshi Bakhru who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office at the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing proposing her candidature for the office of the Director, be and is hereby appointed a Director of the Company."

By Order of the Board

Sd/-

(GOVIND DEORA)

Company Secretary

New Delhi

30th May, 2013

NOTES :

- (1) A Member entitled to attend and Vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by Company not less than 48 hours before the meeting.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 20th day of September, 2013 to Monday the 30th day of September, 2013 (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 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
 - i) Any change in their address/e-mail/mandate/bank details.
 - (b) Members holding shares in the dematerialised form are requested to notify all changes with respect to their address, mandate and bank details to their Depository Participant.
 - (c) Shareholders are also requested to quote their Folio No./DP ID-Client Id and details of shares held in physical/ demat mode, E-mail ids and Telephone/Fax numbers for prompt reply to their communications.

Green Initiative in Corporate Governance: Register E-mail Address

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

By Order of the Board

Sd/-

(GOVIND DEORA)

Company Secretary

New Delhi

30th May, 2013



ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT

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

ITEM NO. 4

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Smt. Pallavi Joshi Bakhru who was appointed as an Additional Director by the Board in its meeting held on 10.04.2013 ceases to hold office as Director at the ensuing Annual General Meeting. Notice has been received from a member signifying his intention to propose her appointment as Director of the Company. Smt. Pallavi Joshi Bakhru is a women of wide experience and as such her appointment as Director will be in the interest of the Company. Hence, this resolution for your approval. Except Smt. Pallavi Joshi Bakhru no other Director is interested in this resolution.

New Delhi
30th May, 2013

By Order of the Board
(GOVIND DEORA)
Company Secretary

ADDENDA

To the notice dated the 30th May, 2013 relating to holding of 50th Annual General Meeting of M/s Hindustan Everest Tools Ltd. on Monday, the 30th September, 2013

The following resolutions be added to the above and if thought fit to pass with or without modification as Resolution No.5, 6 and 7 under the Special Business:

5. To consider and if thought fit to pass with or without modification(s), the following resolutions as an Ordinary Resolution :
“ Resolved that pursuant to the provisions of Section 198,309,310 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,2013 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.
6. To consider and if thought fit to pass with or without modification(s), the following resolutions as an Ordinary Resolution :
“ Resolved that Shri Ambarish Raj who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office at the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing proposing his candidature for the office of the Director, be and is hereby appointed a Director of the Company.”
7. To consider and if thought fit to pass with or without modification(s), the following resolutions as an Ordinary Resolution :
“ Resolved that Shri Lokesh Sood who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office at the Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing proposing his candidature for the office of the Director, be and is hereby appointed a Director of the Company.”

The following Item No.5, 6 and 7 be added in the Explanatory Statement under Section 173 of the Companies Act,1956.

EXPLANATORY STATEMENT

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

ITEM NO. 5

The Board of Directors in its meeting held on 14th August, 2013 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, 2013 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. 24,000/— per month.
- B) Perquisites & Allowances :



HINDUSTAN EVEREST TOOLS LTD.

- 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.

ITEM NO. 6

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Ambarish Raj who was appointed as an Additional Director by the Board in its meeting held on 14.08.2013 ceases to hold office as Director at the ensuing Annual General Meeting. Notice has been received from a member signifying his intention to propose his appointment as Director of the Company. Shri Ambarish Raj is a man of wide experience and as such his appointment as Director will be in the interest of the Company. Hence, this resolution for your approval. Except Shri Ambrish Raj no other Director is interested in this resolution.

ITEM NO. 7

(a) Pursuant to the provisions of Section 260 of the Companies Act, 1956, Lokesh Sood who was appointed as an Additional Director by the Board in its meeting held on 14.08.2013 ceases to hold office as Director at the ensuing Annual General Meeting. Notice has been received from a member signifying his intention to propose his appointment as Director of the Company. Shri Lokesh Sood is a man of wide experience and as such his appointment as Director will be in the interest of the Company. Hence, this resolution for your approval. Except Lokesh Sood no other Director is interested in this resolution.

NOTE : The above form the part of Notice dated 30th May, 2013 for all purpose.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 50th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2013.

	Rs. In Lakhs	
FINANCIAL RESULTS	2012-2013	2011-2012
Profit/(Loss) before Finance Cost	1.28	141.69
Less: Finance Cost	<u>141.01</u>	<u>140.57</u>
Cash Profit/(Loss)	(139.77)	1.12
Depreciation	<u>64.71</u>	<u>65.55</u>
Net Profit/(Loss)	(204.48)	(64.43)
Add/Less:		
Provisions for Deferred Tax	<u>15.61</u>	<u>1.84</u>
	(220.09)	(66.27)
APPROPRIATION		
Transfer from General Reserve	-	-
Carried over to next year	<u>(220.09)</u>	<u>(66.27)</u>

OPERATIONS

The Company is passing through a difficult phase due to recession both in domestic as well as international markets as well as all round increase in cost of production. Since last few days the company is also facing labour unrest which is being diligently handled by the Management.

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, 2013.

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

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

DIRECTORS

In accordance with the provision of Companies Act, 1956 and Articles of Association, Shri Pradeep Jain 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:

- That in the preparation of the accounts for the financial year ended 31st March, 2013, 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, 2013 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.

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 31.03.2014.

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

Place : New Delhi
Dated : May 30th, 2013

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, 2013.

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	2,331,260	2,585,430
i. Purchased Units		
Amount	Rs. 16,183,470	14,841,613
Rate/Unit (average)	Rs. 6.94	5.74
ii. Own generation DG Sets		427,900
Units Generated	401,860	
Units per Ltr. of Diesel	2.53	3.05
Rate per Ltr. of Fuel	Rs. 42.39	39.95
Cost/Unit (average)	Rs. 16.75	13.10
(b) LPG		
Quantity (Kg.)	57	741
Amount	Rs. 3,002	38,762
Average Rate	Rs. 52.75	52.31
(c) PNG		
Quantity(SCM)	344,743	355,316
Amount	Rs. 377,094	958,249
Average Rate	Rs. 33.00	26.96
2 Consumption per Unit of Production		
Product – Hand Tools		
Electricity Units/MT	3,374	3,289
LPG	—	—
PNG	426	388



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 led 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	3.93
c) Total	3.93
d) Total R & D expenditure of total turnover	0.10%

(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	10.35
Total Foreign Exchange Earned	1518.77

Place: New Delhi
Dated: May 30th, 2013

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, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating 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, 2013;
- b. In the case of Statement of Profit and Loss, of the loss 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, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

B.K. Sipani
Partner
Membership No.088926

Place: New Delhi
Date: 30th May, 2013



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. 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 balance Rs. 5,31, 51,862 and year end balance Rs. 4,97,05,466) listed in the register maintained under section 301 of the Companies Act' 1956.
- 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, 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) The company has no internal audit system during the year..
- (viii) This company is not maintaining cost records for the company's products under section 209(1)(d) of the Companies' Act 1956, .
- (ix) a. According to the records of the company, the company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, services tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities though there have been some delays.
- 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. However, the company has incurred cash loss during the current year ,but not 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.
- (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: 30th May 2013



HINDUSTAN EVEREST TOOLS LTD.

BALANCE SHEET AS AT 31ST MARCH' 2013

	Note No.	As at 31st March 2013 (Rs.)	As at 31st March'2012 (Rs.)
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	16,072,000	16,072,000
(b) Reserve & Surplus	2	2,550,213	24,559,431
		<u>18,622,213</u>	<u>40,631,431</u>
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	59,573,005	61,392,475
(b) Long Term Provisions	4	12,485,168	14,247,051
(c) Other Non Current Liabilities	5	9,928,732	8,041,732
		<u>81,986,905</u>	<u>83,681,258</u>
(3) Current Liabilities			
(a) Short Term Borrowings	6	116,062,848	74,505,675
(b) Trade Payables	7	62,034,438	78,235,357
(c) Other Current Liabilities	8	25,202,959	29,563,320
(d) Short Term Provisions	4	4,886,272	3,951,177
		<u>208,186,517</u>	<u>186,255,529</u>
Total		<u>308,795,635</u>	<u>310,568,218</u>
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	67,859,132	66,765,753
(iii) Capital Work-in-progress		-	401,828
(b) Non Current Investments	10	682,649	682,649
(c) Deferred Tax Assets (Net)	11	4,050,813	5,612,027
(d) Long Term Loan & Advances	12	4,415,806	4,088,550
(e) Other Non Current Assets			
		<u>77,008,400</u>	<u>77,550,807</u>
(2) Current Assets			
(a) Current Investments			
(b) Inventories	13	164,629,548	158,554,341
(c) Trade Receivables	14	52,628,170	58,216,451
(d) Cash & Bank Balance	15	3,607,460	5,096,952
(e) Short Term Loan & Advances	16	7,985,672	6,633,819
(f) Other Current Assets	17	2,936,385	4,515,848
		<u>231,787,235</u>	<u>233,017,411</u>
Total		<u>308,795,635</u>	<u>310,568,218</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

For and on behalf of the Board of Directors

B.G.MANDELIA

Vice Chairman &

Joint Managing Director

S.K.MANDELIA

Chairman &

Managing Director

Place: New Delhi

Dated:30th May,2013

GOVIND DEORA

Company Secretary

V.K.KHANNA

Executive Director (Finance)

PRADEEP JAIN

PALLAVI JOSHI BAKHRU

Directors



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH' 2013

		For the Year ended 31st March'2013 (Rs.)	For the Year ended 31st March'2012 (Rs.)
I Revenue	Note No.		
Revenue from operations	19	389,204,846	446,330,241
Excise Duty		(24221339)	(21,277,714)
Net Revenue from operations		364,983,507	425,052,527
II Other Income	20	2,690,639	1,618,329
III Total Revenue (I+II)		367,674,146	426,670,856
IV Expenses			
Raw Material Consumed	21	77,359,636	87,211,259
Purchase of Stock in Trade		76,293,258	99,142,841
Change in Inventories of Finished Goods work-in-progress and Stock-in-Trade,	22	(9,678,250)	(1,508,989)
Employees Benefits Expenses	23	97,085,356	93,960,996
Other Expenses	24	126,490,497	133,696,017
Total		367,550,497	412,502,124
V Profit before Finance Cost, Depreciation and Tax (III-IV)		123,649	14,168,732
Finance Cost	25	14100563	14,056,547
Depreciation and amortization expenses	9	6471090	6,555,295
VI Profit before Tax		(20,448,004)	(6,443,110)
VII Tax expenses			
(1) Current tax		-	-
(2) Deferred tax (charged)/Credited		(1,561,214)	(183,553)
VIII Profit/ (Loss) for the period for the period (VI-VII)		(22,009,218)	(6,626,663)
Earning Per Share (Equity share of Rs. 10 each)			
Basic and Diluted	27	(13.69)	(4.12)
Significant accounting policies and other notes on accounts	28		
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.

Chartered Accountants
Firm Reg. No. 302049E
B.K.SIPANI
Partner
Membership No. 088926

Place: New Delhi
Dated: 30th May, 2013

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)	PRADEEP JAIN PALLAVI JOSHI BAKHRU Directors



HINDUSTAN EVEREST TOOLS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH'2013

Particulars	Current Year (Rs.)	Previous Year (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss before Tax and extra ordinary items	(20,448,004)	(6,443,110)
Add: Depreciation	6,471,090	6,555,295
Add: Finance Cost	14,100,563	14,056,547
Add: (Profit)/Loss on sale of fixed Assets	1,011,547	1,421,982
Less: Dividend Received	(19,824)	(19,524)
Less: Interest Received	(125,174)	(151,216)
Operating profit before working capital change	990,198	15,419,974
Adjustment for :		
Trade & Other Receivables	5,274,917	(1,824,529)
Inventories	(6,075,207)	(5,076,310)
Trade & Other Payables	(20,727,197)	13,153,500
Cash Generated from Operations	(20,537,289)	21,672,635
Less: Direct Tax (Paid)/Refund	6,153	(16,261)
Net cash from/(used in) operating activities	(20,531,136)	21,656,374
B CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(8,689,522)	(7,052,141)
Sale of Fixed Assets	515,334	851,691
Movement in Fixed Deposit	4,109	507
Movement in margin money	775,000	(1,500,000)
Dividend Received	19,824	19,524
Interest Received	332,738	151,216
Net Cash Flow from investing activities	(7,042,517)	(7,529,203)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	6,830,039	61,392,475
Proceeds from short Term borrowings (Net)	33,504,066	78,532,229
Finance Cost	(13,470,835)	(14,046,964)
Net Cash from/(used in) Financing Activities	26,863,270	125,877,740
Net Cash increase/Decrease in cash & equivalents (A+B+C)	(710,383)	140,004,911
Cash & Cash Equivalents as at (Opening Balance)	143,164,736	3,159,825
Cash & Cash Equivalents as at (Closing Balance)	142,454,353	143,164,736
Cash & Cash Equivalents includes		
Cash & Cheques in Hand	148,285	167,956
Balance with schedule Banks	1,786,175	2,476,887
	1,934,460	2,644,843

Note: Previous Year figures have been regrouped, wherever found

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:30th May,2013

GOVIND DEORA
Company Secretary

V.K.KHANNA
Excutive Director (Finance)

PRADEEP JAIN
PALLAVI JOSHI BAKHRU
Directors

HINDUSTAN EVEREST TOOLS LTD.



NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH'13

	As at 31st March, 2013 (Rs.)	As at 31st March, 2012 (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 31/3/2013		As at 31/3/2012	
	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 31/3/2013		As at 31/3/2012	
	No. of Shares	Percentage	No. of Shares	Percentage
M/S Mandelia Investment Pvt. Ltd.	830,917	51.59%	784,259	48.80%
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, 2013 (Rs.)	As at 31st March, 2012 (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	15,007,280	21,633,943
Less: Profit/(Loss) for the year as per Profit and Loss Statement	(22,009,218)	(6,626,663)
	2,550,213	15,007,280
Total (a+b+c+d)	2,550,213	24,559,431



HINDUSTAN EVEREST TOOLS LTD.

NOTE 3 : LONG TERM BORROWINGS

	Ref.	Non Current Portion		Current Maturities	
		As at 31st March' 2013 (Rs.)	As at 31st March' 2012 (Rs.)	As at 31st March' 2013 (Rs.)	As at 31st March' 2012 (Rs.)
(i) Secured	3.1				
Term loan from a bank		2,400,000	1,252,553	2,470,064	1,672,000
Working Capital Term Loan				–	1,217,223
Vehicle loan from Bank		2,467,539	1,988,060	2,152,892	1,137,331
Total (i)		4,867,539	3,240,613	4,622,956	4,026,554
(ii) Unsecured					
Loan from Managing Director & Joint Managing Director & their associates. (Interest free Loan)	28.8	49,705,466	53,151,862	–	–
Loan from a Body Corporate		5,000,000	5,000,000	–	–
Total (ii)		54,705,466	58,151,862	–	–
Total (i) + (ii)		59,573,005	61,392,475	4,622,956	4,026,554
(iii) Amount disclosed under the head "Other Current Liabilities"				(4,622,956)	(4,026,554)
Total (iii)		59,573,005	61,392,475	–	–

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. 7,18,000/-.

(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 instalment beginning with April'2012.

NOTE 4: PROVISIONS

	Ref.	As at	As at	As at	As at
		31st March' 2013 (Rs.)	31st March' 2012 (Rs.)	31st March' 2013 (Rs.)	31st March' 2012 (Rs.)
Provision for employees benefits					
- Gratuity	Note: 28.7	10,984,486	12,660,259	4,170,817	3,290,400
- Accrued Leave		1,500,682	1,586,792	630,749	624,449
Provision for Wealth Tax				84,706	36,328
Total		12,485,168	14,247,051	4,886,272	3,951,177



	As at 31st March' 2013 (Rs.)	As at 31st March,2012 (Rs.)
NOTE-5: OTHER NON CURRENT LIABILITIES		
Trade Deposits	9,928,732	8,041,732
	9,928,732	8,041,732

NOTE-6: SHORT TERM BORROWINGS

Short Term Loan from Banks (Repayable on demand):

Secured Packing/ Cash credit facilities	116,062,848	74,505,675
	116,062,848	74,505,675

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	62,034,438	78,235,357
		62,034,438	78,235,357

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	4,622,956	4,026,554
Interest accrued & due on Borrowings	1,709,728	1,080,000
Employee Emoluments etc.	7,627,567	11,698,030
Statutory Dues Payable	7,462,987	7,037,826
Advance from & Credit balance of Customers	3,779,721	5,720,910
	25,202,959	29,563,320



HINDUSTAN EVEREST TOOLS LTD.

NOTE-9: FIXED ASSETS - TANGIBLE ASSETS

Discription of Assets	CROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 01-04-12 (Rs.)	Additions (Rs.)	Less Sale/ Adjustments (Rs.)	Total Cost 31-03-13 (Rs.)	Upto 31-03-12 (Rs.)	Provided During the Year (Rs.)	Less Sale/ Adjustments (Rs.)	Total upto 31-03-13 (Rs.)	As at 31-03-12 (Rs.)	As at 31-03-13 (Rs.)
-Tangible Assets										
Land (Free Hold)**	1871600	0	0	1871600	0	0	0	0	1871600	1871600
Building	22522204	17979	0	22540183	11064862	373685	0	11438547	11438547	11457341
Plant & Equipments	123702029	2044625	0	125746654	90159981	3029829	0	93189810	32556844	33542049
Laboratory Apparatus	231939	0	0	231939	225299	432	0	225731	6208	6640
Jigs & Fixture*	1589213	0	0	1589213	1522225	0	0	1522225	66988	66988
Motor Vehicle & Cycles	18623534	5227225	3557496	20293263	8417882	1771877	2052376	8137383	12155880	10205658
Electric Installations	6390411	406534	0	6796945	5335478	103521	0	5438999	1357946	1054933
Tubewell & Water Supply										
Installation	674084	0	0	674084	362892	14060	0	376952	297132	311191
Furniture & Fixture	4808634	245500	0	5054134	2928162	187345	0	3115507	1938627	1880475
Air Conditioner	3833067	331114	0	4164181	1547444	384674	0	1932118	2232063	947060
Computers	6406142	400425	0	6806567	4834335	467105	0	5301440	1505127	2055003
Other Office Equipments	9587871	417948	23105	9982714	7137629	133999	1344	7270284	2712430	3305603
Fire Extinguisher	188759	0	0	188759	148784	3025	0	151809	36950	39975
Weigh Bridge	336238	0	0	336238	315001	1538	0	316539	19699	21237
Total	200765725	9091350	3580601	206276474	133999974	6471090	2053720	138417344	67859130	66765753
Previous Year	198680663	6650313	4565251	200765725	129736255	6555295	2291578	133999972		

*As certified and valued by the Management .

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



		As at 31st March' 2013 (Rs.)	As at 31st March,2012 (Rs.)
NOTE-10: NON CURRENT INVESTMENTS			
(Valued at lower of cost or Fair vale) (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		532,550	532,550
Unquoted (At Cost)			
4000 (Previous Year 4000 shares) of Rs. 10 each			
M/S Bharat Commerce & Industries Ltd		<u>121,404</u>	<u>121,404</u>
		804,053	804,053
Less: Provision for diminution In value of long Term Investment		<u>121,404</u>	<u>121,404</u>
		682,649	682,649
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		699,230	793,278
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	8,934,319	8,828,263
On Retirement Benefits		<u>4,050,813</u>	<u>5,612,027</u>
		12,985,132	14,440,290
Less Deferred Tax Liabilities			
On Depreciation		<u>8,934,319</u>	<u>8,828,263</u>
Net Deferred Tax Assets		4,050,813	5,612,027
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,2013 (Rs.)	As at 31st March,2012 (Rs.)
Unsecured, Considered Good			
Deposit with Govt. Department		2,032,530	2,032,530
Deposit with others		<u>2,383,276</u>	<u>2,056,020</u>
		4,415,806	4,088,550
NOTE-13: INVENTORIES			
	28.1		
(As taken. Valued and certified by the management)			
Raw Materials		10,519,275	16,084,490
Work-in-Progress (Hand Tools)		21,898,219	22,069,154
Finished Goods		80,215,101	67,250,371
Stock in trade		17,761,736	21,633,482
Stores,Spare Parts, Tools & Accessories etc.		32,768,967	30,806,795
(includes dies '7905864/- (previous Year '8025043/-)			
Others (Steel Scrap)		<u>1,466,250</u>	<u>710,049</u>
		164,629,548	158,554,341



HINDUSTAN EVEREST TOOLS LTD.

	Ref.	As at 31st March,2013 (Rs.)	As at 31st March,2012 (Rs.)
NOTE-14: TRADE RECEIVABLE	14.1		
(Considered good unless otherwise stated)			
<u>Debts exceeding six months from due date:</u>			
Considered good		17,401,060	11,877,447
Considered Doubtful		2,212,724	1,423,144
		<u>19,613,784</u>	<u>13,300,591</u>
Less: Provision for doubtful debts.		2,212,724	(1,423,144)
		<u>17,401,060</u>	<u>11,877,447</u>
Other Debts		17,401,060	11,877,447
Considered good		35,227,110	46,339,004
		<u>52,628,170</u>	<u>58,216,451</u>
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			
Cash & Cash Equivalent		148,285	167,956
Cash & Cheques in hand (As certified)		1,786,175	2,476,887
in Current Account		<u>1,934,460</u>	<u>2,644,843</u>
Earmarked balances with banks			
Fixed Deposit (Maturity Beyond 90 Days from deposit date)	15.1	190,000	194,109
in Saving Account		8,000	8,000
Balances with bank to the extent held as margin money		1,475,000	2,250,000
		<u>3,607,460</u>	<u>5,096,952</u>
15.1 Pledged with Central Excise Authorities..			
NOTE-16: SHORT TERM LOANS & ADVANCES	16.1		
(Unsecured, Considered Good unless otherwise stated)			
Considered Good			
Pre-paid Expenses		962,781	688,797
Advances to Suppliers		4,925,416	4,300,089
Advances to Employee-		1,345,989	912,799
Advance Tax /Tax deducted at source		127,453	133,606
Balance with Excise Authorities		624,033	598,528
		<u>7,985,672</u>	<u>6,633,819</u>
Total (a)		<u>7,985,672</u>	<u>6,633,819</u>
Considered doubtful			
Advances to Suppliers		385,203	385,203
Less:Provision for doubtful		(385,203)	(385,203)
Total (b)		-	-
Total (a) + (b)		<u>7,985,672</u>	<u>6,633,819</u>

16.1 Advance to suppliers are subject to reconciliation and confirmation.

HINDUSTAN EVEREST TOOLS LTD.



	As at 31st March,2013 (Rs.)	As at 31st March,2012 (Rs.)
NOTE-17: OTHER CURRENT ASSETS		
Export Incentive Receivable	2,877,385	4,249,284
Interest accrued on Fixed Deposit etc.	59,000	266,564
	<u>2,936,385</u>	<u>4,515,848</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 (Margine Money paid Rs. 1,83,000/- Previous year Rs. 1,83,000/-)	<u>80,000</u>	<u>80,000</u>
	<u>80,000</u>	<u>80,000</u>



HINDUSTAN EVEREST TOOLS LTD.

NOTES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH'2013.

	For the Year ended 31st March' 2013 (Rs.)	For the Year ended 31st March' 2012 (Rs.)
NOTE-19 REVENUE FROM OPERATIONS		
<u>Sales (Hand Tools)</u>		
Export Sales	151,885,655	181,361,565
Domestic Sales	215,571,619	236,242,256
Other Operating Revenue		
- Export Incentives	13,398,206	18,927,833
- Scrap Sale	8,349,366	9,798,587
Gross Revenue from Operations	<u>389,204,846</u>	<u>446,330,241</u>
NOTE-20: OTHER INCOME		
Miscellaneous Income		20
Interest Received	125,174	151,216
Dividend Received	19,824	19,524
Liability no longer required written back.	29,950	-
Exchange Rate Difference	2,402,491	1,271,449
Freight Subsidy		-
Rent Received	113,200	176,120
	<u>2,690,639</u>	<u>1,618,329</u>
NOTE-21: Raw Material Consumed		
Steel	65,123,758	71,073,230
Components	7,224,892	9,244,626
Nickel	3,144,064	5,678,092
Others	1,866,922	1,215,311
	<u>77,359,636</u>	<u>87,211,259</u>
NOTE-22: CHANGE IN INVENTORIES		
Inventories at the end of the year		
Finished Goods	80,215,101	67,250,371
Stock in Trade	17,761,736	21,633,482
Work-in-Progress (Hand Tools)	21,898,219	22,069,154
Others (Steel Scrap)	1,466,250	710,049
	<u>121,341,306</u>	<u>111,663,056</u>
Inventories at the beginning of the year		
Finished Goods	67,250,371	69,730,690
Trading Goods	21,633,482	15,722,731
Work-in-Progress (Hand Tools)	22,069,154	23,791,610
Others (Steel Scrap)	710,049	909,036
	<u>111,663,056</u>	<u>110,154,067</u>
	<u>(9,678,250)</u>	<u>(1,508,989)</u>
NOTE-23: EMPLOYEES BEBEFITS EXPENSES		
Salaries,Wages,Bonus & Allowances	88,531,454	86,404,041
Contribution to Provident & other Fund	4,447,494	4,665,102
Workers & Staff welfare Expenses	4,106,408	2,891,853
	<u>97,085,356</u>	<u>93,960,996</u>



		For the Year ended 31st March' 2013 (Rs.)	For the Year ended 31st March' 2012 (Rs.)
NOTE-24: OTHER EXPENSES			
Stores dies Tools & Spare Parts Consumed	24.1	14,003,056	15,831,951
Packing Material Consumed		11,241,314	13,930,202
Power & Fuel		34,168,683	30,068,146
Increase/(Decrease) in Excise duty on Finished Goods Stocks		663,862	(215,205)
Repair Replacement& Renovation			
Machinery		8,073,362	7,768,969
Buildings		468,545	752,264
Others		6,949,254	4,189,993
Forwarding & Freight etc.		8,129,294	10,567,125
Commission to other selling Agents		2,847,448	3,508,757
Publicity & Advertisement		804,043	1,711,972
Cash Discount		4,506,719	4,892,236
Insurance		1,392,114	1,068,803
Sale Promotion Expenses		2,371,871	2,459,432
Rent		3,111,093	2,957,951
Rates & Taxes		177,035	179,913
Travelling & Conveyance (including Directors			
Travelling Rs1742289/- (Previous year Rs. 4661361/-)		8,023,026	12,373,473
Vehicle Running & Maintenance		3,611,571	3,934,553
Printing & Stationery		1,442,712	1,507,403
Postage Telegram & Telephone		2,871,780	2,765,673
Miscellaneous Expenses		5,889,120	5,631,927
Professional & Legal expenses		1,875,709	1,298,341
Directors Fee		8,674	9,000
Payment to Auditors			
Audit Fee		100,000	100,000
Tax Audit Fee		-	60,000
For Limited Review.		60,000	45,000
For Expenses		14,152	12,205
Sales Tax & Purchase Tax		422,511	78,509
Bad Debts/Sundry Debit Balances etc. written off.		-	542,617
Exchange Rate Flucuation.		-	3,176,798
Provision for bad & doubtful Debt/Advances		789,579	218,961
Loss on Sale of Fixed Assets/Discarded (Net)		1,011,547	1,421,982
Bank Charges		1,462,423	847,066
		126,490,497	133,696,017

* Including Rs. 3000/- provided for current year.

24.1 Cost of own manufactured Dies & Tools during the year as certified and valued by the Management Rs. 992337/- (Previous year Rs. 1365059/-)



HINDUSTAN EVEREST TOOLS LTD.

	For the Year ended 31st March' 2013 (Rs.)	For the Year ended 31st March' 2012 (Rs.)
NOTE-25: FINANCE COST		
(a) Interest expenses		
Interest Expenses	13,524,138	13,510,118
Other Borrowing Cost	576,425	546,429
	<u>14,100,563</u>	<u>14,056,547</u>
NOTE- 26 :		
Expenses/adjustment relating to previous years not separately shown and same have been debited/credited to respective heads of accounts Rs. 195606/- Net Debit (Previous year Rs.135240/- (Net Credit))		
NOTE-27: EARNING PER SHARE (EPS)		
Profit/(Loss) after Tax	(22,009,218)	(6,626,663)
No. of Shares of Rs. 10/-each.	1,607,200	1,607,200
Basic & Diluted EPS	(13.69)	(4.12)



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 and trading 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 Standards) Rules, 2006 issued by the Central Government and the relevant provisions of Companies Act, 1956.

(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 in 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.

(vi) Investments

Non Current investments are stated at cost. The company provides diminution, Other than temporary, in the value of Non Current 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 provided for.

(viii) Inventories

Inventories are valued at cost or net realisable 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, if 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. 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 assets and liabilities 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 Statement of Profit and Loss.

(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.



HINDUSTAN EVEREST TOOLS LTD.

(xii) **Recognition of Income and Expenditure**

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

(xiii) **Taxation**

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. Current Tax is provided as per amount expected to be paid to the tax authorities in accordance with with Income Tax Act, 1961.

(xiv) **Others**

Profit/Loss on sale 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*	165,283,861	200,289,398
(ii) Domestic Sale	223,920,985	246,040,843

* Including export incentive Rs. 13398206/- (Previous year Rs. 18927833/-)

All the business assets of the company are situated in India except export debtors Rs5757329/- (Previous year Rs. 11079567/-)

28.3 **CIF VALUE OF IMPORTS**

Stores & Spares	1,511,039	351,496
Finished Goods	380,108	1,816,161
	1,891,147	2,167,657

28.4 **EXPENSES IN FOREIGN CURRENCY**

Travelling	444,416	1,761,488
Commission	457,943	886,119
Advertisement & Publicity	-	666,171
Miscellaneous Expenses	132,371	202,199
	1,034,730	3,515,977

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

	Current Year Amount (Rs.)	Current Year Percentage	Previous Year Amount (Rs.)	Previous Year Percentage
Raw Material & components				
Imported	-	-	-	-
Indigenous	77,359,636	100	87,211,259	100
	77,359,636	100	87,211,259	100
Stores, Dies, Tools & Spare Parts				
Imported	985,074	7.37	351,496	1.63
Indigenous	13,017,982	92.63	15,480,455	98.37
	14,003,056	100	15,831,951	100



28.6	EARNING IN FOREIGN EXCHANGE	Current Year	Previous Year
	Export of Hand Tools (On FOB Bases)	151,876,620	181,335,032

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.4447494/- (Previous year Rs. 4665102/-)

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,2012	15,950,659	16,162,528
	Current Service Cost	831,931	859,770
	Interest Cost	1,276,053	1,373,815
	Actuarial (gain)/Loss	162,944	(1,162,676)
	Benefit Paid	(3,066,284)	(1,282,778)
	Past Service Cost	-	-
	Closing DOB as on 31st March,2013	15,155,303	15,950,659
B)	Liability recognised in the Balance Sheet		
	Present value of the defined obligation at the end of the period	15,155,303	15,950,659
	Fair value of the plan assets at the end of the year	-	-
	Liability recognised in the Balance Sheet	15,155,303	15,950,659
C)	The total expenses recosined in the Profit & Loss Account		
	Current Service Cost	831,931	859,770
	Interest cost	1,276,053	1,373,815
	Past Service Cost	-	-
	Actuarial (gain)/Loss	162,944	(1,162,676)
	Net Gratuity Cost	2,270,928	1,070,909
E)	Following are the Principal Actuarial Assumptions used as at the balance sheet date		
	Discount rate	8.00%	8.50%
	Expected rate of return on any plan assets		
	Average salary escalation rate	5.50%	6.00%

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**

- a) Association of persons having significant influence on Key management personnel
 - S.K.Mandelia (HUF)
 - B.G.Mandelia (HUF)
- b) Key Management Personnel
 - Shri S.K.Mandelia (Chairman & Managing Director)
 - Shri B.G.Mandelia (Vice Chairman & Jt. Managing Director)
 - Shri V.K.Khanna (Executive Director Finance)
- c) 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.



HINDUSTAN EVEREST TOOLS LTD.

Transaction with related Parties	Current Year (Rs.)	Previous Year (Rs.)
Remuneration Paid*		
a) Sh. Shravan Kumar Mandelia	515,080	451,318
b) Sh. Bal Gopal Mandelia	566,410	442,343
c) Vinod Kumar Khanna	876,366	831,537
d) Sh. Anant Vijay Mandelia	526,400	392,000
	2,484,256	2,117,198
Loan Received During the year		
Sh B.G. Mandelia (HUF)	-	2,586,862
Loan Paid During the year		
Sh. S.K. Mandelia	-	1,650,000
Sh. B.G.Mandelia	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)	21,609,466	25,055,862
	49,705,466	53,151,862
Rent Paid (Net of Recovery)		
a) Sh. Shravan Kumar Mandelia	118,800	118,800
b) Sh. Bal Gopal Mandelia	120,000	120,000
Mrs. Neeta Khanna	56,000	84,000
	294,800	322,800

* Including Rent Paid (net of recovery)

28.9 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:30th May,2013

GOVIND DEORA
Company Secretary

V.K.KHANNA
Executive Director (Finance)

PRADEEP JAIN
PALLAVI JOSHI BAKHRU
(Directors)



Proxy Form

HINDUSTAN EVEREST TOOLS LIMITED

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

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

as my / our proxy to attend and vote for me / us on my / our behalf at the 50TH ANNUAL GENERAL MEETING of the Company to be held on Monday, the 30th September, 2013 and at any adjournment thereof at PHD House, opposite Asian Games Village, Siri Fort Road, New Delhi-110 016

Signed this _____ day of _____ 2013

Registered Folio No. / Client ID No. _____ Signature

_____ No. of shares held _____

Affix
Revenue
Stamp

Note : This form in order to be effected 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.



ADDMISSION SLIP

HINDUSTAN EVEREST TOOLS LIMITED

TO BE HANDED OVER AT THE EXTRANCE 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 50th Annual General Meeting of the Company being held at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi-110 016 on Monday, the 30th September, 2013.

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 on gift / Coupons shall be distributed at the annual General Meeting.

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HINDUSTAN EVEREST TOOLS LTD.,

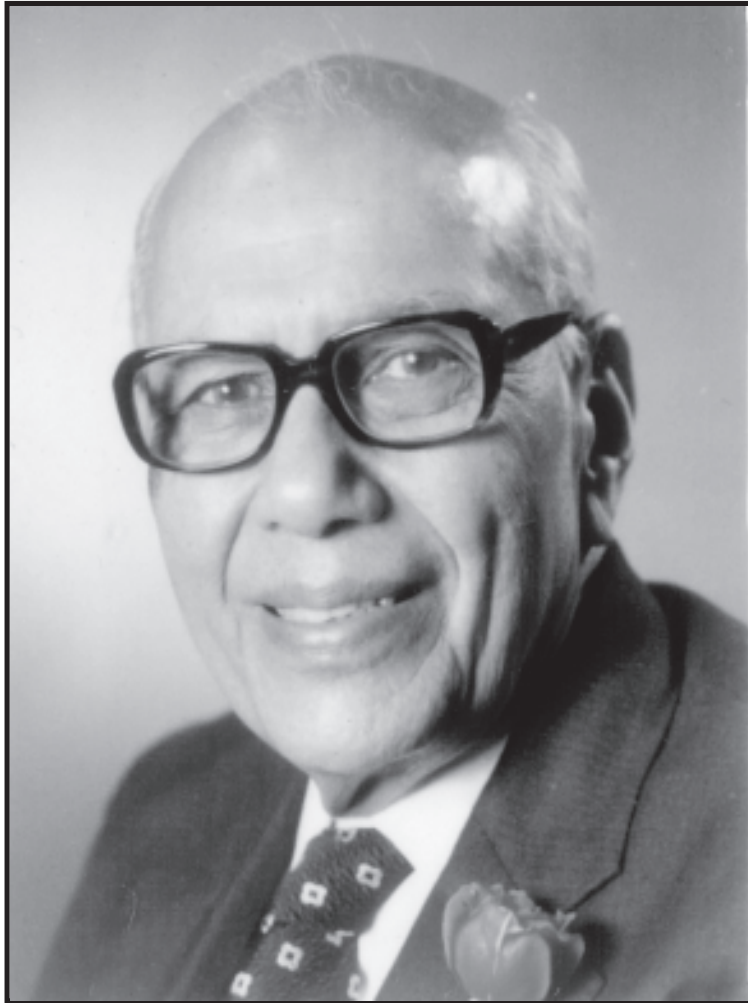
Dohil Chambers, 46, Nehru Place,
New Delhi-110019

50th
Annual Report
2012 - 2013



**Hindustan
Everest
Tools Ltd.**

"The First ISO 9001 Hand Tools Company in India"



LATE SYT. D.P. MANDELIA