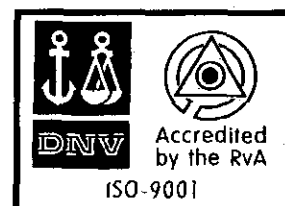


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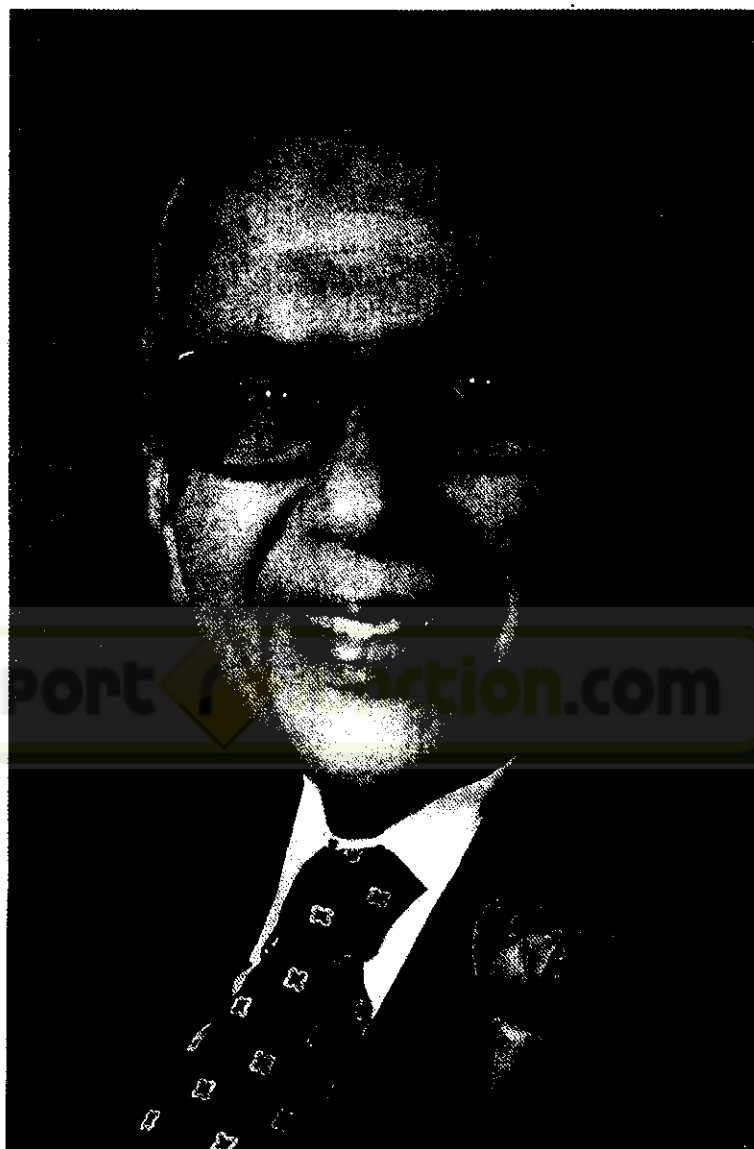
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**Hindustan
Everest
Tools Ltd.**



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



SYT. D.P. MANDELIA
CHAIRMAN EMERITUS



HINDUSTAN EVEREST TOOLS LTD.

37th ANNUAL REPORT 1999-2000

BOARD OF DIRECTORS

Shri Durga Prasad Mandelia, *Chairman Emeritus*
 Shri Shravan Kumar Mandelia, *Chairman & Mg. Director*
 Shri Balgopal Mandelia, *Vice-Chairman and Jt. Mg. Director*
 Shri Yashovardhan Saboo
 Shri Umesh Kumar Khaitan
 Kanwar Manmohan Kishan Kaul
 Sh. Vibhu Bakhru
 Sh. I.S. Sekhon

ADVISOR

Shri B.P. Mandelia

COMPANY SECRETARY

Shri Govind Deora

EXECUTIVES

Shri H.K. Maheshwari, *General Manager (Works)*
 Shri V.K. Goswami, *Senior Manager (Technical)*
 Shri V.K. Khanna, *Manager (Finance & Accounts)*
 Shri U.C. Pant, *Manager (Personnel & Administration)*
 Shri M.K. Bose, *Manager (Technical)*
 Shri K.K. Mehta, *Manager (Procurement)*
 Shri P.K. Singh, *Manager (Marketing)*
 Shri Ramesh Gupta, *Manager, (Factory Accounts & Stores)*

AUDITORS

Singhi & Co.
Chartered Accountants,
 H-Block, Connaught Circus,
 New Delhi-110 001

BANKERS

UCO Bank,
 Punjab National Bank
 State Bank of India
 Central Bank of India
 Indian Overseas Bank
 CITI Bank

REGISTERED OFFICE

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

WORKS

Village Jatheri,
 Distt. Sonapat,
 Haryana

SHARES LISTED AT

Delhi, Mumbai & Calcutta
 Stock Exchanges

HINDUSTAN EVEREST TOOLS LTD.

NOTICE

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Members of HINDUSTAN EVEREST TOOLS LIMITED will be held at "PHD House", Opposite Asian Games Village, Siri Fort Road, New Delhi - 110 016 on Friday, the 29th day of September, 2000 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, 2000 and the Balance Sheet as at that date together with Reports of the Auditors' and Directors' thereon.
- 2) To appoint Director in place of Kanwar Manmohan Kishan Kaul, who retires by rotation and being eligible, offer himself for re-appointment.
- 3) To appoint Director in place of Shri Yashovardhan Saboo, who retires by rotation and being eligible, offer himself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS :

- 5) To consider and if thought fit to pass with or without modifications, the following resolutions as Ordinary Resolution :
 - (a) "Resolved that Shri vibhu 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 his candidature for the office of the Director, be and is hereby appointed a Director of the Company".
 - (b) "Resolved that Shri I.S. Sekhon 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".

BY ORDER OF THE BOARD

Sd/-

GOVIND DEORA
Company Secretary

Place : New Delhi
Dated : 30th June, 2000

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 Saturday the 16th day of September, 2000 to Friday the 29th day of September, 2000 (Both days inclusive).
- (3) Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividend upto the year 1993-94 have been transferred to the General Revenue account of the Central Government, Shareholders who have not encashed the Dividend Warrants for the said years are requested to claim the amount from the Registrar of Companies, Paryavaran Bhavan, CGO Complex, Lodhi Road, New Delhi 110 003.

Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.

Members who have not encashed the dividend warrant(s) so far for the financial year ended 1994-95, or any subsequent dividend payment(s) are requested to make their claim to the Company.

4. Members are requested to notify immediately Change, if any, in their address and / or mandate to the Company. For prompt and proper mailing, please inform correct PIN CODE Number.

**EXPLANATORY STATEMENT**

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

ITEM NO. 5

(a) Pursuant to the provisions of Section 260 of the Companies act, 1956, Shri Vibhu Bakhru who was appointed as an Additional Director by the Board in its meeting held on 28.1.2000 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 Vibhu Bakhru 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 Vibhu Bakhr no other Director is interested in this resolution.

(b) Pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri I.S. Sekhon who was appointed as an Additional Director by the Board in its meeting held on 30.6.2000 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 I.S. Sekhon 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 I.S. Sekhon no other Director is interested in this resolution.

BY ORDER OF THE BOARD

Place : New Delhi
Dated : 30th June, 2000

Sd/-
GOVIND DEORA
Company Secretary



HINDUSTAN EVEREST TOOLS LTD.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the Thirty Seventh Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS

	(Rs. in Lakhs)		
	1999-2000	Previous Year	
Profit / (Loss) after interest	(33.48)	57.32	
(Add) / Less : Depreciation	(46.15)	48.13	
Net Profit / (Net Loss)	(79.63)	9.19	
(Add)/Less : Provision for Taxation	(0.28)	1.01	
Provision for Taxation earlier year	(1.27)	(1.55)	—
	(81.18)	8.18	
Less / Add : Balance brought forward from Previous Yr.	34.12	43.34	
Refund/Adj. of Income Tax for earlier Year	—	34.12	0.44
	(47.06)	51.96	

APPROPRIATIONS :

Transferred from Gen. Reserve	47.06	—	
Provision for Dividend	—	16.07	
Provision for Tax on Dividend	—	47.06	1.77
Carried over to next year	Nil	34.12	

OPERATIONS

During the year the operations of your Company faced tremendous pressures, both on account of recessionary conditions in export as well as domestic market and increase in costs of all major inputs resulting in major adverse effect upon the operating results for the year. During the year the Company undertook major cost cutting measures and also successfully implemented automation in various operations resulting in substantial cost saving and increase in production efficiency and improvement in quality.

It is heartening to note that during the current year the market conditions have improved, especially the domestic market and the full impact of implementing modernisation and automation measures are beginning to show positive results.

The overall working of your Company is expected to be better during the current year.

DIVIDEND

In view of the Company having suffered a loss during year and non availability of cash funds, the Directors hereby express their inability to recommend / declaration of any dividend for the year ended 31st March, 2000.

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

As required under Section 217(1)(c) of the Companies Act, 1956 read with the Companies Declaration of Particulars in the Report of the Board of Directors Rules, 1988, the information relating to the Conservation of Energy, Research & 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, Kanwar Manmohan Kishan Kaul and Shri Yashovardhan Saboo retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

M/s Singhi & Company, Chartered Accountants, Auditors of the Company retire 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, the 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, 2000 stood at Rs. 10.21 lacs. 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.

Particulars of employees in terms of Section 217(2A) of the Companies Act, 1956 read with (Particulars of Employees) Rules, 1975, as amended upto date are set-out in the Annexure 'B' forming part of the Report.

for & on behalf of the Board

Sd/-
Place : New Delhi
Dated : 30th June, 2000

S.K. MANDELIA
Chairman



ANNEXURE 'A'

Information as per Section 217(1)(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 as various equipments 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	25,58,212	37,97,805
Amount	Rs.	1,03,24,668	1,48,88,770
Rate / Unit (average)	Rs.	4.02	3.92
ii) Own generation DG Sets :			
Units Generated		12,38,840	12,81,740
Units per Ltr. of Diesel		2.79	2.86
Rate per Ltr. of fuel	Rs.	11.49	9.79
Cost / Unit (average)	Rs.	4.12	3.41
(b) Furnace Oil (LDO)			
Quantity (Ltrs.)	Ltrs	8,56,221	10,00,304
Amount	Rs.	78,43,341	78,20,379
Average Rate	Rs.	9.16	7.82
2) Consumption per Unit of Production			
Product - Hand Tools			
Electricity	Units/MT	3,308	3,627
Furnace Oil	Ltr/MT	746	714
Other (Specify)		—	—

(B) TECHNOLOGY A

velopment

- (i) The Research & Development Centre of the Company continuously endeavours 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.
 - Diversification to non-ferrous alloy tools manufacturing hitherto imported.
 - Upgradation of existing product for better quality and performance.
 - Extensive study of process, product function vis-a-vis customer requirement and its modification.

HINDUSTAN EVEREST TOOLS LTD.**(ii) Benefits derived as a result of the in-house R & D**

- (a) Extension of product range.
- (b) Identification of new products.
- (c) Better product with better performance.
- (d) Effective and better control on process thereby the consistency in quality.

(iii) Expenditure on R & D

	(Rs. in Lakhs)
(a) Capital	—
(b) Recurring	14.67
(c) Total	14.67
(d) Total R & D Expenditure of total turnover	0.65%

(iv) Technology Imports

No technology was imported during last five years.

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

- (a) Total Foreign Exchange used and earned

	(Rs. in lakhs)
Total Foreign Exchange Used	18.53
Total Foreign Exchange Earned	627.23