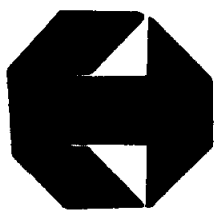
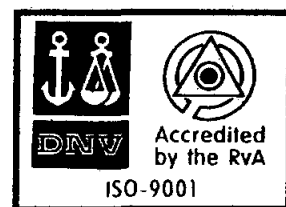


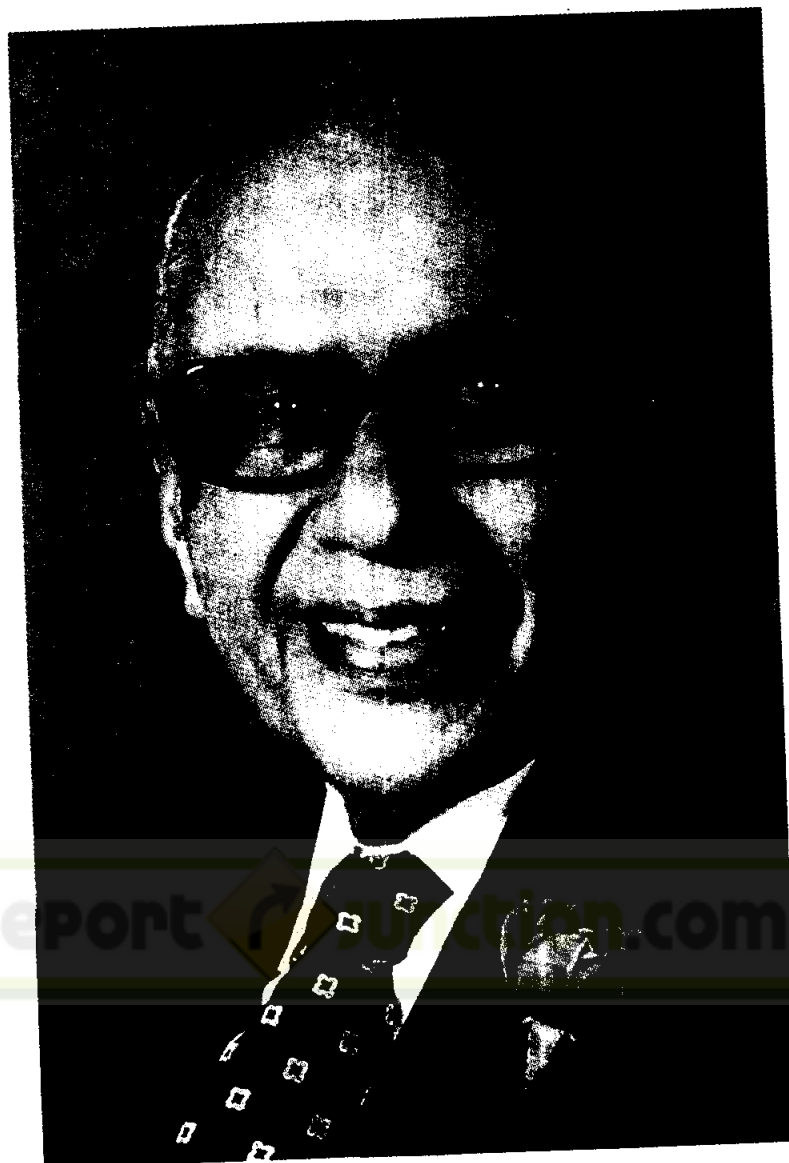
39th
Annual Report
2001-2002

Report  Junction.com



**Hindustan
Everest
Tools Ltd.**





SYT. D.P. MANDELIA
CHAIRMAN EMERITUS



HINDUSTAN EVEREST TOOLS LTD.

39th ANNUAL REPORT 2001-2002

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
Shri Vibhu Bakhru
Shri V.K. Khanna (Executive Director Finance)
Shri Pradeep Jain

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 U.C. Pant, *Manager (Personnel & Administration)*
Shri Harish Kapoor, *Manager (Production)*
Shri K.K. Mehta, *Manager (Procurement)*
Shri P.K. Singh, *Manager (Marketing)*
Shri Ramesh Gupta, *Manager (Factory Accounts & Stores)*
Shri A.G. Pawar, *Manager (Maintenance)*

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

Dohl 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 39th 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 27th day of September, 2002 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, 2002 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 Yashovardha Saboo, 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 :

- 5) To consider and if thought fit to pass with or without modification, the following resolution as Ordinary Resolution :

"Resolved that Shri Pradeep Jain who was appointed as an Additional Director of 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

Place : New Delhi
Dated : 28th June, 2002

Sd/-
GOVIND DEORA
Company Secretary

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 Tuesday the 17th day of September, 2002 to Friday the 27th September, 2002 (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, NCT of Delhi & Haryana, 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.
- (5) 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.**



ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT**

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

ITEM NO. 5

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri Pradeep Jain who was appointed as an Additional Director by the Board in its meeting held on 31.10.2001 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 Pradeep Jain 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 Pradeep Jain no other Director is interested in this resolution.

BY ORDER OF THE BOARD

Place : New Delhi
Dated : 28th June, 2002

Sd/-
GOVIND DEORA
Company Secretary

Report  junction.com

HINDUSTAN EVEREST TOOLS LTD.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 39th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

	2001-2002	(Rs. in Lakhs) Previous Year
Profit / (Loss) after interest	(99.87)	1.80
(Add) / Less : Depreciation	(45.66)	(45.98)
Net Profit / (Net Loss)	(145.53)	(44.18)
(Add)/ Provision for Taxation	(0.49)	(0.26)
Provision for Taxation earlier year	0.24 (0.25)	(0.09) (0.35)
	(145.78)	(44.53)
Less: Provisions for Deferred Tax	63.80	—
	(81.98)	—
Less / Add : Balance brought forward from Previous Yr.	—	—
	(81.98)	(44.53)
APPROPRIATIONS :		
Transferred from Gen. Reserve	81.98	44.53
Carried over to next year	Nil	Nil

OPERATIONS

In spite of continuing recessionary pressures the exports has increased by almost 10% during the year as compared to previous year but this growth was not sufficient to off set the recessionary pressures in domestic market. The cost cutting measures and automation processes implementation is continuing and the management is confident that these would show good results in future.

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 any dividend for the year ended 31st March, 2002.

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 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, Shri Yashovardhan Saboo 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, 2002 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 judgements 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, 2002 on a "going concern" basis.

DEMATERIALISATION OF SECURITIES

Your Company has entered into agreements with both the depositories i.e. National Securities Depository Ltd. and Central Depository Services (India) Ltd. to facilitate the investors to trade in the shares of the Company in dematerialised form also and have so far dematerialised 12.50% Shares of the Company.

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 on Accounts are self-explanatory and therefore do not call



for any further comments under Section 217(3) of the Companies Act, 1956.

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

FIXED DEPOSITS

The total amount of Fixed Deposits held by the Company as on 31st March, 2002 stood at Rs. 11.87 lacs. There were no overdue deposits.

for & on behalf of the Board

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.

Place : New Delhi
Dated : 12th July, 2002

Sd/-
S.K. MANDELIA
Chairman

Report  junction.com

HINDUSTAN EVEREST TOOLS LTD.**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	35,19,670	32,27,049
Amount	Rs.	1,47,22,417	1,35,29,035
Rate / Unit (average)	Rs.	4.18	4.19
ii) Own generation DG Sets :			
Units Generated		4,28,580	11,81,820
Units per Ltr. of Diesel		3.00	2.70
Rate per Ltr. of fuel	Rs.	15.53	14.05
Cost / Unit (average)	Rs.	5.18	5.20
(b) Furnace Oil (LDO)			
Quantity	Ltrs	8,71,473	8,85,190
Amount	Rs.	1,15,05,911	1,07,96,656
Average Rate	Rs.	13.20	12.20
2) Consumption per Unit of Production			
Product - Hand Tools			
Electricity	Units/MT	3,469	3,120
Furnace Oil	Ltr/MT	766	626
Other (Specify)		—	—

(B) TECHNOLOGY ABSORPTION**Research & Development**

- (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 :
- (a) Extension of Product Range & introduction of new Product.
- (b) Upgradation of process leading to better quality, performance and efficiency.
- (c) Diversification to non-ferrous alloy tools manufacturing hitherto imported.
- (d) Upgradation of existing product for better quality and performance.
- (e) Extensive study of process, product function vis-a-vis customer requirement and its modification.

**(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	14.48
(c) Total	14.48
(d) Total R & D Expenditure of total turnover	0.64

(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	19.06
Total Foreign Exchange Earned	872.28

