

**Hindustan  
Everest Tools  
Limited**



Dohil Chambers, 46 Nehru Place  
New Delhi-110 019 (INDIA)  
Ph. : 91-11-46692600, Fax : 011-41606788  
E-mail : ho@everesttools.com  
CIN : L74899DL1962PLC003634

**Date: 05<sup>th</sup> September, 2019**  
**To,**

The Manager (Listing)  
BSE Limited,  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001

**SUBJECT: - INTIMATION OF BOOK CLOSURE PURSUANT TO REGULATION 42 OF THE SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND NOTICE OF 56<sup>TH</sup> ANNUAL GENERAL MEETING (“AGM”)**

Dear Sir/Ma'am,

This is to inform you that the **56<sup>th</sup> Annual General Meeting** of the Company will be held on **Monday, 30<sup>th</sup> September, 2019 at 10:30 A.M.** at “**PHD House**” opposite **Asian Games Village, Siri Fort Road, New Delhi - 110016**. Pursuant to the provisions of Section 91 of the Companies Act, 2013 read with Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from **24<sup>th</sup> September, 2019 to 30<sup>th</sup> September, 2019 (Both days inclusive)** for the purpose of 56<sup>th</sup> Annual General Meeting of the Company.

Further, in terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company will provide e-voting facility to its Shareholders to exercise their vote for transacting the business at the ensuing Annual General Meeting (AGM) to be held on Monday, 30<sup>th</sup> September, 2019. The Company would be availing evoting services of National Securities Depository Limited (NSDL). Further, the Company has fixed 23<sup>rd</sup> September, 2019 as the cut-off date to determine the Shareholders eligible to cast their vote electronically at the above-mentioned AGM.

The E-voting facility will be available during the following period mentioned below:

| <b>COMMENCEMENT OF E-VOTING</b>   | <b>END OF E-VOTING</b>   |
|---|--|
| From 09:00 A.M. (Indian Standard Time) on Friday, September 27 <sup>th</sup> 2019 | Up to 5:00 P.M (Indian Standard Time) on Sunday, September 29 <sup>th</sup> , 2019 |

Further, enclosed herewith the Annual Report 2018-19 including the 56<sup>th</sup> Annual General Meeting Notice being sent to the shareholders of the company.

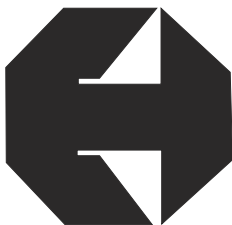
Kindly take the same in your records and oblige.

Thanking You,

Yours Faithfully,  
**For Hindustan Everest Tools Limited**

  
**Sonam Gupta**  
Company Secretary

*56th*  
*Annual Report*  
*2018 - 2019*



Hindustan  
Everest  
Tools Ltd.

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*"The First ISO 9001 Hand Tools Company in India"*



**LATE SYT. D.P. MANDELIA**



# HINDUSTAN EVEREST TOOLS LTD.

## 56th ANNUAL REPORT 2018-19

### **Board of Directors**

Shri Shravan Kumar Mandelia, Managing Director  
Shri Balgopal Mandelia, Managing Director  
Shri Pradeep Jain, Independent Director  
Shri Amitav, Independent Director  
Ms. Shifa Nagar, Independent Director  
Shri Saurabh Parasramka, Director

### **Company Secretary**

Ms. Sonam Gupta

### **Chief Financial Officer**

Shri Deepak Gupta

### **AUDITORS**

SSRA & Co  
Chartered Accountants  
M-13, LGF  
South Extension, Part 2  
New Delhi - 110049

### **BANKERS**

HDFC Bank  
State Bank Of India

### **REGISTERED OFFICE**

Dohil Chambers,  
46, Nehru Place,  
New Delhi-110 019  
Ph. : 91-11-46692600 Fax : 011-41606788  
Email : admin@everesttools.com  
CIN : L74899 DL1962 PLC003634  
Website : <http://www.everesttools.com>

### **SHARES LISTED AT**

Bombay Stock Exchange

### **REGISTRAR & TRANSFER AGENT LINK INTIME INDIA PVT. LTD.**

Noble Heights, 1st Floor  
Plot No. NH-2, C-1, Block  
LSC, Near Savitri Market,  
Janakpuri, New Delhi- 110 058  
Ph. : 41410592 Fax : 41410591  
Email : delhi@linkintime.co.in



## HINDUSTAN EVEREST TOOLS LIMITED

(CIN : L74899DL1962PLC003634)

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

Email: admin@everesttools.com, Website: www.everesttools.com

Phone: 011-46692600

### NOTICE

**NOTICE** is hereby given that the 56<sup>TH</sup> Annual General Meeting (“AGM”) of the members of **HINDUSTAN EVEREST TOOLS LIMITED** will be held at “**PHD House**” opposite Asian Games Village, Siri Fort Road, New Delhi - 110016 on **Monday, 30<sup>th</sup> September, 2019 at 10:30 A.M. (IST)** to transact the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the company for the financial year ended 31<sup>st</sup> March, 2019 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Shravan Kumar Mandelia (DIN: 00040532), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

3. Appointment of Mr. Amitav (DIN: 08240143) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, Mr. Amitav (DIN: 08240143) who was appointed as an Additional and Independent Director of the Company pursuant to the Section 161 and other applicable provisions with effect from September 29, 2018 to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and Mr. Amitav has submitted a declaration stating that he meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment as such and as recommended by the Nomination and Remuneration Committee of the Board, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from September 29, 2018 upto September 28, 2023.”

4. Appointment of Miss Shifa Nagar (DIN: 08240119) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, Miss Shifa Nagar (DIN: 08240119) who was appointed as an Additional and Non Independent Director of the Company with effect from September 29, 2018 and subsequently she was appointed as an Independent Director of the Company pursuant to the Section 161 and other applicable provisions with effect from May 16, 2019 to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director and Miss Shifa Nagar has submitted a declaration stating that she meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and





who is eligible for appointment as such and as recommended by the Nomination and Remuneration Committee of the Board, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from May 16, 2019 upto May 15, 2024.”

5. Re-appointment of Mr. Pradeep Jain (DIN: 00108240) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, Mr. Pradeep Jain (DIN: 00108240), Non-Executive Independent Director of the Company, whose present term of office as an Independent Director expires on 29<sup>th</sup> September 2019 and is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, based on the recommendations of the Nomination and Remuneration Committee, to hold office for a second term of five consecutive years with effect from the conclusion of this Annual General meeting upto September 30, 2024.”

6. Re-appointment of Shri Shravan Kumar Mandelia (DIN: 00040532) as a Managing Director of the Company and approval of remuneration and other terms and conditions of his appointment.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) and in accordance with Articles of Association of the Company, Shri Shravan Kumar Mandelia (DIN: 00040532) be and is hereby reappointed as a Managing Director of the Company for a period of 5 (Five) years w.e.f. December 14, 2018 on such remuneration, terms and conditions as detailed in the Explanatory Statement annexed hereto, with authority to the Board of Directors and / or the Nomination and Remuneration Committee of the Board to alter, vary, enhance or widen the scope of remuneration (including the fixed pay, variable pay or other benefits) or the terms and conditions of the said re-appointment from time to time including such periodical increase in his remuneration as may be permissible within the overall remuneration limit under Section 197, read with Schedule V of the Act and rules made thereunder, as amended from time to time, without being required to seek further consent or approval of the shareholders of the Company.

**RESOLVED FURTHER THAT** the aggregate amount of remuneration payable to him in a financial year shall be subject to the overall ceiling laid down under Section 197, read with Schedule V of the Act and rules made thereunder, as amended from time to time.

**RESOLVED FURTHER THAT** his office as Director shall be liable to retire by rotation and there shall be no break in his office, in case, he is re-appointed on determination of his office on retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors and / or the Nomination and Remuneration Committee of the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.”

7. Re-appointment of Shri Balgopal Mandelia (DIN: 00040592) as a Managing Director of the Company and approval of remuneration and other terms and conditions of his appointment.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of



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Managerial Personnel) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) and in accordance with Articles of Association of the Company, Shri Balgopal Mandelia (DIN: 00040592) be and is hereby reappointed as a Managing Director of the Company for a period of 5 (Five) years w.e.f. January 01, 2019 on such remuneration, terms and conditions as detailed in the Explanatory Statement annexed hereto, with authority to the Board of Directors and / or the Nomination and Remuneration Committee of the Board to alter, vary, enhance or widen the scope of remuneration (including the fixed pay, variable pay or other benefits) or the terms and conditions of the said re-appointment from time to time including such periodical increase in his remuneration as may be permissible within the overall remuneration limit under Section 197, read with Schedule V of the Act and rules made thereunder, as amended from time to time, without being required to seek further consent or approval of the shareholders of the Company.

**RESOLVED FURTHER THAT** the aggregate amount of remuneration payable to him in a financial year shall be subject to the overall ceiling laid down under Section 197, read with Schedule V of the Act and rules made thereunder, as amended from time to time.

**RESOLVED FURTHER THAT** his office as Director shall be liable to retire by rotation and there shall be no break in his office, in case, he is re-appointed on determination of his office on retirement by rotation.

**RESOLVED FURTHER THAT** the Board of Directors and / or the Nomination and Remuneration Committee of the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution."

**By Order of the Board of Directors  
For Hindustan Everest Tools Limited**

**Sonam Gupta  
(Company Secretary)  
M. No. 51329**

**Date: 12.08.2019  
Place: New Delhi**

### IMPORTANT NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to special business to be transacted at the AGM is annexed hereto.
2. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the 54th Annual General Meeting of the Company.
3. Details as required in sub-regulation (3) of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meeting (SS-2) of the Institute of Company Secretaries of India ("ICSI"), in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the Notice of the AGM, requisite declarations have been received from the Directors for seeking appointment / re-appointment.
4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 56<sup>TH</sup> ANNUAL GENERAL MEETING ("THE MEETING") IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on



behalf of the companies, societies etc., must be accompanied with a duly certified copy of the Resolution.

5. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the Company/ RTA ('Registrar'), in advance, a duly certified copy of the relevant Board Resolution/ Letter of Authority/Power of Attorney, together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic format, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
7. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares of a listed entity can only be transferred in demat form w.e.f. April 1, 2019 except in cases of transmission or transposition. Thus, the Company, during the year, had sent letters and/ or reminders to the members requesting to dematerialize their holdings.
8. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
9. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 1<sup>st</sup> April, 2019. In view of the above, members are advised to dematerialise the shares held by them in the physical form.
10. Pursuant to Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividend 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. However please note that company have not declared any dividend from the financial year 1999-2000 onwards.
11. Pursuant to Section 91 of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 24<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (both days inclusive) for the purpose of 56<sup>th</sup> AGM of the Company.
12. (a) Members holding shares in physical form are requested to notify/inform any change in their address/e-mail/ mandate/bank details to the Registrar and Transfer Agent (RTA) of the Company M/s. Link Intime India Pvt. Limited, Noble Heights, 1<sup>st</sup> floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Phone No. - 41410592, Fax: 41410591, E-Mail: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) and Company's E-mail: [admin@everesttools.com](mailto:admin@everesttools.com).
- (b) Members holding shares in the dematerialized form are requested to notify all changes with respect to their address, mandate and bank details to their Depository Participant.
- (c) Shareholders are also requested to quote their Folio No./DP ID-Client Id and details of shares held in physical/ demat mode, E-mail ids and Telephone/Fax numbers for prompt reply to their communications.
- (d) All corporate members are requested to communicate their Corporate Identification number to either company or RTA of the company.
13. Notice of the AGM, Annual Report 2018-19, Attendance Slip and Proxy Form is being sent in electronic mode only to those members whose email address are registered with the Company/Depository Participant(s) unless the Members have registered their requests for the physical copy. Physical copy of the Notice, Annual Report, Attendance Slip and Proxy Form are being sent to those Members who have not registered their email addresses with the Company or Depository Participants. Members who have received the Notice, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled-in Attendance Slip at the Registration Counter at the AGM.
14. Members may also note that the Notice of the 56<sup>th</sup> Annual General Meeting and the Annual Report will also be available on the Company's website :- [www.everesttools.com](http://www.everesttools.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during





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normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [admin@everesttools.com](mailto:admin@everesttools.com).

15. The Annual Report along with Notice of AGM is being sent to the members, whose names appear in the Register of Members/depositories as at close of business hours on Friday, 23<sup>rd</sup> August, 2019.
16. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
17. Non-Resident Indian members are requested to inform AAL / respective DPs, immediately of Change in their residential status on return to India for permanent settlement.

Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

18. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

19. **Cut-off Date**

The Company has fixed Monday, September 23, 2019 as the Cutoff Date for remote e-voting. The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. Monday, September 23, 2019 only. A person who is not a Member as on the Cutoff Date should treat this Notice for information purposes only.

20. **Voting through electronic means**

- I In compliance with provisions of Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 56<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). The Facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.
- II Shareholders of the company holding shares either in physical form or dematerialized form, as on record date i.e. 23<sup>rd</sup> September, 2019 are eligible to cast their vote.

The instructions for e-voting are as under:

- (i) The Notice of 56<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and the manner of e- voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members, Login Id and initial password is mentioned in the attendance slip attached to the Notice of AGM as below:-

| EVEN (E Voting Event Number) | USER ID | PASSWORD |
|------------------------------|---------|----------|
|------------------------------|---------|----------|

- (ii) NSDL shall be sending the USER ID and Password, to those Members who shareholding is in dematerialized format and whose email address are registered with the Company/Depository Participant(s) for members who have not registered their email address can use the details as provided above.
- (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- (iv) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- (v) Enter the login credential i.e. User ID and password and a Verification Code as shown on the screen.
- (vi) Your User ID details are given below :



| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:  |
|--|---|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.  |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

(vii) Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

(viii) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- (ix) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- (x) Now, you will have to click on "Login" button.
- (xi) After you click on the "Login" button, Home page of e-Voting will open.
- (xii) After successful login Home page of e-voting opens. Click on e-voting to activate voting cycle.
- (xiii) Select "EVEN" of Hindustan Everest Tools Limited.
- (xiv) Now you are ready for e-voting as Cast Vote page opens.



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- (xv) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (xvi) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xvii) Once you have vote done the resolution, you will not be allowed to modify your vote.
- III. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [slathiacs71@yahoo.co.in](mailto:slathiacs71@yahoo.co.in) or [admin@everesttools.com](mailto:admin@everesttools.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- IV. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- V. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VII The e-voting period commences on **Friday, 27<sup>th</sup> September, 2019 (09:00 a.m.) and ends on Sunday, 29<sup>th</sup> September, 2019 (05:00 p.m.)**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VIII The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23<sup>rd</sup> September, 2019.
- IX A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- X Mr. Shiv Paul Singh, Practicing Company Secretary (M. No.: 5690 and CP No. 5553) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- XI The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website: [www.everesttools.com](http://www.everesttools.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
21. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays, upto and including the date of the Annual General Meeting of the Company.

**By Order of the Board of Directors  
For Hindustan Everest Tools Limited**

**Date: 12.08.2019  
Place: New Delhi**

**Sonam Gupta  
(Company Secretary)  
M. No. 51329**



## ANNEXURE TO THE NOTICE

### **EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following Explanatory Statement set out all material facts relating to the Special Business mentioned under item No. 3, 4, 5, 6 and 7 of the accompanying notice dated 12<sup>th</sup> August, 2019

#### **ITEM NO. 3**

As recommended by the Nomination and Remuneration Committee, and pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("The Act") and the Rules made thereunder and the Listing Regulations, the Board of Directors, at its meeting held on 29<sup>th</sup> September, 2018, appointed Mr. Amitav as an Additional and Independent Director of the Company for a term of five (5) consecutive years, with effect from 29<sup>th</sup> September, 2018, not liable to retire by rotation, subject to the approval of the Members at the 56<sup>th</sup> Annual General Meeting.

Mr. Amitav has given his consent for appointment as an Independent Director and has also confirmed that he does not suffer from any disqualification in terms of Section 164 of the Act.

The Company has received a declaration from Mr. Amitav confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, he fulfills the conditions specified in the said Act and is independent of the management. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature as Director in the capacity of an Independent Director of the Company.

Mr. Amitav is a forging Engineer from National Institute of Foundry and Forge Technology, Ranchi and MBA (Marketing). In academics, he has completed Bachelor of Science, Honors in Physics. He has also qualified UGC NET examination. Mr. Amitav has 26 years of rich experience in various fields which includes Operations, Planning, Administration, Marketing, QMS and R&D. He has also briefly worked as a Senior Lecturer in a Business School. During the span of his career, he has attended several seminars and executive training programs. He was associated with the Project of DRDO Hyderabad – 'Development of Non Sparking Low magnetic Copper Titanium Hand Tools.' He is an Ex-Member of the Governing Body of 'Central Institute of Hand Tools', Jalandhar and an Ex-Member of the Sectional Committee for 'Earth-working and Metalworking Tools' and 'Assembly Hand Tools' of Bureau of Indian Standards.

The requisite details of Mr. Amitav are provided in **Annexure A** to the Notice.

A copy of the draft letter of appointment of Mr. Amitav setting out the terms and conditions of appointment is available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 a.m. to 1:00 p.m. upto the date of AGM and will also be available for inspection at the venue of the AGM.

Mr. Amitav is not related to any other Director of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Amitav as an Independent Director. Accordingly, the Board recommends the passing of resolution set out in Item No. 3 as an Ordinary Resolution.

Except Mr. Amitav, none of the Directors and Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested, in the Ordinary Resolution as set out at Item No. 3 of the Notice.

#### **ITEM NO. 4**

As recommended by the Nomination and Remuneration Committee, and pursuant to the provisions of Sections 149 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("The Act") and the Rules made thereunder and the Listing Regulations, the Board of Directors, at its meeting held on 29<sup>th</sup> September, 2018, appointed Miss Shifa Nagar as an Additional and Non Independent Director of the Company with effect from 29<sup>th</sup> September, 2018.

The Board of Directors, at its meeting held on 16<sup>th</sup> May, 2019, appointed Miss Shifa Nagar as an Independent Director of the Company for a term of five (5) consecutive years, with effect from 16<sup>th</sup> May, 2019, not liable to retire by rotation, subject to the approval of the Members at the 56<sup>th</sup> Annual General Meeting.



## HINDUSTAN EVEREST TOOLS LTD.

Miss Shifa Nagar has given her consent for appointment as an Independent Director and has also confirmed that she does not suffer from any disqualification in terms of Section 164 of the Act.

The Company has received a declaration from Miss Shifa Nagar confirming that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, she fulfills the conditions specified in the said Act and is independent of the management. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature as Director in the capacity of an Independent Director of the Company.

Ms. Shifa Nagar has completed her graduation in English from Sri Venkateswara College, University of Delhi (2005-2008). She is also a Post Graduate, having done her Masters in International Relations from University of London, London, United Kingdom (2008-2009). Furthermore, she has an LL.B. Degree from Faculty of Law, University of Delhi (2010-2013). She enrolled in the Bar Council of Delhi in 2013 and since then she has been practicing as a lawyer in various High Courts in India and the Supreme Court.

The requisite details of Miss Shifa Nagar are provided in **Annexure A** to the Notice.

A copy of the draft letter of appointment of Miss Shifa Nagar setting out the terms and conditions of appointment is available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 a.m. to 1:00 p.m. upto the date of AGM and will also be available for inspection at the venue of the AGM.

Miss Shifa Nagar is not related to any other Director of the Company.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Miss Shifa Nagar as an Independent Director. Accordingly, the Board recommends the passing of resolution set out in Item No. 4 as an Ordinary Resolution.

Except Miss Shifa Nagar, none of the Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, in the Ordinary Resolution as set out at Item No. 4 of the Notice.

### **ITEM NO. 5**

Pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, Mr. Pradeep Jain was appointed as an Independent Director of the Company at the Annual General Meeting held on 30<sup>th</sup> September 2014, to hold office for a term of five consecutive years upto 29<sup>th</sup> September, 2019.

Based on the report of performance evaluation of Mr. Pradeep Jain and on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on August 12, 2019, has approved the re-appointment of Mr. Pradeep Jain as an Independent Director for a second term/period with effect from the conclusion of this Annual General meeting upto September 30, 2024, not being liable to retire by rotation, as provided in the Resolution.

Mr. Pradeep Jain has consented to his re-appointment and have confirmed that he do not suffer from any disqualifications which stand in the way of his re-appointment as the Independent Director.

The Company has also received declaration from Mr. Pradeep Jain confirming that he meet the criteria of independence as prescribed under Section 149 (6) of the Act and Regulation 16(1)(b) of the

Listing Regulations.

In the opinion of the Board, Mr. Pradeep Jain fulfil the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as Independent Director of the Company and that he is independent of the management of the company.

Mr. Pradeep Jain has completed his M.B.A. from Texas, USA after his M.S. (Post Graduation) in Economics also from Texas, USA. Prior to this he completed his B.A. in (Economic Honors) from Delhi University and M.A. in Economics from the Delhi School of Economics.

Mr. Pradeep Jain mission is to create lifestyle projects in the real estate, including golf related developments, at par with international standards and maximise shareholder and stakeholder values using fair means. He has more than 30 years





of experience in premium life style real estate development.

The requisite details of Mr. Pradeep Jain are provided in **Annexure A** to the Notice.

A copy of the draft letter of appointment of Mr. Pradeep Jain setting out the terms and conditions of appointment is available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 a.m. to 1:00 p.m. upto the date of AGM and will also be available for inspection at the venue of the AGM.

Mr. Pradeep Jain is not related to any other Director of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Pradeep Jain as an Independent Director. Accordingly, the Board recommends the passing of resolution set out in Item No. 5 as a Special Resolution.

Except Mr. Pradeep Jain, none of the Directors and Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested, in the Ordinary Resolution as set out at Item No. 5 of the Notice.

## ITEM NO. 6

Pursuant to the provisions of Sections 196 and 197 read with Schedule V of the Companies Act, 2013, Shri Shravan Kumar Mandelia was appointed as a Managing Director of the Company for a term of Five years i.e. upto 13<sup>th</sup> December, 2018.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on 14<sup>th</sup> November, 2018, has re-appointed Shri Shravan Kumar Mandelia subject to the approval of Members. The Board, thus, recommends the re-appointment of Shri Shravan Kumar Mandelia for a further term of upto Five years commencing from 14<sup>th</sup> December, 2018 to 13<sup>th</sup> December, 2023 on the remuneration and terms and conditions detailed hereunder:

1. **SALARY:** Rs. 42,000/- (Rupees Forty Two Thousand only) per month.
2. **COMMISSION:** One percent of the net profit of the Company for each financial year or part thereof computed in the manner laid down under section 198 of the Companies Act, 2013 and not to exceed overall ceiling on remuneration laid down in section 197 and Schedule V of the Companies Act, 2013.
3. **PERQUISITES:** In addition to the aforesaid salary and commission the following perquisites will be allowed which shall be restricted to an amount equal to the annual salary or Rs. 4,50,000/- per annum whichever is less.

## CATEGORY 'A'

### (i) Housing

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

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

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



- (v) **Personal Accident Insurance:** Premium not to exceed Rs. 4,000/- per annum.

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

## CATEGORY 'B'

- (i) Company's contribution to Provident Fund subject to ceiling of 12 % of the salary.

Company's contribution towards Super Annuation /Annuity fund, such contribution together with contribution to the Provident Fund shall not exceed 25 % of the salary.

Contribution to Provident Fund- super Annuation Fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity not exceeding half a month's salary for each completed year of service.

- (ii) Leave on full pay and allowances as per Rules of the Company but not exceeding one month's leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of perquisites.

## CATEGORY 'C'

Free use of Company's Car with Driver.

Free use of Telephone at his residence.

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

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

The Board recommends the passing of resolution set out in Item No. 6 as an Ordinary Resolution.

Except Shri Shraavan Kumar Mandelia and Shri Balgopal Mandelia, none of the Directors and Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested, in the Ordinary Resolution as set out at Item No. 6 of the Notice.

## ITEM NO. 7

Pursuant to the provisions of Sections 196 and 197 read with Schedule V of the Companies Act, 2013, Shri Balgopal Mandelia was appointed as a Managing Director of the Company for a term of Five years i.e. upto 31<sup>st</sup> December, 2018.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on 14<sup>th</sup> November, 2018, has re-appointed Shri Balgopal Mandelia subject to the approval of Members. The Board, thus, recommends the re-appointment of Shri Balgopal Mandelia for a further term of upto Five years commencing from 01<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2023 on the remuneration and terms and conditions detailed hereunder:

1. **SALARY:** Rs. 40,000/- (Rupees Forty Thousand only) per month.
2. **COMMISSION:** One percent of the net profit of the Company for each financial year or part thereof computed in the manner laid down under section 198 of the Companies Act, 2013 and not to exceed overall ceiling on remuneration laid down in section 197 and Schedule V of the Companies Act, 2013.
3. **PERQUISITES:** In addition to the aforesaid salary and commission the following perquisites will be allowed which shall be restricted to an amount equal to the annual salary or Rs. 4,50,000/- per annum whichever is less.

## CATEGORY 'A'

### (i) Housing

- (a) The expenditure incurred by the Company on hiring unfurnished accommodation for the Managing Director shall be subject to ceiling of 60% of the salary over and above 10% payable by the Managing Director.



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

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

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

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

## CATEGORY 'B'

- (i) Company's contribution to Provident Fund subject to ceiling of 12 % of the salary.

Company's contribution towards Super Annuation /Annuity fund, such contribution together with contribution to the Provident Fund shall not exceed 25 % of the salary.

Contribution to Provident Fund- super Annuation Fund will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

Gratuity not exceeding half a month's salary for each completed year of service.

- (ii) Leave on full pay and allowances as per Rules of the Company but not exceeding one month's leave for every 11 months of service. Encashment of leave at the end of the tenure will not be included in the computation of perquisites.

## CATEGORY 'C'

Free use of Company's Car with Driver.

Free use of Telephone at his residence.

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

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

The Board recommends the passing of resolution set out in Item No. 7 as an Ordinary Resolution.

Except Shri Shravan Kumar Mandelia and Shri Balgopal Mandelia, none of the Directors and Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested, in the Ordinary Resolution as set out at Item No. 7 of the Notice.

**By Order of the Board of Directors  
For Hindustan Everest Tools Limited**

**Date: 12.08.2019  
Place: New Delhi**

**Sonam Gupta  
(Company Secretary)  
M. No. 51329**



# HINDUSTAN EVEREST TOOLS LTD.

## BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT OR RE-APPOINTMENT AT FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India.)

| Particulars  |   |  |  |
|--|---|--|--|
| Name   | Mr. Amitav  | Miss Shifa Nagar   | Mr. Pradeep Jain   |
| Date of Birth and Age of Director  | 09/07/1966, 53 years  | 15/02/1987, 32 years   | 08/04/1953, 66 years   |
| Director Identification Number (DIN)   | 08240143  | 08240119   | 00108240   |
| Qualification  | As detailed in Explanatory Statement above for Item No. 3 of the Notice   | As detailed in Explanatory Statement above for Item No. 4 of the Notice  | As detailed in Explanatory Statement above for Item No. 5 of the Notice  |
| Expertise in specific functional areas   | As detailed in Explanatory Statement above for Item No. 3 of the Notice   | As detailed in Explanatory Statement above for Item No. 4 of the Notice  | As detailed in Explanatory Statement above for Item No. 5 of the Notice  |
| Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid | He is being appointed as an Independent director w.e.f. 29 <sup>th</sup> September, 2018 for a term of 5 years, not liable to retire by rotation and is eligible for sitting fees only. | She is being appointed as an Independent director w.e.f. 16 May, 2019 for a term of 5 years, not liable to retire by rotation and is eligible for sitting fees only. | He is being re-appointed as an Independent director with effect from the conclusion of 56 <sup>th</sup> AGM for a term of 5 years, not liable to retire by rotation and is eligible for sitting fees only.   |
| Last Drawn Remuneration  | NIL   | NIL  | NIL  |
| Date of first appointment on the Board   | 29/09/2018  | 29/09/2018   | 31/10/2001   |
| No. of Board Meetings attended during the year 2017-2018   | 2   | 2  | 4  |
| Membership/Chairmanship of the Committees across the Companies (as on 31.03.2019)*                         | Member – 1<br>Chairman - 0  | Member – 0<br>Chairman - 0   | Member – 2<br>Chairman - 1   |
| Directorship held in other Listed companies and Unlisted companies   | -<br>1. Lister Moessner India Private Limited   | -<br>-   | -<br>1. Bhagirathi Towers Private Limited<br>2. Rishi Raj Realtors Private Limited<br>3. Tanya Apartments Private Limited<br>4. Aman Resorts Pvt Ltd<br>5. Health Glades Hospitality Private Limited<br>6. Ratanagar Estate & Investment Private Limited<br>7. Bell Flower Estates Private Limited<br>8. Silverline Holdings Pvt Ltd<br>9. Silverglades Holdings Private Limited |
| No. of equity shares held  | Nil   | Nil  | Nil  |
| Relationship with other Directors  | He is not related /associated with any director of the Company  | She is not related /associated with any director of the Company  | He is not related /associated with any director of the Company   |
| Brief Resume   | As detailed in Explanatory Statement above for Item No. 3 of the Notice   | As detailed in Explanatory Statement above for Item No. 4 of the Notice  | As detailed in Explanatory Statement above for Item No. 5 of the Notice  |



| Name   | Shri Shravan Kumar Mandelia   | Shri Balgopal Mandelia   |
|--|---|--|
| Date of Birth and Age of Director  | 15/09/1958, 60 years  | 09/09/1960, 58 years   |
| Director Identification Number (DIN)   | 00040532  | 00040592   |
| Qualification  | B. Com.   | B. Com.  |
| Expertise in specific functional areas   | Business Management and Operations and Education  | Tools Industry and Hospital Management   |
| Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid | As detailed in Explanatory Statement above for Item No. 6 of the Notice   | As detailed in Explanatory Statement above for Item No. 7 of the Notice  |
| Last Drawn Remuneration  | Rs. 765244/-  | Rs. 841444/-   |
| Date of first appointment on the Board   | 14/12/1988  | 01/01/1994   |
| Directorship held in other Listed companies and Unlisted companies   | -<br>1.Mandelia Investments Private Limited   | -<br>1.Mandelia Investments Private Limited  |
| No. of Board Meetings attended during the year 2017-2018   | 5   | 5  |
| Membership/Chairmanship of the Committees across the Companies (as on 31.03.2019)*                         | Member – 0<br>Chairman - 0  | Member – 0<br>Chairman - 0   |
| No. of equity shares held  | 405 equity shares of Rs. 10/- each  | 406 equity shares of Rs. 10/- each   |
| Relationship with other Directors  | Except for Shri Balgopal Mandelia, he is not related /associated with any director of the Company   | Except for Shri Shravan Kumar Mandelia, he is not related /associated with any director of the Company                   |
| Brief Resume   | Shri Shravan Kumar Mandelia is a B.Com. Graduate and is in charge with the affairs of the company in the capacity of Chairman and Managing Director since 1988<br><br>He has an experience of 37 years in business management and operations of the company. He also has vast experience of 25 years in the field of education by running school and college. | Shri Balgopal Mandelia is a B.Com. Graduate and has an experience of 35 years in Tools Industry and Hospital Management. |

\*Committee position only of the Audit Committee and Stakeholder's Relationship Committee in Public Companies (whether listed or not) have been considered.





# HINDUSTAN EVEREST TOOLS LTD.

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 56th Annual Report together with Audited Financial Statements of the Company for the year ended 31st March, 2019.

### I. FINANCIAL PERFORMANCE

Amt in Rs.

| FINANCIAL RESULTS                                       | 2018-2019  | 2017-2018 |
|---|------------|-----------|
| Total Revenue from continuing operations                | 6198982    | -         |
| Total expenses from continuing operations               | 6256283    | -         |
| Profit/ (Loss) before tax from continuing operations    | (57301)    | -         |
| Provisions for Deferred Tax/tax expense                 | -          | -         |
| Profit/(Loss) for the year from continuing operations   | (57301)    | -         |
| Profit/(Loss) for the year from discontinued operations | (10256808) | 517689281 |
| Profit/(Loss) for the year                              | (10314109) | 517689281 |

### DIVIDEND

The Directors considered it prudent not to distribute dividend at this stage keeping in view the future plans of the company.

### AMOUNTS PROPOSED TO BE CARRIED TO RESERVES

The financial situation as enumerated above does not permit any transfer to General Reserves.

### MANAGEMENT DISCUSSION AND ANALYSIS/STATE OF AFFAIRS OF THE COMPANY

This covers all the matters on which discussion and analysis is required to be made in Annual Report under Regulation 34(3) of SEBI (LODR) Regulation 2015

Your directors are actively in the process of identifying alternate line of business, but due to the prevailing uncertain economic conditions it is considered prudent to be cautious in committing to any particular line of activity till the overall economic condition improves.

The board is thankful to the stakeholders for standing with it.

The Total no. of employees as on 31.03.2019 was 20.

Managements' Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming **Annexure "A"** to the Director's Report.

### DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of applicable provisions of the Act and the Articles of Association of the Company, Shri Shravan Kumar Mandelia, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered

himself for re-appointment.

Further, as recommended by Nomination and Remuneration Committee and subject to the approval of the members of the Company, the Board of Directors of the Company re-appointed Shri Shravan Kumar Mandelia as Managing Director of the company for a period of 5 years with effect from 14th December, 2018 and Shri Balgopal Mandelia as Managing Director of the company for a period of 5 years with effect from 01st January, 2019.

During the financial year under review, your Company has appointed Shri Amitav as an Additional Director of the Company in the category of Non-Executive and Independent Director with effect from 29th September, 2018 and Ms. Shifa Nagar as an Additional Director of the Company in the category of Non-Executive and Non Independent Woman Director with effect from 29th September, 2018. Subsequently, Ms. Shifa Nagar was appointed as Independent Director with effect from 16th May, 2019. The Board recommends their appointment as Independent Directors of the Company for a term of 5 years.

During the year, Mr. Ambarish Raj and Mr. Lokesh Sood ceased to be the Directors of the Company with effect from 13th March, 2019. The Board placed on record its appreciation for the guidance and support provided by Mr. Ambarish Raj and Mr. Lokesh Sood during their tenure with the Company.

Further, Ms. Sonam Gupta had been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 01st June, 2018 and Mr. Deepak Gupta has been appointed as Chief Financial Officer of the Company w.e.f. 29th September, 2018.

There is no other change in the composition of the Board of Directors of the Company and no directors and Key Managerial Personnel have been appointed/re-appointed or resigned from the company during the year under review i.e. 2018 - 2019, except as specified above.

### DIRECTORS' RESPONSIBILITY STATEMENTS

In compliance to the Provisions of Section 134(5) of the Companies Act, 2013, with respect to Directors' responsibility statement, it is hereby confirmed :-

- That in the preparation of the annual accounts for the financial year ended 31st March, 2019, applicable Indian Accounting Standards (Ind-AS) 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Directors have prepared the financial statements for the financial year ended 31st March, 2019 on a "going concern" basis.



- v. That the Directors had laid down proper internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable Financial and Operational information, complying with applicable statutes, safeguarding assets from authorized use or losses, executing transactions with proper authorization and ensuring compliance of internal policies.

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## RISK MANAGEMENT POLICY

A risk management policy duly approved by the Board is in place as required under section 134(3)(n) of the Companies Act 2013 which defines the risk assessment and minimization procedures. As per view of board, there is no risk in operation of company, which may impact the existence of company.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is available on company's website <http://www.everesttools.com/investors.html>.

## NUMBER OF MEETING OF THE BOARD AND COMMITTEE

During the financial year 2018-19, the board met 5 (Five) times. Meetings of Board of directors were convened and held on 17/05/2018, 10/08/2018, 29/09/2018, 14/11/2018 and 14/02/2019. The meetings of Audit Committee were convened and held 5 (Five) times during the year. The meeting of Nomination and Remuneration Committee was convened and held 2 (Two) times during the year. The meeting of Stakeholders Relationship Committee was convened and held 2 (Two) times during the year. Requisite quorum was present in all the meetings of the Board and Committees.

## NUMBER OF MEETING OF BOARD OF DIRECTORS

### NUMBER OF MEETING OF THE BOARD

| Name of the Director          | Number of Board meetings attended during the financial year 2018-19 |
|-------------------------------|---|
| Shri Shravan Kumar Mandelia   | 05  |
| Shri Balgopal Mandelia        | 05  |
| Shri Pradeep Jain             | 04  |
| Shri Ambarish Raj#            | 05  |
| Shri Lokesh Sood#             | 03  |
| Shri Saurabh Kumar Parasramka | 05  |

|                   |    |
|-------------------|----|
| Shri Amitav*      | 02 |
| Miss Shifa Nagar* | 02 |

# Ceased to be the Directors of the company w.e.f 13.03.2019.

\*Appointed as Director w.e.f. 29th September, 2018

## NUMBER OF MEETING OF AUDIT COMMITTEE

| Name of the Member      | Number of meetings attended during the financial year 2018-19 |
|-------------------------|---|
| Shri Pradeep Jain       | 04  |
| Shri Ambarish Raj       | 05  |
| Shri Lokesh Sood        | 03  |
| Shri Saurabh Parasramka | 05  |

## NUMBER OF MEETING OF NOMINATION & REMUNERATION COMMITTEE

| Name of the Member | Number of meetings attended during the financial year 2018-19 |
|--------------------|---|
| Shri Pradeep Jain  | 02  |
| Shri Ambarish Raj  | 02  |
| Shri Lokesh Sood   | 01  |

## NUMBER OF MEETING OF STAKEHOLDERS RELATIONSHIP COMMITTEE

| Name of the Member | Number of meetings attended during the financial year 2018-19 |
|--------------------|---|
| Shri Pradeep Jain  | 02  |
| Shri Ambarish Raj  | 02  |
| Shri Lokesh Sood   | 01  |

## COMPOSITION OF AUDIT COMMITTEE

The composition of the Audit Committee is mentioned as under:-

|                         |  |
|-------------------------|--|
| Shri Amitav             | Independent Director                   |
| Shri Saurabh Parasramka | Non-Executive Non Independent Director |
| Miss Shifa Nagar        | Independent Director                   |
| Shri Pradeep Jain       | Independent Director                   |
| Shri Ambarish Raj       | Independent Director                   |
| Shri Lokesh Sood        | Independent Director                   |

Shri Ambarish Raj and Shri Lokesh Sood ceased to be the members of the committee with effect from 13th March, 2019.

The composition, role, functions and powers of the Audit Committee are in accordance with the Provisions of the Companies Act 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.



## STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Independent Directors fulfill the conditions specified in the Act, Rules made thereunder and Listing Regulations and are independent of the management.

## NOMINATION AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, KMPs and Senior Management Personnel and their remuneration. The Remuneration Policy of your Company can be viewed at the following link: <http://www.everesttools.com/pdfs/Nomination%20&%20Remuneration%20Policy.pdf>. There has been no material change in the Remuneration Policy of the Company.

The composition, role, functions and powers of the Nomination and Remuneration Committee are in accordance with the Provisions of the Companies Act 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance as a whole, its Committees and individually for Chairman & Managing Directors, Managing Director, Executive Director and Independent Directors.

The performance was being evaluated on the basis of their attendance in the meetings, compliance of Code of conduct of the Company and applicable provisions of the companies Act, their participation level in the meetings etc.

The performance was evaluated by each director for themselves and for conduct and performance of Board from their point of view. Independent Directors evaluated the performance of Chairman and other non-independent directors and Board as a whole in their separate meeting. The performance of Independent Director was evaluated by the Board.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any loan, guarantees or made any investments during the year, which would be covered by Section 186 of the Companies Act, 2013.

## RELATED PARTY TRANSACTIONS

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related parties have been done at arm's length and are in the ordinary course of business are not material in nature. During FY 2018-19, your Company has not entered into any contract/arrangement/transaction with related parties which could be considered 'material' in accordance with its Policy on

Materiality of Related Party Transactions. Therefore it's not required to be reported in Form AOC-2.

Further, during FY 2018-19, there were no materially significant related party transactions entered into by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY

There is no material changes and commitment which affects the financial position of company after the close of financial year 2018-19 till the date of report.

## CHANGE IN THE NATURE OF BUSINESS

Except as mentioned above, during the year under review, there has been no change in the nature of business of the Company.

## SHARE CAPITAL

There was no change in the Company's Share Capital during the year under review.

## AUDITORS AND AUDITOR'S REPORT

M/s. SSRA & Co., Chartered Accountants (Firm Registration No. 014266N) were appointed in 2017 as Statutory Auditors of the Company, for a period of five (5) years from the conclusion of 54th AGM till the conclusion of the 59th AGM to be held in the calendar year 2022. They have audited the financial statements of the Company for the FY under review. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The observations of Statutory Auditors in their Report read with relevant Notes to Accounts are self-explanatory and therefore, do not require further explanation. Further the Auditors' Report does not contain any qualification, reservation or adverse remark.

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to your Company.

## SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Act the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Directors has appointed Mr. Pradip Kumar Muduli, practicing Company Secretary for conducting secretarial audit of the company for the financial year 2018-19.

The Secretarial Audit Report is annexed herewith as **Annexure "B"**. The Secretarial Audit Report contained few qualifications which have been duly explained.

## COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the company complied with all the applicable secretarial standards.

## PUBLIC DEPOSITS

During the financial year under review, the Company has not



accepted any deposits from the public under Section 73 and 74 of the Companies Act, 2013 along with the rules made thereunder.

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

Particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is given hereunder:

### **Conservation of Energy-**

- i) Steps taken or impact on conservation of energy: Energy conservation efforts are ongoing activities. During the year under review further efforts were made to ensure optimum utilization of electricity.
- ii) Steps taken by the company for utilizing alternate sources of energy: Nil, as your company does not carry any manufacturing activities
- iii) The Capital investment on energy conservation equipments: Nil

### **Technology Absorption, Adaption & Innovation and Research & Development**

- i) Efforts made towards technology absorption: - Nil
- ii) Benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year - Nil
- iv) Expenditure incurred on Research and Development: Nil

### **Foreign Exchange Earnings and Outgo**

Foreign Exchange Earnings: Nil

Foreign Exchange Outgo: Nil

### **NAME OF THE COMPANIES WHICH HAVE BECOME/CEASED TO SUBSIDIARIES, JOINTVENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

The Company did not have any subsidiaries, associates or Joint ventures during the year.

### **SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANYS OPERATIONS**

To the best of our knowledge, the Company has not received any such orders from Regulators, Court or Tribunals during the year, which may impact the going concern status or the Company's operations in future.

### **INSIDER TRADING CODE**

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the PIT Regulations') on prevention of insider trading, your Company has

revised its Code of Conduct for regulating, monitoring and reporting of trading by Designated Persons in line with the recent amendments brought by SEBI in the PIT Regulations. The said Code lays down guidelines, which advise Designated Persons on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances.

Your Company has also updated its Code of practices and procedures of fair disclosures of unpublished price sensitive information by including a policy for determination of legitimate purposes. Further, your Company has put in place adequate & effective system of internal controls and standard processes have been set to ensure compliance with the requirements given in these regulations to prevent insider trading.

### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has formulated a policy on Prevention of Sexual Harassment approved by the Board. The policy may be accessed on the Company's website. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013. The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **WHISTLE BLOWER POLICY**

The Board of Directors has adopted the Whistle Blower Policy. The Policy has provided a mechanism for Directors, Employees and other persons dealing with the Company to report to the Chairman of the Audit Committee, any instance of unethical behavior, actual or suspected fraud or violation of the Code of Conduct of the Company.

The details of the policy have been uploaded at the website of the Company.

### **FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

There were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act, which are committed against the company by officers or employees of the company.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, The list of top 10 employees is attached as Annexure "C" and there is no employees who draw remuneration in excess of the limits set out in the said rules.



# HINDUSTAN EVEREST TOOLS LTD.

## **CORPORATE GOVERNANCE**

SEBI has exempted listed companies with equity share capital of up to Rs 10 crore and net worth not exceeding of Rs 25 crores from the mandatory compliance of corporate governance code. However, as the net worth of the company as per the latest audited balance sheet of 31.03.2019 is Rs. 31.01 Crores. Therefore, the provisions of the regulations of Corporate Governance become applicable to the Company w.e.f. 01/04/2018 and the Company was required to comply with the requirements those regulations within six months from the said date.

As a listed company, necessary measures are taken to comply with the listing agreements of the Stock exchanges. A report on Corporate Governance, along with a certificate of compliance from the Practicing Company Secretary, forms part of this report.

## **ACKNOWLEDGEMENT**

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. The Directors also sincerely thank the bankers, auditors, vendors, customers and the shareholders of the Company for their continued support.

**FOR & ON BEHALF OF THE BOARD OF DIRECTORS**  
**HINDUSTAN EVEREST TOOLS LIMITED**

**Balgopal Mandelia**  
**Managing Director**  
**DIN: 00040592**

Add: B-92, Greater Kailash-I  
New Delhi-110048

**Shravan Kumar Mandelia**  
**Managing Director**  
**DIN: 00040532**

Add: Swasti, B-92, Greater Kailash-I  
New Delhi-110048

Dated: August 12, 2019  
Place: New Delhi





## Annexure A to the Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS

#### **OVERVIEW**

The financial statements are prepared in compliance with the requirements of the Companies Act, 2013. There are no material departures from the prescribed accounting standards in the adoption of the accounting standards. The management of **Hindustan Everest Tools Limited** accepts responsibility for the integrity and objectivity of these financial statements.

#### **Industrial Structure & Developments**

Currently, the company has no business therefore, there are no industrial risks.

#### **Opportunities and threat, Outlook & Area of Concern**

Due to overall slow-down and uncertainties prevailing in the economic situation, the directors of the Company thought it prudent not to invest in any activities until the economic situation stabilizes.

#### **Segment-wise or product-wise performance**

Not Applicable

#### **Risk Management & Concerns**

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures.

Further, the Company has limited risks as investments are majority in debt funds and as of now, the Company does not have any active business.

#### **HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS**

The Company believes that the employees are the backbone of the Company. Congenial and safe work atmosphere, appropriate recognition and rewards, constant communication, focus on meeting customer needs and change management through training are the hallmarks for development of human resources of the company. There are 20 employees in the Company as on 31<sup>st</sup> March, 2019 and every employee is aware of the challenges posed by the current economic environment. Employee morale has remained high even during difficult times. The employees have co-opted fully with the management in implementing changes as required by the market. And it is providing an opportunity to all the employees to utilize their full potential and grow in the Organization. There was no strike or labour unrest during the last financial year.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business. These systems are designed to ensure that all the assets of the company are safeguarded and protected against any loss and that all the transactions are properly authorized recorded and reported.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements to strengthen the same. The Board of Directors has framed a policy which ensures the orderly and efficient conduct of its business, safeguarding of its assets, to provide greater assurance regarding prevention and detection of frauds and accuracy and completeness of the accounting records of the company.

Further your company has adequate internal financial control with reference to its financial statements

#### **FINANCIAL REVIEW AND ANALYSIS**

The financial performance of the Company for the financial year ended March 31, 2019 is given as under:-

| <b>PERFORMANCE</b>                                      | <b>Year ended 31-03-2019</b><br>(Amt in Rs.) |
|---|--|
| Revenue from continuing operations                      | 61,98,982                                    |
| Expenditure from continuing operations                  | 62,56,283                                    |
| Profit/ (Loss) before tax from continuing operations    | (57,301)                                     |
| Prior Period Adjustment of tax                          | -  |
| Profit/(Loss) for the year from continuing operations   | (57,301)                                     |
| Profit/(Loss) for the year from discontinued operations | (1,02,56,808)                                |
| Profit/(Loss) for the year                              | (1,03,14,109)                                |



# HINDUSTAN EVEREST TOOLS LTD.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year in key financial ratios)

| S. No. | Particulars             | FY 2018-19 | FY 2017-18 | Detailed explanation for changes thereof   |
|--------|-------------------------|------------|------------|--|
| (i)    | Interest Coverage Ratio | (1.59)     | 57.85      | This ratio has changed significantly due to the following reasons:<br>1. In FY 2018, there was a Gain on sale of property, plant and equipment and intangible assets of Rs. 58,10,67,555 but in current FY i.e. 2019, it is Rs. 5,000.<br>2. In FY 2019, Interest expense is Rs. 64,72,881 which basically includes interest payment to GAIL and payment of income tax. However, in FY 2018, Interest expense was Rs. 89,48,855 which basically includes payment to Bank of Rs. 39,15,956 and interest on delayed payment of tax 41,50,000. Thus, there is reduction in interest burden due to settlement of all borrowings. It was partially offset due to payment to Gail. |
| (ii)   | Current Ratio           | 14.95      | 2.95       | This ratio has changed significantly as the Company has repaid all the current liabilities.  |
| (iii)  | Net Profit Margin (%)*  | (0.04)     | -          | In previous year 2017-18, there were no continuing operations in the company.  |

\* Considered only for continuing operations

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

The Return on Net Worth for the financial year 2018-19 is (0.03)% compared to previous financial year 2017-18 which was 1.62%. This change in return on net worth is due to exceptional items in the previous financial year 2017-18.

## CAUTIONARY STATEMENT:

Certain Statements in the "Management Discussion and Analysis" describing the Company's objectives, expectations or predictions may be "forward looking statements" within the meaning of applicable laws or regulations. These Statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied due to various risk & uncertainties. Important factors that could make a difference to the Company's operations include changes in Govt. regulations, tax regimes, economic developments and other factors such as litigation. The company does not undertake to update these statements.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
HINDUSTAN EVEREST TOOLS LIMITED

Place: New Delhi  
Dated: August 12, 2019

Balgopal Mandelia      Shravan Kumar Mandelia  
Managing Director      Managing Director  
DIN: 00040592      DIN: 00040532  
ADD: B-92,      ADD: Swasti, B-92,  
Greater Kailash-I      Greater Kailash-I  
New Delhi 110048      New Delhi 110048



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019  
[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Hindustan Everest Tools Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindustan Everest Tools Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Hindustan Everest Tools Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Hindustan Everest Tools Limited ("the Company") for the financial year ended on 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under and the applicable provisions of the Companies Act, 1956;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (There is no Foreign Direct Investment, Overseas Direct Investment or External Commercial Borrowings during the audit period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company as it's not registered as Registrar to Issue and Share Transfer Agents during the audit period);
- (vi) Other laws applicable specifically to the company as per the representation made by the Management.

I have also examined compliance with the applicable clauses of the following:

- (i) The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- (ii) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

I further report that , there were no actions/event in pursuance of:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



## HINDUSTAN EVEREST TOOLS LTD.

During the period under review and as per the explanations and clarifications given to me and the representation made by the Management, the Company has complied with the provisions of the applicable laws, rules, regulations and guidelines, etc as mentioned above except in the following instances as detailed below:

- a) The Company has not published notice convening Board Meetings held in May 2018 and August 2018 as required under Regulation 47 of listing agreement/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- b) The Company have not appointed internal auditor as required U/s.138 of the Companies Act 2013.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except notes on items of business which are in the nature of Unpublished Price Sensitive Information have been given at a shorter period of time than stated above, with the consent of a majority of the Directors, which includes one Independent Director and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting with following observations:

- a) The Board meetings have been Chaired by two Managing Directors.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that as per the explanations given to me and the representation made by the Management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:-

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

Sd/-

Pradip Kumar Muduli  
(Practising Company Secretary)

FCS No.6170  
C P No.:5730

Place : New Delhi  
Date : 27/05/2019

Note : This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.



To The Members  
Hindustan Everest Tools Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including compliance of applicable Direct and Indirect tax laws since the same have been subject to review by Statutory Auditor and other designated professionals.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Pradip Kumar Muduli  
(Practising Company Secretary)

FCS No.6170  
C P No.:5730

Place : New Delhi  
Date : 27/05/2019





# HINDUSTAN EVEREST TOOLS LTD.

Annexure "C"

Particulars of Employees as on 31.03.2019

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

| S.No. | Requirements of Rule 5(1)  | Details  |                      |                     |
|-------|--|--|----------------------|---------------------|
| (i)   | The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year   | Mr. S.K Mandelia<br>Mr. B.G. Mandeia   | 3.24 : 1<br>3.51: 1  |                     |
| (ii)  | The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive or Manager, if any, in the Financial year;   | Mr S.K. Mandelia.<br>Mr B.G. Mandelia  | As per Payout<br>NIL | As per terms<br>NIL |
|       |  | Difference in remuneration as compared to last year is due variation in amount of perquisites.   |                      |                     |
| (iii) | The percentage increase in the median remuneration; of employees in the financial year   | Increments were very few and were done on selected basis.  |                      |                     |
| (iv)  | The number of permanent employees on the rolls of company;   | 20 employees as on 31.03.2019  |                      |                     |
| (v)   | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | Average Salary increase of non-managerial employees were negligible<br>Average salary increase of managerial employees is NIL<br><br>There are no exceptional circumstances in increase in managerial remuneration |                      |                     |
| (vi)  | Affirmation that the remuneration is as per the Remuneration Policy of the Company.  | Remuneration paid during the year is as per the remuneration policy of the company.  |                      |                     |



**Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AS ON 31.03.2019:**

| S. No | Name                | Age | Designation of Employee   | Nature of Employment (Whether Contractual or otherwise) | % of Equity Share held by employee | Remuneration (Rs) | Other Terms and conditions | Qualifications   | Experience (in yrs) | Date of Commencement of employment | Particular of the last employment held by such employee before joining the company | Whether such employee is a relative of any director or manager of the company |
|-------|---------------------|-----|---------------------------|---|------------------------------------|-------------------|----------------------------|------------------|---------------------|------------------------------------|--|---|
| 1.    | Shri. B.G. Mandelia | 58  | Managing Director         | Regular   | 0.025                              | 841444            | -                          | B.Com            | 36                  | 01.04.1982                         | None   | Yes   |
| 2     | Shri S.K. Mandelia  | 60  | Managing Director         | Regular   | 0.025                              | 765244            | -                          | B.Com            | 36                  | 01.04.1982                         | None   | Yes   |
| 3.    | Shri Deepak Gupta   | 59  | Dy. Manager (Accounts)    | Regular   | 0.012                              | 711920            | -                          | B.Com.           | 19                  | 07.07.2000                         | None   | No  |
| 4.    | Shri Mukesh Agarwal | 51  | Manager (Estate)          | Regular   | 0.000                              | 668240            | -                          | B.Com            | 9                   | 23.06.2008                         | None   | No  |
| 5.    | Shri Bablu Tomar    | 41  | Asst. Manager (Accounts)  | Regular   | 0.000                              | 548520            | -                          | B.Com            | 7                   | 01.05.2010                         | None   | No  |
| 6.    | Shri Mahesh Chandra | 55  | Asst. Manager (Personnel) | Regular   | 0.000                              | 487932            | -                          | B.A.             | 13                  | 08.04.2005                         | None   | No  |
| 7.    | Shri S.S. Rauthan   | 65  | Asst. Manager (Personnel) | Regular   | 0.000                              | 474000            | -                          | B.A.             | 64                  | 22.06.1984                         | None   | No  |
| 8.    | Smt. Usha Sajwan    | 46  | Sr. Officer (Personnel)   | Regular   | 0.000                              | 444000            | -                          | B.Sc.            | 9                   | 01.08.2008                         | None   | No  |
| 9.    | Ms. Sonam Gupta     | 26  | Company Secretary         | Regular   | 0.000                              | 351000            | -                          | B.Com (Hons), CS | 2                   | 01.06.2018                         | None   | No  |
| 10.   | Shri Umesh Tiwari   | 50  | Officer                   | Regular   | 0.000                              | 315620            | -                          | 10th Pass        | 20                  | 16.05.2000                         | None   | No  |

**NAME OF EMPLOYEES IN TERMS OF REMUNERATION DRAWN IN EXCESS OF LIMITS AS PRESCRIBED:**

| S. No | Name | Age | Designation of Employee | Nature of Employment (Whether Contractual or otherwise) | % of Equity Share held by employee | Remuneration (Rs) | Other Terms and conditions | Qualifications | Experience (in yrs) | Date of Commencement of employment | Particular of the last employment held by such employee before joining the company | Whether such employee is a relative of any director or manager of the company |
|-------|------|-----|-------------------------|---|------------------------------------|-------------------|----------------------------|----------------|---------------------|------------------------------------|--|---|
| N.A   |      |     |                         |   |                                    |                   |                            |                |                     |                                    |  |   |



# HINDUSTAN EVEREST TOOLS LTD.

## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2019. In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR)). SEBI has exempted listed companies with equity share capital of up to Rs 10 crore and net worth not exceeding of Rs 25 crores from the mandatory compliance of corporate governance code. However, as the net worth of our company as per the latest audited balance sheet of 31.03.2019 is Rs. 31.01 Crores. Therefore, the provisions of the regulations of Corporate Governance become applicable first time to the Company w.e.f. 01/04/2018 and the Company was required to comply with the requirements those regulations within six months from the said date. The Company has adopted best practices mandated in SEBI (LODR). This chapter reports the Company's compliance with SEBI (LODR).

### 1) **COMPANY'S PHILOSOPHY**

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The basis of Corporate Governance envisages optimal utilization of resources for enhancing the values of the enterprise by effectively monitoring executive performance and supporting the entrepreneurship spirit and to ensure ethical behavior of the enterprise in honoring and protecting the rights of all stakeholders, including discharge of social responsibility, through highest level of transparency and accountability in all facets of its operations. The core values of the Company are:

- Caring for people.
- Integrity including intellectual honesty, openness, fairness & trust.
- Commitment to excellence and customer satisfaction.

The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment in interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. The Company strives to set and achieve high standards of Corporate Governance. The very essential characteristics of the Company are transparent functioning, social responsiveness and accountability towards shareholders.

### **GOVERNANCE STRUCTURE**

The Corporate Governance structure of the Company are as follows:

- a) **Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. The Board is at the core of our Corporate Governance Practice. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

As trustees, the Board has a fiduciary responsibility towards all the shareholders and ensures that the Company has clear goals aligned to shareholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils all stakeholders' aspirations and societal expectations.

- b) **Committees of the Board:** The Board has constituted the following Committees i.e. Audit Committee, Nomination & Remuneration Committee and Stakeholder's Relationship Committee. Each of the Committee has been mandated to operate within a given framework.

This year's annual report has made required disclosures on the Board of Directors, financial performance, which are as follows:

### 2) **BOARD OF DIRECTORS:**

#### **Size & Composition of the Board**

The composition of Board is an appropriate combination of Executive and Non-Executive Directors with right element



of independence. As on 31<sup>st</sup> March, 2019, the Board of the Company consists of 6 directors out of which 2 are Non-Executive Independent Directors, 2 are Executive Director and 2 are Non-Executive Non-Independent Director, including one woman director and the Chairman of the Board is Executive Director.

The details of appointment/ re-appointment of Directors are provided in the “Details of Appointment and Resignation of Directors and Key Managerial Personnel” section of Director’s Report.

The details of each member of the Board along with the number of Directorship/Chairmanship/Committee Membership as on 31<sup>st</sup> March, 2019, are as follows:

| Name                         | Category                                | Designation       | No. of Board Meetings Held during the year 2018 – 2019 | No. of Board Meetings Attended during the year 2018 - 2019 | Number of Directorship in other Companies including this Listed Entity | Attendance of each Director At last AGM | No. of other Board Committee(s) of which he is a member (% , @) | No. of other Board Committee(s) of which he is a Chairman (% , @) | Directorship in other listed entity (Category of Directorship) | Share holding (No. of Share) |
|------------------------------|---|-------------------|--|--|--|---|---|---|--|------------------------------|
| Mr. Shравan Kumar Mandelia   | Promoter/ Executive Director            | Managing Director | 5  | 5  | 2  | Yes                                     | -   | -   | -  | 405                          |
| Mr. Balgopal Mandelia        | Promoter/ Executive Director            | Managing Director | 5  | 5  | 2  | Yes                                     | -   | -   | -  | 406                          |
| Mr. Pradeep Jain             | Independent/ Non-Executive Director     | Director          | 5  | 4  | 12   | No                                      | -   | -   | -  | -                            |
| Mr. Saurabh Kumar Parasramka | Non Independent/ Non-Executive Director | Director          | 5  | 5  | 3  | Yes                                     | -   | -   | -  | -                            |
| Mr. Amitav*                  | Independent/ Non-Executive Director     | Director          | 5  | 2  | 2  | NA                                      | -   | -   | -  | -                            |
| Miss Shifa Nagar*            | Non Independent/ Non-Executive Director | Director          | 5  | 2  | 1  | NA                                      | -   | -   | -  | -                            |

\*Appointed as Director w.e.f. 29<sup>th</sup> September, 2018

% Excluding membership and chairmanship of committees of all private limited companies, foreign Companies and Companies under section 8 of the Companies Act, 2013.

@ Committee position only of the Audit Committee and Stakeholder’s Relationship Committee in Public Companies (whether listed or not) have been considered. **This does not include Membership/ Chairmanship in Committee of Directors of Hindustan Everest Tools Limited.**

As mandated by the SEBI (LODR), none of the Directors are members of more than ten board-level committees nor are they chairman of more than five committees in which they are members. Further, all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, then they do not serve as independent director in more than three listed companies.

Except for Shri Shравan Kumar Mandelia and Shri Balgopal Mandelia, there is no relationship between directors of the company. Shri Shравan Kumar Mandelia and Shri Balgopal Mandelia are brothers.

Further, non - executive directors does not have any shareholding in the company.



## **Key Board Qualifications, expertise and attributes**

Our Company recognizes and embraces the importance of diverse, well informed Board to ensure high standards of Corporate Governance. The Board is at the core of our Corporate Governance practice. The Board of Directors, along with its Committees, plays a fundamental role in upholding and nurturing the principles of good governance in the Company. In addition to the requisite specific professional expertise, management and leadership experience for the given task, members of the Board cover the broadest possible spectrum of knowledge, experience, educational and professional backgrounds. The Board sets the overall corporate objectives and provides necessary guidance and independence to the Management. The Board operates within a well-defined framework, which enables it to discharge its responsibilities and duties of safeguarding the interests of the Company thereby enhancing stakeholder value. The Board has identified certain core skills and competencies which are required in the context of the business viz. Management and Strategy, Business Leadership, Human Resources and Industrial Relations, Purchase and Supply Chain, Research and Development, Finance and Taxation, CSR, Sustainability matters, Audit and Risk Management, understanding of corporate governance, regulatory, fiduciary and ethical requirements, integrity, credibility, trustworthiness, strong interpersonal skills and willingness to address issues proactively. The Board of Directors have demonstrated all the required core skills as well as competencies.

## **Independent Directors**

All the Non-Executive Independent Directors of our Company fulfill the conditions of Independence as specified in Section 149(6) of Companies Act, 2013 and rules made there under and meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the disclosure received from the independent directors and also in the opinion of the board, the independent directors fulfil the conditions as specified in Companies act 2013, the Listing regulations and are independent of the management.

Formal letters of appointment were issued to all the Independent Directors of the Company in the manner as provided under Companies Act, 2013 and disclosed on the website of the Company <http://www.everesttools.com/investors.html>.

Further, the details regarding programmes for familiarization of Independent Directors with the company, their roles and responsibilities in the company, business model of the company and other related matters are put on the website of the Company at the link i.e. <http://www.everesttools.com/investors.html>.

Further, during the year under review Mr. Ambarish Raj and Mr. Lokesh havetendered their resignation from the position of Independent Director on the Board of Directors of the Company w.e.f. 13<sup>th</sup> March, 2019 due to some personal reasons.

## **Details of Board Meetings**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company.

The notice of each Board Meeting is given in writing to each Director. The Agenda along with the relevant explanatory notes and other material information are sent timely to all directors.

The Board has complete access to all information of the Company and has been regularly provided advanced detailed information as a part of the agenda papers or is tabled therein.

During the **Financial Year 2018-2019** (5) Five Board Meetings were held i.e. 17/05/2018, 10/08/2018, 29/09/2018, 14/11/2018 and 14/02/2019. The intervening period between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015.

## **COMMITTEES OF THE BOARD**

The Board of Directors has constituted the board Committees to deal with specific areas and activities which concern the Company and need a closer view. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and



composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

The Board has currently the following Committees:

### 3) **AUDIT COMMITTEE**

The Board of Directors at its meeting held on 16/05/2019 has reconstituted the Audit Committee of the Board as Mr. Ambarish Raj and Lokesh Sood resigned from the Board who were also the members of the Audit Committee.

At present, Audit Committee comprises of Four members out of which three are Non-executive Independent Directors and one is Non-executive/Non- Independent Director, namely Mr. Amitav, Non-Executive/Independent Director is the Chairman of the committee. The other members of Audit Committee include Mr. Pradeep Jain and Miss Shifa Nagar, Non-Executive/Independent Director and Mr. Saurabh Kumar Parasramka, Non-executive/Non- Independent Director. All the members of the committee are well versed in finance matters, accounts and general business practice.

The composition, quorum, powers, role and scope are in accordance with Section 177 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Meetings:**

During the **Financial Year 2018- 2019**, the Audit Committee met 5 times during the year on 17/05/2018, 10/08/2018, 29/09/2018, 14/11/2018 and 14/02/2019. The attendance of Members at the Meetings was as follows:

| <b>S. No.</b> | <b>Name of Member</b>        | <b>Status</b> | <b>No. of meetings during the year</b> | <b>No. of Meetings Attended</b> |
|---------------|------------------------------|---------------|--|---------------------------------|
| a             | Mr. Pradeep Jain             | Member        | 5                                      | 4                               |
| b             | Mr. Saurabh Kumar Parasramka | Member        | 5                                      | 5                               |
| c             | Mr. Ambarish Raj#            | Member        | 5                                      | 5                               |
| d             | Mr. Lokesh Sood#             | Member        | 5                                      | 3                               |
| e             | Mr. Amitav*                  | Chairman      | NA                                     | NA                              |
| f             | Miss Shifa Nagar\$           | Member        | NA                                     | NA                              |

# Ceased to be the member of the committee w.e.f 13.03.2019.

\*Appointed as member of the committee w.e.f. 28.03.2019.

\$ Appointed as member of the committee w.e.f. 16.05. 2019.

#### **Terms of Reference:**

##### **POWER OF AUDIT COMMITTEE**

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

##### **ROLE OF AUDIT COMMITTEE**

The role of Audit Committee includes the review of the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that





- the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
  3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    - (b) Changes, if any, in accounting policies and practices and reasons for the same.
    - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
    - (d) Significant adjustments made in the financial statements arising out of audit findings.
    - (e) Compliance with listing and other legal requirements relating to financial statements.
    - (f) Disclosure of any related party transactions.
    - (g) Qualifications in the draft audit report.
  5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee



## **RELATED PARTY TRANSACTION**

There is no transaction of materially significant nature with related party that may have potential conflict with the interest of the Company at large. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company <http://www.everesttools.com/investors.html>.

## **4) NOMINATION & REMUNERATION COMMITTEE**

The Board of Directors at its meeting held on 16/05/2019 has reconstituted the Nomination & Remuneration Committee of the Board as Mr. Ambarish Raj and Lokesh Sood resigned from the Board who were also the members of the Nomination & Remuneration Committee.

At present, Nomination & Remuneration Committee comprises of Four members out of which three are Non-executive Independent Directors and one is Non-executive/Non- Independent Director, namely Mr. Amitav, Non-Executive/Independent Director is the Chairman of the committee. The other members of Nomination & Remuneration Committee include Mr. Pradeep Jain and Miss Shifa Nagar, Non-Executive/Independent Director and Mr. Saurabh Kumar Parasramka, Non-executive/Non- Independent Director.

The composition, quorum, powers, role and scope are in accordance with Section 178 of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE:**

During the **Financial Year 2018- 2019** the Committee met Two Times i.e. on 29/09/2018 and 14/11/2018. The attendance of Members at the Meeting was as follows:

| <b>S. No.</b> | <b>Name of Member</b>         | <b>Status</b> | <b>No. of meetings during the year</b> | <b>No. of Meetings Attended</b> |
|---------------|-------------------------------|---------------|--|---------------------------------|
| a             | Mr. Pradeep Jain              | Member        | 2                                      | 2                               |
| b             | Mr. Ambarish Raj#             | Member        | 2                                      | 2                               |
| c             | Mr. Lokesh Sood#              | Member        | 2                                      | 1                               |
| d             | Mr. Saurabh Kumar Parasramka* | Member        | NA                                     | NA                              |
| e             | Mr. Amitav*                   | Chairman      | NA                                     | NA                              |
| f             | Miss Shifa Nagar <sup>§</sup> | Member        | NA                                     | NA                              |

# Ceased to be the member of the committee w.e.f 13.03.2019.

\* Appointed as member of the committee w.e.f. 28.03.2019.

§ Appointed as member of the committee w.e.f. 16.05. 2019.

## **TERMS OF REFERENCE**

The role of Nomination and Remuneration Committee includes the following

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- 5) Extension or continuation of the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## **PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**



## HINDUSTAN EVEREST TOOLS LTD.

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

### 5) REMUNERATION POLICY

The Remuneration Policy of the Company for Directors, Key Managerial Personnel and Senior Management can be viewed at the following link: <http://www.everesttools.com/pdfs/Nomination%20&%20Remuneration%20Policy.pdf>. The Company's remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice.

Further, the evaluation of all the directors and the Board as a whole and that of its committee was conducted based on the criteria and framework adopted by the Board, which was explained in the Director's Report.

Remuneration paid to the Directors during the financial year 2018-2019:

| Name of the Director       | Salary             | Perquisites and allowances | Retiral benefits | Bonuses | Performance Linked Incentive | Total    | Stock Options granted |
|----------------------------|--------------------|----------------------------|------------------|---------|------------------------------|----------|-----------------------|
| Mr. Shravan Kumar Mandelia | 3,12,000 per annum | 4,53,244                   | Nil              | Nil     | Nil                          | 7,65,244 | Nil                   |
| Mr. Balgopal Mandelia      | 3,00,000 per annum | 5,41,444                   | Nil              | Nil     | Nil                          | 8,41,444 | Nil                   |

The remuneration of Executive directors is fixed with no performance linked incentives.

Further, Company does not make any payment to Non-Executive Directors except Sitting Fees.

The tenure of the office of Shri Shravan Kumar Mandelia, Managing Director is for 5 years i.e. w.e.f. 14<sup>th</sup> December, 2018 to 13<sup>th</sup> December, 2023 and Shri Balgopal Mandelia, Managing Director is for 5 years i.e. w.e.f. 01<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2023 and tenure of Independent Director is for 5 years and can be terminated by either party by giving one-month advance notice in writing. There is no separate provision for payment of severance fees.

Further, there was no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the company and Non-Executive Directors does not hold any shareholding in the Company.

### 6) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors at its meeting held on 16/05/2019 has reconstituted the Stakeholders Relationship Committee of the Board as Mr. Ambarish Raj and Lokesh Sood resigned from the Board who were also the members of the Stakeholders Relationship Committee.

At present, Stakeholders Relationship Committee comprises of three members. Mr. Amitav, Non-Executive/Independent Director is the Chairman of the committee. The other members of Stakeholders Relationship Committee include Mr. Pradeep Jain and Miss Shifa Nagar, Non-Executive/Independent Director.

The composition, quorum, powers, role and scope are in accordance with Section 178 of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

### MEETINGS OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee met 2 times during the year i.e. on 14/11/2018 and 14/02/2019. The attendance of Members at the Meeting was as follows:



| S. No. | Name of Member    | Status   | No. of meetings during the year | No. of Meetings Attended |
|--------|-------------------|----------|---------------------------------|--------------------------|
| a      | Mr. Pradeep Jain  | Member   | 2                               | 2                        |
| b      | Mr. Ambarish Raj# | Member   | 2                               | 2                        |
| c      | Mr. Lokesh Sood#  | Member   | 2                               | 1                        |
| d      | Mr. Amitav*       | Chairman | NA                              | NA                       |
| e      | Miss Shifa Nagar* | Member   | NA                              | NA                       |

# Ceased to be the member of the committee w.e.f 13.03.2019.

\* Appointed as member of the committee w.e.f. 16.05. 2019.

The stakeholder relationship committee is entrusted with responsibility to resolve the grievances of the Security holders of the Company. The Committee monitors and reviews the performance and service standards of the Registrar and Transfer Agents of the Company i.e. **Link Intime India Limited** and provides continuous guidance to improve the service levels for investors. The Committee received and redresses the complaints of the shareholders in respect of matters pertaining to transfer of shares, non-receipt of declared dividend, non-receipt of Annual Report, dematerialization of shares, etc.

### Investor Grievance Redressal

The numbers of complaints received and resolved to the satisfaction of investors during the year under review are as follows:

|                            | Received | Resolved | Pending |
|----------------------------|----------|----------|---------|
| Complaints during the year | 3        | 3        | Nil     |

As on March 31<sup>st</sup>, 2019 no complaints were outstanding.

### Compliance officer

The Board has designated Miss Sonam Gupta, Company Secretary as Compliance Officer of the Company w.e.f.01/06/2018. The Compliance Officer of the Company is responsible for complying with requirements of Securities Laws and Listing Agreements/ SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with Stock Exchanges.

### 7) INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on 20<sup>th</sup> December, 2018 inter alia, to discuss:

- i) Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole.
- ii) Evaluation of performance of the Chairman of the Company, taking into account the views of Executive & Non-Executive Directors.
- iii) Evaluation of quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### 8) General Body Meetings

Details about Annual General Meetings held in last three years are as follows:



| For the Year | Venue  | Day, Date & Time   | Special Resolution                               |
|--------------|--|--|--|
| 2015-16      | "PHD House" opposite Asian Games Village, Siri Fort Road, New Delhi – 110016 | Thursday, 29 <sup>th</sup> September, 2016 at 11:00 A.M. | No Special resolution was passed at the meeting. |
| 2016-17      | "PHD House" opposite Asian Games Village, Siri Fort Road, New Delhi – 110016 | Thursday, 30 <sup>th</sup> November, 2017 at 11:00 A.M.  | No Special resolution was passed at the meeting. |
| 2017-18      | "PHD House" opposite Asian Games Village, Siri Fort Road, New Delhi - 110016 | Saturday, 29 <sup>th</sup> September, 2018 at 10:00 A.M. | No Special resolution was passed at the meeting. |

**Details of EGM held:** No EGM was held during the previous 3 (three) years.

## POSTAL BALLOT

During the FY ended March 31, 2019, no resolution was passed by postal ballot hence disclosure under this section is not applicable.

## Details of special resolution proposed to be conducted through postal ballot:

None of the business proposed to be transacted at the ensuing annual general meeting require passing of special resolution through postal ballot. However, the re-appointment of Mr. Pradeep Jain as the Independent Director is proposed to be passed by way of a special resolution at the ensuing Annual General Meeting.

## 9) DISCLOSURES

### 1. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

There have been no related party transactions with the Company's Promoters, Directors, Management or their relatives which have a potential conflict with the interests of the Company. Members may refer to disclosures made in Note No. 24 to Financial Statements in compliance of Regulation 23 of SEBI (LODR) and Ind-AS 24. All the related party transactions are at arm's length price and in the ordinary course of business and with the prior approval of the Audit Committee as per section 177 and 188 of the Companies Act 2013.

### 2. Details of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Securities of the Company had been suspended in previous year for trading by BSE Limited due to delay in payment of Listing fees and delay in compliance of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the same has been revoked w.e.f. 28<sup>th</sup> January, 2019.

Except as mentioned above the Company has complied with all the requirements of regulatory authorities and no other penalties or strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority on any matter related to capital market during the last three years.

In compliance with SEBI's regulation on prevention of insider trading, the Company has instituted a comprehensive insider trading code for its management and designated executives, which advises them on procedures to be followed and disclosures to be made while dealing with shares of the Company and cautioning them of the consequences of violations. No violations have been reported during the year.

### 3. Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee.



Company has a Whistle Blower Policy for Directors & employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and directors who use such mechanism and makes provision for direct access to the Chairperson of Audit Committee. None of the personnel of the Company has been denied access to the Audit Committee.

**4. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.

**5. Web link where policy for determining 'material' subsidiaries is disclosed;**

There is no subsidiary of company, so no policy for determining material subsidiary is required to be disclosed on the website of the company.

**6. Disclosure of commodity price risks and commodity hedging activities**

Not Applicable

7. Company has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable to it.

8. Company try to adopt the discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

9. M/s. SSRA & Co., Chartered Accountants (Firm Registration No. 014266N) has been appointed Statutory Auditors of the Company. During the year under review, the Statutory Auditor's were paid Rs. 2,47,130/- on consolidated basis.

**10. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the financial year ended on March 31<sup>st</sup>2019, the Company has received Nil Complaints on sexual harassment. Also no complaints have been resolved or are pending in respect of sexual harassment before the Company.

**General**

1. A certificate duly signed by the Chief Financial Officer and Managing Director relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in Part B of Schedule II of SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015 was placed before the Board, who took the same on record.
2. Profile and other information regarding the Directors being appointed/re-appointed as required under Regulations 36(3) of SEBI (Listing Obligations Disclosure Requirement) Regulations, 2015 have been given in the Notice of the Annual General Meeting annexed to this Annual Report.
3. The Company follows a formal management policy and system of legal compliance and reporting to facilitate periodical review by the Board of compliance status of laws applicable to the company and steps taken to rectify non-compliance, if any.
4. The Company's senior management has confirmed to the Board of Directors that they do not have any personal





# HINDUSTAN EVEREST TOOLS LTD.

interest related to its material, financial and commercial transactions that may have a potential conflict with the interests of the Company at large.

5. Declarations by the Managing Director regarding compliance by board members and senior management personnel with the company's code of conduct

Shri Shravan Kumar Mandelia and Shri Balgopal Mandelia, Managing Director have furnished the requisite declaration affirming compliance with the Code of Conduct by the board members and senior management personnel, for the financial year ended March 31<sup>st</sup>, 2019, which is attached with the report.

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2019.

6. The company has complied with all the Accounting Standards applicable to the company together with Ind AS issued by the Institute of Chartered Accountants of India.
7. The company has not come out with any Public Issue / Preferential Issue or QIP in the Financial Year 2018-19.
8. **Compliance Certificate of the Auditors**

Certificates from Pradip Kumar Muduli, Company Secretaries (Firm Registration No.5730), was issued confirming:

- a. Compliance with conditions of Corporate Governance as stipulated under Listing Regulations - Attached to this Report as Annexure – I.
- b. A certificate has been received from Pradip Kumar Muduli, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority - Attached to this Report as Annexure – II.

## Currency exchange rate fluctuations

9. **Impact:** Our assets, earnings and cash flows were not influenced by foreign currencies during the year. There was no foreign exchange earnings or outgo during the year.
10. **Credit Rating:** The Company has not obtained any credit rating.

## 10) MEANS OF COMMUNICATION

### Quarterly Results

The quarterly, half-yearly and annual financial results of the Company are published in leading newspaper - Pioneer (English & Hindi) in India. After the declaration of the quarterly, half-yearly and annual results are submitted to the BSE Limited (BSE).

| S. No. | For Quarter Ended | Results were announced on |
|--------|-------------------|---------------------------|
| 1      | 30.06.2018        | August 10, 2018           |
| 2      | 30.09.2018        | November 14, 2018         |
| 3      | 31.12.2018        | February 14, 2019         |
| 4      | 31.03.2019        | May 16, 2019              |

Financial Results also displayed on the website of the company i.e. [www.everesttools.com](http://www.everesttools.com).

As a matter of policy, the company will display the official news release at its website, whenever applicable. There were no instances during the year, which requires the company to make any presentation before institutional investor or to the analyst.



## 11) SHAREHOLDERS' GENERAL INFORMATION

### (1) Annual General Meeting

**Day, Date and Time: Monday, 30<sup>th</sup> September, 2019 at 10:30 A.M.**

**Venue:** "PHD House" opposite Asian Games Village, Siri Fort Road, New Delhi – 110016

### (2) Financial Calendar (Tentative) for the Financial Year 2019 – 2020

Tentative calendar of events for the financial year 2019–2020(April to March) is as under:

Adoption of Quarterly Financial Results for:

First Quarter on or before 14<sup>th</sup> August, 2019

Second Quarter on or before 14<sup>th</sup> November, 2019

Third Quarter on or before 14<sup>th</sup> February, 2020

Fourth Quarter on or before 30<sup>th</sup> May, 2020

### (3) Book Closure

The Register of Members and Share Transfer Register will remain closed from 24.09.2019 to 30.09.2019(Both days inclusive)on account of Annual General Meeting.

### (4) Dividend Payment Date

No dividend has been recommended for the year ended 31<sup>st</sup>March, 2019.

### (5) Listing at Stock Exchanges

At present, the equity shares of the Company are listed on BSE Limited (BSE). The annual listing fees for FY 2018-19 to BSE have been paid. The addresses of stock exchange with stock exchange code are as under:

| Sr. No. | Name of Stock Exchange  | Stock Code |
|---------|---|------------|
| 1.      | BSE Limited<br>PhirozeJeejeebhoy Towers<br>Dalal Street, Mumbai- 400001 | 505725     |

### (6) Stock Code -- ISIN – INE598D01019

**Market Price Data: High Low for the period April 2018 to March 2019**

| Month          | High (Rs.) | Low (Rs.) |
|----------------|------------|-----------|
| April 2018     | -          | -         |
| May 2018       | -          | -         |
| June 2018      | -          | -         |
| July 2018      | -          | -         |
| August 2018    | -          | -         |
| September 2018 | -          | -         |
| October 2018   | -          | -         |
| November 2018  | -          | -         |
| December 2018  | -          | -         |
| January 2019   | 55.90      | 48.35     |
| February 2019  | 61.55      | 36.20     |
| March 2019     | 66.20      | 43.30     |

Source: BSE Portal



**(7) Securities are suspended from trading**

The Securities of the Company had been suspended in previous year for trading by BSE Limited due to delay in payment of Listing fees and delay in compliance of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the same had been revoked w.e.f. 28<sup>th</sup> January, 2019.

**(8) Registrar & Share Transfer Agents**

Pursuant to the SEBI directive, the Company has appointed M/s Link Intime India Private Limited as Share Transfer Agent for maintaining all the work related to share registry in terms of both physical and electronic form. Shareholders can communicate with them for lodgment of transfer deeds and their queries at the following address:

**M/s Link Intime India Private Limited**

Noble Heights, 1<sup>st</sup> floor, Plot No NH-2,

C-1 Block, LSC, Near Savitri Market,

Janakpuri, New Delhi - 110058

Phone No.: 011 - 4141 0592/93/94,

Fax No.: 011- 41410591

Email ID: delhi@linkintime.co.in

**Contact Person: Mr. Bharat Bhusan**

**(9) Share transfer system**

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to Registrar and Transfer Agents.

Share Transfer Committee is authorised to approve transfer and transmission of shares in the physical segment. Such transfers generally take place on fortnightly basis. All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. However, pursuant to the proviso of Regulation 40(1) of the Listing Regulations, effective March 31, 2019, the requests for effecting transfer of securities in physical mode shall not be processed by the Company unless the securities are held in the dematerialized form with a depository, except in case of transmission or transposition of securities. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchanges.

**(10) Reconciliation of Share Capital Audit**

Audits were also carried out by the practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The reports for the same were submitted to BSE. The audit confirms that the total issued / paid up and listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

**(11) Compliance with Secretarial Standards**

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on Board and General meetings. The Company has complied with all the applicable provisions of the secretarial standards.

**(12) Recommendations of committees of the Board**

There were no instances during the financial year 2018-19, wherein the Board had not accepted the recommendations made by any committee of the Board.



(13) Shareholding Pattern as on 31<sup>st</sup> March, 2019.

| Category   | No. of Shares held | % of Shareholding |
|--|--------------------|-------------------|
| <b>A. PROMOTERS</b>  |                    |                   |
| Promoter and Promoter Group                                  | 835287             | 51.97             |
| <b>B. PUBLIC</b>   |                    |                   |
| Individuals holding nominal share capital upto 2 lac         | 348790             | 21.70             |
| Individuals holding nominal share capital in excess of 2 lac | 182673             | 11.37             |
| Financial Institutions/Banks                                 | 33760              | 2.09              |
| Mutual Funds/UTI   | -                  | -                 |
| NBFCs registered with RBI                                    | -                  | -                 |
| OTHERS   | 206780             | 12.87             |
| <b>Total</b>   | <b>1607200</b>     | <b>100</b>        |

(14) Distribution of Shareholding as on 31<sup>st</sup> March, 2019

| Category      | No. of Shareholders | % of Shareholders | No. of Shares Held | % of Shareholding |
|---------------|---------------------|-------------------|--------------------|-------------------|
| 1-500         | 1739                | 91.53             | 188430             | 11.72             |
| 501-1000      | 96                  | 5.05              | 68815              | 4.28              |
| 1001-2000     | 37                  | 1.95              | 52215              | 3.25              |
| 2001-3000     | 4                   | 0.21              | 10502              | 0.65              |
| 3001-4000     | 5                   | 0.26              | 17458              | 1.09              |
| 4001-5000     | 5                   | 0.26              | 22633              | 1.41              |
| 5001-10000    | 4                   | 0.21              | 25390              | 1.58              |
| 10001 & above | 10                  | 0.53              | 1221757            | 76.02             |
| <b>Total</b>  | <b>1900</b>         | <b>100</b>        | <b>1607200</b>     | <b>100</b>        |

(15) Dematerialization of shares and liquidity

Pursuant to the SEBI directive, to enable the shareholders to hold their shares in electronic form, the Company has already enlisted its shares with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Limited (NSDL). Company has been allotted ISIN No. INE598D01019. As at 31.03.2019, 110864 Equity Shares were held in demat form in CDSL and 1244066 shares were held in demat form in NSDL.

(16) Outstanding GDR'S/ADR's/ Warrants or any Convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDR'S/ADR's/ Warrants/ Options or any Convertible instruments.

(17) Commodity price risk or foreign exchange risk and hedging activities

Not Applicable

(18) Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund

Pursuant to Sections 124 and 125 of the Companies Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable



## HINDUSTAN EVEREST TOOLS LTD.

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to be transferred to the Investor Education and Protection Fund ("IEPF").

As on date no amount is required to be transferred to the Investor Education and Protection Fund pursuant to Sections 124 and 125 of the Act.

(19) **Plant Location**

At present the Company has temporarily suspended its manufacturing activity after sale of Plant.

(20) **Details of Public Funding Obtained in the Last Three Years**

No public funding has been obtained in the last three years.

(21) **Corporate Identity Number (CIN) of the Company:**L74899DL1962PLC003634

(22) **Address for correspondence:**

**Hindustan Everest Tools Limited (Regd. Office)**

Dohil Chambers, 4<sup>th</sup> Floor,

46, Nehru Place,

New Delhi-110019

PH No. 011-46692600



## **Declaration by Managing Director**

[Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Board of Directors  
Hindustan Everest Tools Limited

## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

In Compliance with Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Shравan Kumar Mandelia and Balgopal Mandelia, Managing Directors of the Company, hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct formulated by the Company for the financial year ended March 31<sup>st</sup>, 2019 and there is non-compliance thereof during the period under review

**By Order of the Board of Directors  
For Hindustan Everest Tools Limited**

**Date: 12.08.2019  
Place: New Delhi**

**Balgopal Mandelia  
Managing Director  
DIN:00040592**

**Shравan Kumar Mandelia  
Managing Director  
DIN: 00040532**





# HINDUSTAN EVEREST TOOLS LTD.

## COMPLIANCE CERTIFICATE

To  
The Board of Directors  
Hindustan Everest Tools Limited  
Dohil Chambers, 4<sup>th</sup> Floor,  
46, Nehru Place,  
New Delhi-110019

**Sub: Compliance Certificate in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

We, Shравan Kumar Mandelia and Balgopal Mandelia, Managing Directors and Deepak Gupta, Chief Financial Officer of Hindustan Everest Tools Limited, to the best of our knowledge and belief hereby certify that:

- a) We have reviewed financial statements and the cash flow statement of the company for the year ended 31<sup>st</sup> March, 2019 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee;
  - i. Significant changes in internal control over financial reporting during the year; if any
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; if any and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

**Date: 12.08.2019**  
**Place: New Delhi**

**Deepak Gupta**  
**CHIEF FINANCIAL OFFICER**

**Balgopal Mandelia**  
**Managing Director**  
**DIN: 00040592**

**Shравan Kumar Mandelia**  
**Managing Director**  
**DIN: 00040532**



## Annexure-I

### PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
Hindustan Everest Tools Limited,

1. I have examined the compliance of the conditions of Corporate Governance by Hindustan Everest Tools Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. The provisions of the regulations of Corporate Governance become applicable to the Company w.e.f. 01/04/2018 and the Company was required to comply with the requirements those regulations within six months from the said date.

#### **Basis for Qualified Opinion**

2. I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors except that with regard to the composition of the stakeholders relationship committee in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015, the Company had not met the said requirement for a short period of time for part of the year as the board had decided to reconstitute it in the upcoming meeting of the board of directors which occurred due to resignation of two independent directors.

#### **Qualified Opinion**

3. In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Management, except for matter stated in paragraph 2 above, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Pradip Kumar Muduli  
(Practicing Company Secretary)  
FCS No.6170  
C P No.:5730

*Place* : New Delhi  
*Date* : 27/05/2019



# HINDUSTAN EVEREST TOOLS LTD.

## Annexure II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
Hindustan Everest Tools Limited,  
Dohil Chambers, 46, Nehru Place ,  
New Delhi 110 019

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hindustan Everest Tools Limited having CIN L74899DL1962PLC003634 and having registered office at Dohil Chambers, 46, Nehru Place, New Delhi 110 019 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sl. No. | Full Name                   | Din      | Date of appointment in Company |
|---------|-----------------------------|----------|--------------------------------|
| 1       | Mr. Shraavan Kumar Mandelia | 00040532 | 14/12/1988                     |
| 2       | Mr. Balgopal Mandelia       | 00040592 | 01/01/1994                     |
| 3       | Mr. Pradeep Jain            | 00108240 | 31/10/2001                     |
| 4       | Mr. Saurabh Parasramka      | 00935199 | 19/08/2016                     |
| 5       | Ms. Shifa Nagar             | 08240119 | 29/09/2018                     |
| 6       | Mr. Amitav                  | 08240143 | 29/09/2018                     |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Pradip Kumar Muduli  
(Practicing Company Secretary)  
FCS No.6170  
C P No.:5730

Place : New Delhi  
Date : 27/05/2019



## Annual Secretarial Compliance Report

To,  
Hindustan Everest Tools Limited,  
Dohil Chambers 4th Floor  
46 Nehru Place  
New Delhi, 110019

**Secretarial compliance report of Hindustan Everest Tools Limited (CIN: L74899DL1962PLC003634) for the Financial year ended 31st March, 2019.**

I Pradip Kumar Muduli, Practicing Company Secretary have examined:

- (a) all the documents and records made available to me and explanation provided by Hindustan Everest Tools Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March 2019 (“Review Period”) in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not attracted during the period under review.**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; ) **Not attracted during the period under review.**
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not attracted during the period under review.**
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **Not attracted during the period under review.**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not attracted during the period under review.**
- (j) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **Not attracted during the period under review;** and circulars/ guidelines issued thereunder;



## HINDUSTAN EVEREST TOOLS LTD.

and based on the above examination, I hereby report that, during the Review Period:

a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

| Sr. No. | Compliance Requirement (Regulations/ circulars / guidelines including specific clause)   | Deviations  | Observations/ Remarks of the Practicing Company Secretary  |
|---------|--|---|--|
| 1.      | <i>Regulation 47-</i><br>The listed entity shall publish the following information in the newspaper:<br>(a) notice of meeting of the board of directors where financial results shall be discussed | <i>The Company has not published notice convening Board Meetings held in May 2018 and August 2018, in news papers as required under Regulation 47 of listing agreement/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015</i> | Though the Company has intimated about the Stock Exchange as required in respect of <i>Board Meetings held in May 2018 and August 2018</i> but it has not published the notices convening the said Board Meetings. |

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder: NIL

| Sr. No. | Action taken by                                   | Details of violation | Details of action taken E.g. fines, warning letter, debarment, etc. | Observations/ remarks of the Practicing Company Secretary, if any. |
|---------|---|----------------------|---|--|
|         | During the year under report no action was taken. |                      |   |  |

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

This being the first reporting since the notification of the requirements to submit the report, reporting on actions to comply with the observations made in the previous reports do not arise;

Place: New Delhi  
Date : 27/05/2019

Name : Pradip Kumar Muduli  
FCS No.:6170, CP :5730



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF HINDUSTAN EVEREST TOOLS LIMITED

#### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone financial statements of Hindustan Everest Tools Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to **note 22** to the standalone financial statements, explaining in detail the management's plan to identify a new business subsequent to closure of the Company's only manufacturing unit and the ability of the Company to continue as a going concern. The conditions that exist after closure of the only manufacturing plant of the Company cast a significant doubt on the ability of the Company to continue as a going concern.

Our opinion is not qualified in respect of this matter.

#### Key Audit Matters

Except for the matter described in the Material Uncertainty Related to Going Concern section above, we have determined that there are no other key audit matters to communicate in our report.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

#### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds





and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note to 22 (b)(iv) the financial statements;
  - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SSRA & Co.**  
Chartered Accountants  
Firm Registration Number: 014266N

**Suresh Goyal**  
Partner  
Membership Number: 093711

Place: New Delhi  
Date: May 16, 2019



## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Hindustan Everest Tools Limited** on the **standalone financial statements** for the year ended March 31, 2019]

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment. Further, refer note 22 related to discontinued operations.
- (b) During the year, the property, plant and equipment of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. Further, refer note 22 related to discontinued operations.
- (c) The title deeds of immovable properties recorded as property, plant and equipment in the books of account of the Company are held in the name of the Company. Further, refer note 22 related to discontinued operations.
- ii) The Company does not hold any inventory (refer note 22 related to discontinued operations). Accordingly, the provisions of paragraph 3 (ii) of the Order are not applicable to the Company.
- iii) Based on information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- iv) Based on information and explanation given to us, the Company has not given guarantees or securities for loan taken by others and has not given any loans. Accordingly, provisions of paragraph 3 (iv) of the Order, insofar related to loans, securities and guarantees are not applicable to the Company. Further, the Company has complied with the provisions of Section 186 of the Act in respect of investments made by the Company in securities of other body corporates.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of paragraph 3 (v) of the Order are not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under. Accordingly, the provisions of paragraph 3 (vi) of the Order are not applicable to the Company.
- vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, customs duty, cess and any other material statutory dues, as applicable to it, though there were slight delays in few cases. However, there were no undisputed statutory dues as at the year end outstanding for a period more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues with respect to income tax, customs duty and goods & service tax which have not been deposited on account of any dispute.
- viii) In our opinion and according to the information and explanations given to us, the Company has not, borrowed any funds from financial institutions or raised any funds through issue of debentures. Accordingly, provisions of paragraph 3(viii) of the Order are not applicable to the Company.
- ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Accordingly, provisions of paragraph 3(ix) of the Order are not applicable to the Company.
- x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- xi) According to the information and explanations given to us, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Indian Accounting Standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures



during the year under review. Accordingly, provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For SSRA & Co.**  
**Chartered Accountants**  
Firm Registration No. 014266N

**Suresh Goyal**  
Partner  
Membership No. 093711

Place: New Delhi  
Date: May 16, 2019



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of **Hindustan Everest Tools Limited**

We have audited the internal financial controls over financial reporting of Hindustan Everest Tools Limited as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these standalone financial statements.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the criteria for the internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the standalone financial statements of Hindustan Everest Tools Limited, which comprise the Balance Sheet as at March 31, 2019, the related Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 16, 2019 expressed an unmodified opinion.

## **For SSRA & Co.**

### **Chartered Accountants**

Firm Registration Number: 014266N

Suresh Goyal

Partner

Membership Number: 093711

Place: New Delhi

Date: May 16, 2019



# HINDUSTAN EVEREST TOOLS LTD.

## BALANCE SHEET AS AT MARCH 31, 2019

|  | Notes | As at               | As at               |
|--|-------|---------------------|---------------------|
|  |       | March 31, 2019      | March 31, 2018      |
|  |       | ₹                   | ₹                   |
| <b>ASSETS</b>  |       |                     |                     |
| <b>Non-current assets</b>  |       |                     |                     |
| Property, plant and equipment                                    | 4     | 1,16,17,083         | 1,32,11,283         |
| Financial assets   | 5     |                     |                     |
| - Investments  |       | 13,47,009           | 14,36,290           |
| Deferred tax assets  | 6     | 10,75,19,032        | 10,89,75,685        |
| Income tax assets (net)  | 7     | 19,13,052           | 19,64,052           |
| <b>Total non-current assets</b>                                  |       | <b>12,23,96,177</b> | <b>12,55,87,310</b> |
| <b>Current assets</b>  |       |                     |                     |
| Financial assets   | 8     |                     |                     |
| - Investments  |       | 19,85,73,927        | 26,57,32,455        |
| - Trade receivables  |       | -                   | -                   |
| - Cash and cash equivalents                                      |       | 11,91,912           | 65,98,755           |
| - Bank balance other than cash and cash equivalents              |       | 1,99,357            | -                   |
| Other current assets   | 9     | 2,92,479            | -                   |
| <b>Current assets pertaining to discontinued operations</b>      | 22    | <b>9,33,852</b>     | <b>2,24,09,792</b>  |
| <b>Total current assets</b>                                      |       | <b>20,11,91,528</b> | <b>29,47,41,002</b> |
| <b>TOTAL ASSETS</b>  |       | <b>32,35,87,705</b> | <b>42,03,28,312</b> |
| <b>EQUITY AND LIABILITIES</b>                                    |       |                     |                     |
| <b>Equity</b>  |       |                     |                     |
| Equity share capital   | 10    | 1,60,72,000         | 1,60,72,000         |
| Other equity   | 11    | 29,40,58,845        | 30,43,72,954        |
| <b>Total equity</b>  |       | <b>31,01,30,845</b> | <b>32,04,44,954</b> |
| <b>Liabilities</b>   |       |                     |                     |
| <b>Current liabilities</b>                                       |       |                     |                     |
| Financial liabilities  | 12    |                     |                     |
| - Trade payables   |       |                     |                     |
| -to micro and small enterprises                                  |       | -                   | -                   |
| -to others   |       | 6,17,222            | -                   |
| - Other financial liabilities                                    |       | 17,37,837           | -                   |
| Other current liabilities  | 13    | 30,05,800           | -                   |
| Current tax liabilities (net)                                    | 14    | 21,12,513           | -                   |
| <b>Current liabilities pertaining to discontinued operations</b> | 22    | <b>59,83,488</b>    | <b>9,98,83,358</b>  |
| <b>Total current liabilities</b>                                 |       | <b>1,34,56,860</b>  | <b>9,98,83,358</b>  |
| <b>Total liabilities</b>   |       | <b>1,34,56,860</b>  | <b>9,98,83,358</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>                              |       | <b>32,35,87,705</b> | <b>42,03,28,312</b> |

The accompanying notes are an integral part of these financial statements.

As per our report of even date

**For SSRA & Co.**

Chartered Accountants

Firm Registration No. 014266N

Suresh Goyal

Partner

Membership.No. 093711

Place: New Delhi

Dated: May 16, 2019

For and on the behalf of the Board of Directors

BAL GOPAL MANDELIA

Managing Director

DIN 00040592

SONAM GUPTA

Company Secretary

Membership No. A51329

SHRAVAN KUMAR MANDELIA

Managing Director

DIN 00040532

DEEPAK GUPTA

Chief Financial Officer



# HINDUSTAN EVEREST TOOLS LTD.



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

|  | Notes     | For the<br>Year ended<br>March 31, 2019<br>(₹) | For the<br>Year ended<br>March 31, 2018<br>(₹) |
|--|-----------|--|--|
| <b>Revenue from continuing operations</b>  |           |  |  |
| Revenue from operations  | 15        | 13,21,992                                      | -  |
| Other income   | 16        | 48,76,990                                      | -  |
| <b>Total revenue from continuing operations</b>  |           | <b>61,98,982</b>                               | <b>-</b>                                       |
| <b>Expenses from continuing operations</b>   |           |  |  |
| Purchases of traded goods  |           | 12,64,135                                      | -  |
| Employee benefits expense  | 17        | 20,64,483                                      | -  |
| Depreciation expense   | 18        | 3,94,381                                       | -  |
| Other expenses   | 19        | 25,33,284                                      | -  |
| <b>Total expenses from continuing operations</b>   |           | <b>62,56,283</b>                               | <b>-</b>                                       |
| <b>Loss before tax from continuing operations</b>  |           | <b>(57,301)</b>                                | <b>-</b>                                       |
| Tax expense  | 20        |  |  |
| Current tax  |           | -  | -  |
| Deferred tax   |           | -  | -  |
| Tax for earlier year   |           | -  | -  |
| <b>Loss for the year from continuing operations</b>  |           | <b>(57,301)</b>                                | <b>-</b>                                       |
| <b>Discontinued operations</b>   |           |  |  |
| <b>(Loss)/ profit before tax from discontinued operations</b>  | <b>22</b> | <b>(1,02,56,808)</b>                           | <b>51,76,89,281</b>                            |
| Tax expense  | 22        |  |  |
| Current tax  |           | -  | 10,89,75,685                                   |
| Deferred tax   |           | -  | (10,89,75,685)                                 |
| <b>(Loss)/ profit for the year from discontinued operations</b>  |           | <b>(1,02,56,808)</b>                           | <b>51,76,89,281</b>                            |
| <b>(Loss)/ profit for the year</b>   |           | <b>(1,03,14,109)</b>                           | <b>51,76,89,281</b>                            |
| <b>Other comprehensive income for the year, net of tax</b>   |           | <b>-</b>                                       | <b>-</b>                                       |
| <b>Total comprehensive (expense)/ income for the year</b>  |           | <b>(1,03,14,109)</b>                           | <b>51,76,89,281</b>                            |
| <b>Earning/(loss) per equity share from continuing operations (basic and diluted)</b>                  | <b>21</b> | <b>(0.04)</b>                                  | <b>-</b>                                       |
| <b>Earning/(loss) per equity share from discontinued operations (basic and diluted)</b>                |           | <b>(6.38)</b>                                  | <b>322.11</b>                                  |
| <b>Earning/(loss) per equity share from continuing and discontinued operations (basic and diluted)</b> |           | <b>(6.42)</b>                                  | <b>322.11</b>                                  |

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For SSRA & Co.**

Chartered Accountants  
Firm Registration No. 014266N

Suresh Goyal  
Partner  
Membership No.: 093711

Place: New Delhi  
Dated: May 16, 2019

For and on the behalf of the Board of Directors

BAL GOPAL MANDELIA  
Managing Director  
DIN 00040592

SONAM GUPTA  
Company Secretary  
Membership No. A51329

SHRAVAN KUMAR MANDELIA  
Managing Director  
DIN 00040532

DEEPAK GUPTA  
Chief Financial Officer



# HINDUSTAN EVEREST TOOLS LTD.

## Statement of changes in equity for the year ended March 31, 2019

| I) Equity share capital                         | Amount<br>(₹)      |
|---|--------------------|
| Balance as at April 1, 2017                     | 1,60,72,000        |
| Changes in equity share capital during the year | -                  |
| <b>Balance as at March 31, 2018</b>             | <b>1,60,72,000</b> |
| Changes in equity share capital during the year | -                  |
| <b>Balance as at March 31, 2019</b>             | <b>1,60,72,000</b> |

## II) Other equity

### For the year ended March 31, 2019

| Particulars                                    | Reserves and surplus |                  |                            |                     | Total equity        |
|--|----------------------|------------------|----------------------------|---------------------|---------------------|
|  | Retained earnings    | Capital reserves | Securities premium reserve | Revaluation reserve |                     |
|  | ₹                    | ₹                | ₹                          | ₹                   |                     |
| As at April 1, 2018                            | 29,62,92,554         | 7,52,400         | 73,28,000                  | -                   | 30,43,72,954        |
| Loss for the year                              | (1,03,14,109)        | -                | -                          | -                   | (1,03,14,109)       |
| Other comprehensive income                     | -                    | -                | -                          | -                   | -                   |
| <b>Total comprehensive income for the year</b> | <b>28,59,78,445</b>  | <b>7,52,400</b>  | <b>73,28,000</b>           | <b>-</b>            | <b>29,40,58,845</b> |
| <b>As at March 31, 2019</b>                    | <b>28,59,78,445</b>  | <b>7,52,400</b>  | <b>73,28,000</b>           | <b>-</b>            | <b>29,40,58,845</b> |

### For the year ended March 31, 2018

| Particulars   | Reserves and surplus |                  |                            |                     | Total equity        |
|---|----------------------|------------------|----------------------------|---------------------|---------------------|
|   | Retained earnings    | Capital reserves | Securities premium reserve | Revaluation reserve |                     |
|   | ₹                    | ₹                | ₹                          | ₹                   |                     |
| As at April 1, 2017   | (22,13,96,727)       | 7,52,400         | 73,28,000                  | 14,71,751           | (21,18,44,576)      |
| Profit for the year   | 51,76,89,281         | -                | -                          | -                   | 51,76,89,281        |
| Adjusted from gain on sale of properties, plant & equipment | -                    | -                | -                          | (14,71,751)         | (14,71,751)         |
| Other comprehensive income                                  | -                    | -                | -                          | -                   | -                   |
| <b>Total comprehensive income for the year</b>              | <b>29,62,92,554</b>  | <b>7,52,400</b>  | <b>73,28,000</b>           | <b>-</b>            | <b>30,43,72,954</b> |
| <b>As at March 31, 2018</b>                                 | <b>29,62,92,554</b>  | <b>7,52,400</b>  | <b>73,28,000</b>           | <b>-</b>            | <b>30,43,72,954</b> |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

### For SSRA & Co.

Chartered Accountants  
Firm Registration No. 014266N

Suresh Goyal  
Partner  
Membership.No. 093711

Place: New Delhi  
Dated: May 16, 2019

For and on the behalf of the Board of Directors

BAL GOPAL MANDELIA  
Managing Director  
DIN 00040592

SONAM GUPTA  
Company Secretary  
Membership No. A51329

SHRAVAN KUMAR MANDELIA  
Managing Director  
DIN 00040532

DEEPAK GUPTA  
Chief Financial Officer



## Cash Flow Statement for the Year ended March 31, 2019

|   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
|   | ₹                                    | ₹                                    |
| <b>Cash flow from operating activities</b>                                |                                      |                                      |
| <b>(Loss)/ profit before income tax from</b>                              |                                      |                                      |
| Continuing operations   | (57,301)                             | -                                    |
| Discontinued operations   | (1,02,56,808)                        | 51,76,89,281                         |
| <b>(Loss)/ profit before income tax including discontinued operations</b> | <b>(1,03,14,109)</b>                 | <b>51,76,89,281</b>                  |
| Adjustments for:  |                                      |                                      |
| Depreciation and amortisation expense                                     | 15,94,200                            | 25,84,731                            |
| Gain on fair valuation of financial assets                                | (1,46,07,981)                        | (58,06,434)                          |
| Gain on disposal of property, plant and equipments                        | (5,000)                              | (58,10,67,555)                       |
| Dividend received   | (13,800)                             | (1,754)                              |
| Finance costs   | 64,72,881                            | 89,48,855                            |
| Gain on sale of investment  | (8,99,566)                           | -                                    |
| <b>Operating loss before Working Capital Changes</b>                      | <b>(1,77,73,376)</b>                 | <b>(5,76,52,876)</b>                 |
| <b>Change in operating assets and liabilities</b>                         |                                      |                                      |
| in trade and other receivables  | -                                    | 41,61,219                            |
| in other financial assets (short term)                                    | -                                    | 13,08,949                            |
| in other current assets   | 2,11,83,460                          | 13,94,902                            |
| in Inventories  | -                                    | 1,31,59,572                          |
| in trade payables   | (32,68,850)                          | (7,53,26,528)                        |
| in other current liabilities  | (21,51,431)                          | (92,04,746)                          |
| in other financial liabilities  | (81,72,523)                          | (5,57,36,210)                        |
| Cash generated from/(used in) operations                                  | <b>(1,01,82,718)</b>                 | <b>(17,78,95,719)</b>                |
| Income taxes paid   | (7,13,26,042)                        | (3,58,89,341)                        |
| <b>Net cash flow used in operating activities (A)</b>                     | <b>(8,15,08,760)</b>                 | <b>(21,37,85,060)</b>                |
| <b>Cash flows from investing activities</b>                               |                                      |                                      |
| Proceeds from sale of property, plant and equipments                      | 5,000                                | 60,04,13,873                         |
| Proceeds from sale of investments   | 8,18,55,790                          | (26,00,00,000)                       |
| Gain on sale of investments   | 8,99,566                             | -                                    |
| Dividend received   | 13,800                               | 1,754                                |
| <b>Net cash flow from/ (used in) investing activities (B)</b>             | <b>8,27,74,156</b>                   | <b>34,04,15,627</b>                  |
| <b>Cash flows from financing activities</b>                               |                                      |                                      |
| Repayment of long term borrowings   | -                                    | (4,49,24,605)                        |
| Repayment of short term borrowings  | -                                    | (6,26,25,584)                        |
| Interest paid   | (64,72,881)                          | (1,27,28,855)                        |
| <b>Net cash flow from/ (used in) financing activities (C)</b>             | <b>(64,72,881)</b>                   | <b>(12,02,79,044)</b>                |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>       | <b>(52,07,485)</b>                   | <b>63,51,524</b>                     |
| Cash and cash equivalents at the beginning of the financial year          | 65,98,755                            | 2,47,231                             |
| <b>Cash and cash equivalents at end of the year</b>                       | <b>13,91,269</b>                     | <b>65,98,755</b>                     |



# HINDUSTAN EVEREST TOOLS LTD.

|  | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
|  | ₹                                    | ₹                                    |
| <b>Components of cash and cash equivalents</b>   |                                      |                                      |
| Balance with banks                               |                                      |                                      |
| -in current account                              | 11,77,378                            | 59,73,259                            |
| Cash on hand                                     | 14,534                               | 118                                  |
| Cheques on hand                                  | -                                    | 6,25,378                             |
| Bank balance other than cash and cash equivalent | 1,99,357                             | -                                    |
| <b>Total cash and cash equivalents</b>           | <b>13,91,269</b>                     | <b>65,98,755</b>                     |

As per our report of even date

**For SSRA & Co.**

Chartered Accountants  
Firm Registration No. 014266N

Suresh Goyal  
Partner  
Membership.No. 093711

Place: New Delhi  
Dated: May 16, 2019

For and on the behalf of the Board of Directors

BAL GOPAL MANDELIA  
Managing Director  
DIN 00040592

SONAM GUPTA  
Company Secretary  
Membership No. A51329

SHRAVAN KUMAR MANDELIA  
Managing Director  
DIN 00040532

DEEPAK GUPTA  
Chief Financial Officer



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2019

### 1. Background of the Reporting entity

Hindustan Everest Tools Limited (the 'Company'), a public limited Company is a manufacturer of hand Tools. The Company was incorporated on January 25, 1962 and the registered office of the Company is at Dohil Chambers, 4<sup>th</sup> floor, 46 Nehru place, New Delhi. Equity shares of the Company are listed on Bombay Stock Exchange ("BSE" or "the Stock exchange").

### 2. Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

#### **Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

### 3. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone financial statements. These policies have been consistent with those of the previous year.

#### A) **Basis of preparation**

##### **i) Statement of compliance**

These standalone financial statements ('financial statements') have been prepared in accordance with Indian Accounting Standards (Ind - AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements for the year ended March 31, 2019 were authorized and approved for issue by the Board of Directors on May 16, 2019.

##### **ii) Discontinued operations & Going concern**

Subsequent to closure of its only manufacturing facility in year 2017, the management of the Company has been exploring various business activities in trading as well as manufacturing space with a particular emphasis in engineering sector which has traditionally been the expertise of the management since the inception of the Company.

Further, the management has explored the business of trading in metals and plans to scale up the trading activities in the year 2019-20. Accordingly, the operating segment of the Company as of now is trading in metals.



During the quarter ended December 31, 2018, the Company had substantially completed the settlement of liabilities, and realisation of assets, pertaining to its discontinued operations. Net surplus funds are available at the Corporate level for investment in a new business and the same have been temporarily invested in debt based mutual funds to earn risk free returns. As of now, income from or gain on fair valuation, of these investments is major source of income for the Company. However, the investments are temporary and the management of the Company does not foresee it to be a permanent source in view of the aforementioned business plan under evaluation. Consequently, the statutory liabilities and tax credits shall now be considered at Corporate level as majority of the liabilities of discontinued operations have been settled.

Consequently, figures for the discontinued operations have been separately disclosed and operations of the trading activities have been considered as continuing. Accordingly, corresponding figures for the previous periods have been reclassified/regrouped as per current period presentation.

The net worth of the Company as on date is positive and there is no foreseeable issue that the Company shall not be able to pay off its remaining liabilities which are not significant in current context.

In view of improved net worth and availability of funds, the management is hopeful to finalise a new business plan for the Company in near future and the Company shall be able to continue as a going concern.

However, out of abundant caution and in view of accounting principle of prudence, all the assets have been shown at lower of book value and net realisable value and all known liabilities have been fully recorded at values at which the same are likely to be discharged. Consequently, all the known losses have been recorded and unrealised gains, if any, have been ignored.

### iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

#### ***An asset is treated as current when it is:***

- Expected to be realised or intended to be sold or consumed in normal operating cycle of the Company
- Held primarily for the purposes of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

#### ***A liability is treated as current when:***

- It is expected to be settled in normal operating cycle of the Company
- It is held primarily for the purposes of trading
- It is due to be settled within twelve months from the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### iv) Basis of measurement

These standalone financial statements have been prepared on the historical cost basis except for the following items:

| Items                                    | Measurement basis |
|--|-------------------|
| Certain financial assets and liabilities | Fair value        |



## v) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### *Judgments*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the Standalone financial statements is included in the following notes:

### *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2019 is included in the following notes:

- Note 5– recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

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## B) Financial instruments

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### *Recognition and initial measurement*

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

### **Non-derivative financial assets**

#### *Subsequent measurement*

**Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

#### *De-recognition of financial assets*

A financial asset is primarily de-recognized when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### **Non-derivative financial liabilities**

#### *Subsequent measurement*

Subsequent to recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

#### *De-recognition of financial liabilities*

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

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## C) Foreign currency translation

### *Functional and presentation currency:*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

### *Transactions and balances:*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit or loss.

## D) Property, plant and equipment

### *Recognition and measurement*

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on retirement from active use or disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

### *Subsequent expenditure*

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

### *Depreciation method and estimated useful lives*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

Depreciation on fixed assets is provided as per the guidance set out in the schedule II to the Companies Act, 2013. Depreciation is charged on straight-line method based on estimated useful life of the asset after considering residual value as set out in schedule II to the Companies Act, 2013.

| <b>Assets Category</b> | <b>Estimated useful life<br/>(in years)</b> |
|------------------------|---|
| Buildings              | 60  |
| Vehicles               | 8 to 10                                     |
|                        |   |



|                         |          |
|-------------------------|----------|
| Plant and machinery*    | 15 to 20 |
| Furniture and fixtures* | 5 to 15  |
| Office equipment's*     | 3 to 20  |

\*Refer note 22 on discontinued operations

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Leasehold improvements are amortised over the lease period or the estimated useful life, whichever is shorter.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## E) Intangible assets

### i) Initial recognition

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of profit and loss as incurred.

### iii. Others

Intangible assets are amortised on a straight-line method basis over the estimated useful life not exceeding six years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## F) Employee benefits

### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### Long-term employee benefits

*(treated as short-term for measurement in view of closure of operations)*

#### i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes monthly contributions to statutory provident fund (Government administered provident fund scheme) in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit or loss in the period(s) during which the related services are rendered by employees.

#### ii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a post-employment benefit and is in the nature of a defined benefit plan.

In view of closure of its operations, the Company's net obligation in respect of defined benefit plans has been considered as current liability and has been calculated on actual basis as per the provisions of Payment of Gratuity Act, 1972.



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## G) Revenue

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Revenue is recognized when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of revenue transaction as set-out below:

### i) Revenue from sale of goods

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, rebates and trade discounts. This inter-alia involves discounting of consideration due to the present value if the payments extend beyond credit normal terms. Revenue is recognised when significant risk and rewards of the ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods and the amount of revenue can be reliably measured.

The timing of transfer of risks and rewards varies depending on the individual terms of sale.

### ii) Recognition of dividend income

Dividend income is recognised in statement of profit and loss on the date on which the Company's right to receive payment is established.

### iii) Interest income

Interest income or expense is recognised using the effective interest method.

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## H) Leases

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Determining whether an arrangement contains a lease at inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

### ii. Operating lease

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives (if any) received are recognised as an integral part of the total lease expense over the term of the lease.

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## I) Income tax

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Income tax comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### *i. Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### *ii. Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:



- deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Minimum Alternative Tax ('MAT') credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity and in this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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## J) Earnings per share

The basic earning/loss per share is computed by dividing the net profit/(loss) before other comprehensive income attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/(loss) per share comprises the weighted average shares considered for deriving basic earnings/(loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

---

## K) Provisions and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

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## L) Impairment

### *Impairment of non-financial assets*

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less



than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

#### *Impairment of financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets, Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### *Trade receivables*

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

#### *Other financial assets*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

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#### **M) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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#### **N) Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

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#### **O) Segment Reporting**

In accordance with IND AS- 108, the Company had only one segment i.e. business of hand tools. However, the Company has discontinued its operations as explained in note 22. The management has explored the business of trading in metals and plans to scale up the trading activities in the year 2019-20. Accordingly, the operating segment of the Company as of now is trading in metals.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

### Note 4 Property, plant and equipment\*

| Particulars                               | Buildings        | Vehicles           | Total              |
|---|------------------|--------------------|--------------------|
|   | ₹                | ₹                  | ₹                  |
| <b>Gross Block (Deemed cost)</b>          |                  |                    |                    |
| Original Cost as at April 1, 2017         | 91,68,167        | 1,60,31,512        | 2,51,99,679        |
| Additions during the year                 | -                | 25,71,609          | 25,71,609          |
| Sales/Adjustments                         | 63,70,395        | 38,16,905          | 1,01,87,300        |
| <b>Original Cost as at March 31, 2018</b> | <b>27,97,772</b> | <b>1,47,86,216</b> | <b>1,75,83,988</b> |
| <b>Accumulated Depreciation</b>           |                  |                    |                    |
| As at April 1, 2017                       | -                | -                  | -                  |
| Charge for the year                       | 4,18,273         | 39,54,432          | 43,72,705          |
| Sales/Adjustments                         | -                | -                  | -                  |
| <b>As at March 31, 2018</b>               | <b>4,18,273</b>  | <b>39,54,432</b>   | <b>43,72,705</b>   |
| <b>Net Block</b>                          |                  |                    |                    |
| As at March 31, 2018                      | 23,79,499        | 1,08,31,784        | 1,32,11,283        |
| As at March 31, 2017                      | 88,57,798        | 1,39,08,164        | 2,27,65,962        |
| <b>Gross Block</b>                        |                  |                    |                    |
| Original Cost as at April 1, 2018         | 27,97,772        | 1,47,86,216        | 1,75,83,988        |
| Additions during the year                 | -                | -                  | -                  |
| Sales/Adjustments                         | -                | -                  | -                  |
| <b>Original Cost as at March 31, 2019</b> | <b>27,97,772</b> | <b>1,47,86,216</b> | <b>1,75,83,988</b> |
| <b>Accumulated Depreciation</b>           |                  |                    |                    |
| As at April 1, 2018                       | 4,18,273         | 39,54,432          | 43,72,705          |
| Charge for the year                       | 75,430           | 15,18,770          | 15,94,200          |
| Sales/Adjustments                         | -                | -                  | -                  |
| <b>As at March 31, 2019</b>               | <b>4,93,703</b>  | <b>54,73,202</b>   | <b>59,66,905</b>   |
| <b>Net Block</b>                          |                  |                    |                    |
| As at March 31, 2019                      | 23,04,069        | 93,13,014          | 1,16,17,083        |
| As at March 31, 2018                      | 23,79,499        | 1,08,31,784        | 1,32,11,283        |

\* Refer note 22 discontinued operations



# HINDUSTAN EVEREST TOOLS LTD.

## NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

|  | No. of shares |       | As at               | As at               |
|--|---------------|-------|---------------------|---------------------|
|  | 2019          | 2018  | March 31, 2019      | March 31, 2018      |
|  |               |       | ₹                   | ₹                   |
| <b>NON- CURRENT ASSETS</b>   |               |       |                     |                     |
| <b>5 Financial assets</b>  |               |       |                     |                     |
| i) Investments   |               |       |                     |                     |
| <b>in equity instruments (Quoted)</b>  |               |       |                     |                     |
| Equity shares of Jay Shree Tea and Industries Limited of Rs.5 each, fully paid up    | 3,508         | 3,508 | 1,14,009            | 1,51,090            |
| Equity shares of Hindalco Industries Limited of Re. 1 each, fully paid up            | 6,000         | 6,000 | 12,33,000           | 12,85,200           |
| <b>in equity instruments (Un-quoted)</b>   |               |       |                     |                     |
| Equity shares of Bharat Commerce and Industries Limited of Rs.10 each, fully paid up | 4,000         | 4,000 | -                   | -                   |
| <b>Total (equity instruments)</b>  |               |       | <b>13,47,009</b>    | <b>14,36,290</b>    |
| <b>Aggregate value of</b>  |               |       |                     |                     |
| Quoted   |               |       | 13,47,009           | 14,36,290           |
| Unquoted   |               |       | -                   | -                   |
| Provision for diminution In value of long term investment (un-quoted)                |               |       | 1,21,404            | 1,21,404            |
| <b>6 Deferred tax assets</b>   |               |       |                     |                     |
| Minimum alternate tax (credit entitlement)   |               |       | 10,75,19,032        | 10,89,75,685        |
|  |               |       | <b>10,75,19,032</b> | <b>10,89,75,685</b> |
| <b>7 Income tax assets (net)</b>   |               |       |                     |                     |
| Advance tax and tax deducted at source   |               |       | 19,13,052           | 19,64,052           |
|  |               |       | <b>19,13,052</b>    | <b>19,64,052</b>    |

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|   | No. of units |           | As at               | As at               |
|---|--------------|-----------|---------------------|---------------------|
|   | 2019         | 2018      | March 31, 2019      | March 31, 2018      |
|   |              |           | ₹                   | ₹                   |
| <b>CURRENT ASSETS</b>   |              |           |                     |                     |
| <b>8 Financial assets</b>   |              |           |                     |                     |
| <b>i) Investments</b>   |              |           |                     |                     |
| <b>in Mutual fund (Quoted)*</b>                                       |              |           |                     |                     |
| Kotak low duration fund of Rs. 2,075 each (face value Rs. 1,000)      | 32,640       | 31,084    | 7,46,29,742         | 6,59,95,710         |
| Birla sunlife cash manager of Rs. 410.09 each                         | 91,632       | 1,14,610  | 4,11,83,250         | 4,78,55,732         |
| ICICI prudential savings fund of Rs. 255.22 each                      | -            | 1,35,177  | -                   | 3,52,01,785         |
| HDFC cash management fund of Rs. 35.79 each                           | -            | 13,83,137 | -                   | 5,06,04,435         |
| L and T Floating rate fund of Rs. 16.78 each                          | 39,27,277    | 38,43,773 | 7,25,88,652         | 6,60,74,793         |
| Frankfin India low duration fund of Rs. 21.38 each                    | 4,67,906     | -         | 1,01,72,283         | -                   |
|   |              |           | <b>19,85,73,927</b> | <b>26,57,32,455</b> |
| Aggregate value of Quoted   |              |           | 19,85,73,927        | 26,57,32,455        |
| * Face value of Rs. 10 per unit, unless otherwise stated              |              |           |                     |                     |
| <b>ii) Trade receivables</b>  |              |           |                     |                     |
| <b>Unsecured</b>  |              |           |                     |                     |
| Considered good   |              |           | -                   | -                   |
| Considered Doubtful   |              |           | 83,19,054           | 1,13,00,458         |
| Less: Allowance for expected credit loss                              |              |           | (83,19,054)         | (1,13,00,458)       |
|   |              |           | -                   | -                   |
| <b>iii) Cash and cash equivalents</b>                                 |              |           |                     |                     |
| Balances with banks   |              |           |                     |                     |
| -in current accounts  |              |           | 11,77,378           | 59,73,259           |
| Cash on hand  |              |           | 14,534              | 118                 |
| Cheques on hand   |              |           | -                   | 6,25,378            |
|   |              |           | <b>11,91,912</b>    | <b>65,98,755</b>    |
| <b>iv) Bank balance other than cash and cash equivalents</b>          |              |           |                     |                     |
| Deposits with maturity for more than 3 months but less than 12 months |              |           | 1,99,357            | -                   |
|   |              |           | <b>1,99,357</b>     | -                   |



# HINDUSTAN EVEREST TOOLS LTD.

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
|--|-------------------------|-------------------------|

## 9 Other current assets

(Unsecured, considered good unless otherwise stated)

### Advances other than capital advances:

Advance to employees

2,92,479 -

**2,92,479 -**

## 10 Equity share capital

### Authorised Share Capital

23,00,000 (Previous year 23,00,000) Equity Share of Rs. 10/- each

2,30,00,000 2,30,00,000

20,000 (Previous Year 20,000) Redeemable Cumulative Preference Shares of Rs. 100/- each.

20,00,000 20,00,000

**2,50,00,000 2,50,00,000**

### Issued, subscribed and Paid up capital

16,07,200 (Previous year 16,07,200) Equity Share of Rs. 10/- each fully paid up.

1,60,72,000 1,60,72,000

**1,60,72,000 1,60,72,000**

### (i) Movements in equity share capital

|                                     | Number<br>of shares | Equity share<br>capital<br>(par value) | Number<br>of shares | Equity share<br>capital<br>(par value) |
|-------------------------------------|---------------------|--|---------------------|--|
|                                     |                     | ₹                                      |                     | ₹                                      |
| As at April 1, 2017                 | 16,07,200           | 1,60,72,000                            | 16,07,200           | 1,60,72,000                            |
| Add: Issued during the year         | -                   | -                                      | -                   | -                                      |
| <b>Balance as at March 31, 2018</b> | <b>16,07,200</b>    | <b>1,60,72,000</b>                     | <b>16,07,200</b>    | <b>1,60,72,000</b>                     |
| As at April 1, 2018                 | 16,07,200           | 1,60,72,000                            | 16,07,200           | 1,60,72,000                            |
| Add: Issued during the year         | -                   | -                                      | -                   | -                                      |
| <b>As at March 31, 2019</b>         | <b>16,07,200</b>    | <b>1,60,72,000</b>                     | <b>16,07,200</b>    | <b>1,60,72,000</b>                     |

### (ii) Terms/Rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. 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 of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



### (iii) Details of shareholders holding more than 5% shares in the Company

|  | March 31, 2019   |           | March 31, 2018   |           |
|--|------------------|-----------|------------------|-----------|
|  | Number of shares | % holding | Number of shares | % holding |
| Mandelia Investments Private Limited (the holding Company) | 8,34,470         | 51.92%    | 8,34,470         | 51.92%    |
| Transparent Agro Private Limited                           | 89,990           | 5.60%     | 89,990           | 5.60%     |

*(As per the records of the company, including register of members)*

(iv) The Company has not issued/allotted any class of shares as fully paid up pursuant to contract(s) without payment being received in cash or by way of bonus shares during the period of five year immediately preceding the reporting date. Further, no shares of any class were bought back during the period of five year immediately preceding the reporting date. Further, no shares have been reserved to be issued against stock options.

| 11 Other equity                          | As at               | As at               |
|--|---------------------|---------------------|
|  | March 31, 2019      | March 31, 2018      |
|  | ₹                   | ₹                   |
| <b>i) Retained earnings</b>              |                     |                     |
| Balance as at the beginning of the year  | 29,62,92,554        | (22,13,96,727)      |
| (Loss)/profit for the year               | (1,03,14,109)       | 51,76,89,281        |
| <b>Balance as at the end of the year</b> | <b>28,59,78,445</b> | <b>29,62,92,554</b> |
| <b>ii) Reserves</b>                      |                     |                     |
| Other reserves                           |                     |                     |
| Capital reserve                          | 7,52,400            | 7,52,400            |
| Securities premium                       | 73,28,000           | 73,28,000           |
| <b>Balance as at the end of the year</b> | <b>80,80,400</b>    | <b>80,80,400</b>    |
| <b>Total reserves and surplus</b>        | <b>29,40,58,845</b> | <b>30,43,72,954</b> |

- Retained Earnings: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations (if any). This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.
- Capital Reserve: This Reserve represents the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.
- Securities Premium Account: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.
- Revaluation Reserve: Revaluation reserve is a reserve created on the revaluation of assets or net assets of an enterprise represented by the surplus of the estimated replacement cost or estimated market values over the book values thereof.



# HINDUSTAN EVEREST TOOLS LTD.

|  | As at<br>March 31, 2019<br>₹                       | As at<br>March 31, 2018<br>₹                       |
|--|--|--|
| <b>CURRENT LIABILITIES</b>   |  |  |
| <b>12 Financial liabilities</b>  |  |  |
| <b>i) Trade payables (refer note 23)</b>   |  |  |
| -to micro and small enterprises  | -  | -  |
| -to others   | 6,17,222   | -  |
|  | <b>6,17,222</b>                                    | -  |
| <b>ii) Other financial liabilities</b>   |  |  |
| Employee emoluments  | 17,37,837  | -  |
|  | <b>17,37,837</b>                                   | -  |
| <b>13 Other current liabilities</b>  |  |  |
| Statutory dues (including interest thereon)  | 30,05,800  | -  |
|  | <b>30,05,800</b>                                   | -  |
| <b>14 Current tax liabilities (net)</b>  |  |  |
| Provision for income tax   | 21,12,513  | -  |
|  | <b>21,12,513</b>                                   | -  |
| <b>[net of advance tax Rs.Nil (previous year Rs. 3,40,00,000) and tax deducted at source Rs.1,026 (previous year Rs. 53,32,653)]</b> |  |  |
|  | <b>For the year ended<br/>March 31, 2019<br/>₹</b> | <b>For the year ended<br/>March 31, 2018<br/>₹</b> |
| <b>Revenue from continuing operations</b>  |  |  |
| <b>15 Revenue from operations</b>  |  |  |
| Sale of products (net of goods and services tax)   |  |  |
| -Domestic sales  | 13,21,992  | -  |
|  | <b>13,21,992</b>                                   | -  |
| <b>16 Other income</b>   |  |  |
| <b>Interest income</b>   |  |  |
| - on financials assets   | 2,00,383   | -  |
| Gain on sale of financial assets   | 8,99,566   | -  |
| Gain on fair valuation of financial assets   | 31,52,223  | -  |
| Dividend received  | 7,200  | -  |
| Bad debts recovered  | 2,51,787   | -  |
| Miscellaneous income   | 3,65,830   | -  |
|  | <b>48,76,990</b>                                   | -  |



|   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
|   | ₹                                    | ₹                                    |
| <b>Expenses from continuing operations</b>                    |                                      |                                      |
| <b>17 Employee benefits expense</b>                           |                                      |                                      |
| Salaries, wages and bonus                                     | 17,70,585                            | -                                    |
| Contribution to provident and other funds                     | 1,29,410                             | -                                    |
| Staff welfare   | 1,64,488                             | -                                    |
|   | <b>20,64,483</b>                     | <b>-</b>                             |
| <b>18 Depreciation expense</b>                                |                                      |                                      |
| Depreciation on property, plant and equipment                 | 3,94,381                             | -                                    |
|   | <b>3,94,381</b>                      | <b>-</b>                             |
| <b>19 Other expenses</b>                                      |                                      |                                      |
| Repairs and maintenance                                       | 4,61,422                             | -                                    |
| Power and fuel  | 6,74,246                             | -                                    |
| Rent  | 2,81,825                             | -                                    |
| Rates and taxes   | 33,750                               | -                                    |
| Insurance   | 1,095                                | -                                    |
| Travelling and conveyance                                     | 99,653                               | -                                    |
| Vehicle running and maintenance                               | 2,35,099                             | -                                    |
| Selling and distribution expenses (net of freight recoveries) | 91,809                               | -                                    |
| Printing and stationery                                       | 74,099                               | -                                    |
| Postage telegram and telephone                                | 1,80,485                             | -                                    |
| Unclaimed balances and excess provision                       | 26,191                               | -                                    |
| Bank charges  | 4,272                                | -                                    |
| Legal and professional fees                                   | 1,57,100                             | -                                    |
| Directors fee   | 50,000                               | -                                    |
| Claim paid  | 1,05,108                             | -                                    |
| Payment to Auditors'  |                                      |                                      |
| Audit Fee   | 25,000                               | -                                    |
| Tax Audit Fee   | 30,000                               | -                                    |
| For expenses  | 2,130                                | -                                    |
|   | <b>25,33,284</b>                     | <b>-</b>                             |



# HINDUSTAN EVEREST TOOLS LTD.

|   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
|   | ₹                                    | ₹                                    |
| <b>20 Tax expense</b>   |                                      |                                      |
| <b>from continuing operations</b>   |                                      |                                      |
| <b>Current tax</b>  |                                      |                                      |
| - Current tax for the year (MAT)  | -                                    | -                                    |
| <b>Deferred tax</b>   |                                      |                                      |
| - Deferred tax (MAT credit)   | -                                    | -                                    |
| <b>20.1 Effective tax reconciliation</b>  | -                                    | -                                    |
| <b>(Loss)/ profit before tax</b>  | <b>(1,03,14,109)</b>                 | <b>51,76,89,281</b>                  |
| Tax using domestic tax rate @ 26% (previous year 25.85%)  | -                                    | 13,38,22,679                         |
| Impact of indexation benefit on sale of land  | -                                    | (11,84,37,913)                       |
| Impact of adjustment of brought forward unabsorbed losses and depreciation (previous unrecognised)  | -                                    | (1,53,84,766)                        |
| <b>Expected tax after adjustment</b>  | <b>(1,03,14,109)</b>                 | <b>51,76,89,281</b>                  |
| <b>20.2 Note on non- recognition of deferred tax</b>  |                                      |                                      |
| Deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which carried forward tax losses and unabsorbed depreciation can be utilised. The cumulative unabsorbed depreciation and business losses amount to Rs. 16,90,83,657 (previous year Rs.16,46,74,314 ) and on which no deferred tax asset has been recognised in accordance with accounting principles laid under Ind AS for recognition of deferred tax assets. Further, these losses are available to offset for maximum period of eight years from the date of incurrence of loss. Unabsorbed depreciation can be set off anytime in future years. |                                      |                                      |
| <b>21 Earning/(loss) per equity share</b>   |                                      |                                      |
| <b>from continuing operations (basic and diluted)</b>   |                                      |                                      |
| Profit/(loss) before OCI attributable to equity shareholders'   | (57,301)                             | -                                    |
| Total equity shares outstanding during the year   | 16,07,200                            | 16,07,200                            |
| Weighted average number of equity shares ( face value of Rs. 10 per share)  | 16,07,200                            | 16,07,200                            |
|   | <b>(0.04)</b>                        | -                                    |
| <b>from discontinued operations (basic and diluted)</b>   |                                      |                                      |
| Profit/(loss) before OCI attributable to equity shareholders'   | (1,02,56,808)                        | 51,76,89,281                         |
| Total equity shares outstanding during the year   | 16,07,200                            | 16,07,200                            |
| Weighted average number of equity shares ( face value of Rs. 10 per share)  | 16,07,200                            | 16,07,200                            |
|   | <b>(6.38)</b>                        | <b>322.11</b>                        |
| <b>from continuing and discontinued operations (basic and diluted)</b>  | <b>(6.42)</b>                        | <b>322.11</b>                        |



## 22 Discontinued operations and Going concern

### i) Discontinued operations

Subsequent to closure of its only manufacturing facility in year 2017, the management of the Company has been exploring various business activities in trading as well as manufacturing space with a particular emphasis in engineering sector which has traditionally been the expertise of the management since the inception of the Company.

During the quarter ended December 31, 2018, the Company had substantially completed the settlement of liabilities, and realisation of assets, pertaining to its discontinued operations. Net surplus funds are available at the Corporate level for investment in a new business and the same have been temporarily invested in debt based mutual funds to earn risk free returns. As of now, income from or gain on fair valuation, of these investments is major source of income for the Company. However, the investments are temporary and the management of the Company does not foresee it to be a permanent source in view of the aforementioned business plan under evaluation. Consequently, the statutory liabilities and tax credits shall now be considered at Corporate level as majority of the liabilities of discontinued operations have been settled.

Further, the management has explored the business of trading in metals and plans to scale up the trading activities in the year 2019-20. Accordingly, the operating segment of the Company as of now is trading in metals.

Consequently, figures for the discontinued operations have been separately disclosed and operations of the trading activities have been considered as continuing. Accordingly, corresponding figures for the previous periods have been reclassified/regrouped as per current period presentation.

The net worth of the Company as on date is positive and there is no foreseeable issue that the Company shall not be able to pay off its remaining liabilities which are not significant in current context.

In view of improved net worth and availability of funds, the management is hopeful to finalise a new business plan for the Company in near future and the Company shall be able to continue as a going concern.

However, out of abundant caution and in view of accounting principle of prudence, all the assets have been shown at lower of book value and net realisable value and all known liabilities have been fully recorded at values at which the same are likely to be discharged. Consequently, all the known losses have been recorded and unrealised gains, if any, have been ignored.

### ii) Financial performance

The financial performance presented for the year ended March 31, 2019 and March 31, 2018.

#### a) Current assets pertaining to discontinued operations

##### i) Financial Assets

(Unsecured, considered good unless otherwise stated )

|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
|  | ₹                       | ₹                       |
| Amount receivable against sale of property, plant and equipment and Intangible asset | -                       | 2,01,00,000             |
| Deposit with Government Department   | 9,17,352                | 14,75,251               |
| Deposit with Others  | 16,500                  | 22,500                  |
|  | <b>9,33,852</b>         | <b>2,15,97,751</b>      |





# HINDUSTAN EVEREST TOOLS LTD.

|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
|   | ₹                       | ₹                       |
| <b>ii) Other current assets</b>   |                         |                         |
| <b>Advances other than capital advances:</b>                            |                         |                         |
| Prepaid expenses  | -                       | 2,56,365                |
| Advance to suppliers  | -                       | 1,05,804                |
| Advance to employees  | -                       | 4,49,872                |
|   | -                       | <b>8,12,041</b>         |
| <b>Total current assets pertaining to discontinued operations</b>       | <b>9,33,852</b>         | <b>2,24,09,792</b>      |
| <b>b) Current tax liabilities pertaining to discontinued operations</b> |                         |                         |
| <b>i) Financial liabilities</b>   |                         |                         |
| <b>Trade payables (refer note 23)</b>                                   |                         |                         |
| -to micro and small enterprises   | -                       | -                       |
| -to Others  | 4,33,345                | 43,19,417               |
|   | <b>4,33,345</b>         | <b>43,19,417</b>        |
| <b>ii) Other financial liabilities</b>                                  |                         |                         |
| Trade deposits  | 1,96,500                | 36,88,569               |
| Dues payable to Bombay Stock Exchange                                   | -                       | 15,92,170               |
| Employee emoluments   | -                       | 48,26,120               |
|   | <b>1,96,500</b>         | <b>1,01,06,860</b>      |
| <b>iii) Other current liabilities</b>                                   |                         |                         |
| Advances from customers   | -                       | 11,25,992               |
| Statutory dues (including interest thereon)                             | -                       | 40,31,239               |
|   | -                       | <b>51,57,231</b>        |
| <b>iv) Provisions</b>   |                         |                         |
| <b>Provision for employee benefits:</b>                                 |                         |                         |
| Provision for gratuity  | 53,53,643               | 53,53,643               |
|   | <b>53,53,643</b>        | 53,53,643               |



## Contingent liabilities

Some of the workers of the Company have filed claim against the Company for gratuity in labour court Chandigarh/ Panipat. The amount can not be ascertained at this stage of the litigation. However, on a prudence basis management is carrying a provision of Rs.53,53,643 (previous year Rs.53,53,643). The management believes the likelihood of higher liability is low.

|  | As at<br>March 31, 2019              | As at<br>March 31, 2018              |
|--|--------------------------------------|--------------------------------------|
|  | ₹                                    | ₹                                    |
| <b>v) Current tax liabilities (net)</b>                                    |                                      |                                      |
| Provision for income tax   | -                                    | 7,49,46,208                          |
|  | -                                    | <b>7,49,46,208</b>                   |
| <b>Total current tax liabilities pertaining to discontinued operations</b> | <b>59,83,488</b>                     | <b>9,98,83,358</b>                   |
|  |                                      |                                      |
|  | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|  | ₹                                    | ₹                                    |
| <b>c) (Loss)/ profit before tax from discontinued operations</b>           |                                      |                                      |
| <b>a) Revenue from discontinued operations</b>                             |                                      |                                      |
| <b>i) Other income</b>   |                                      |                                      |
| Gain on fair valuation of financial assets                                 | 1,14,55,758                          | 58,06,434                            |
| Dividend Received  | 6,600                                | 1,754                                |
| Unclaimed balances and excess provision                                    | 51,09,598                            | 6,79,420                             |
| Gain on sale of scrap of inventories                                       | -                                    | 9,92,324                             |
| Gain on sale of property, plant and equipment and intangible assets        | 5,000                                | 58,10,67,555                         |
| Bad debts recovered  | 26,97,254                            | -                                    |
| Miscellaneous income   | 7,94,354                             | 1,26,503                             |
|  | <b>2,00,68,564</b>                   | <b>58,86,73,990</b>                  |
| <b>Total Revenue from discontinued operations</b>                          | <b>2,00,68,564</b>                   | <b>58,86,73,990</b>                  |
| <b>b) Expenses from discontinued operations</b>                            |                                      |                                      |
| <b>i) Employee benefits expense</b>  |                                      |                                      |
| Salaries, wages and bonus  | 77,58,465                            | 2,24,45,708                          |
| Contribution to provident and other funds                                  | 3,59,616                             | 9,08,247                             |
| Staff welfare  | 6,17,996                             | 11,09,044                            |
|  | <b>87,36,077</b>                     | <b>2,44,62,999</b>                   |



# HINDUSTAN EVEREST TOOLS LTD.

|   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
|   | ₹                                    | ₹                                    |
| <b>ii) Finance costs</b>                                      |                                      |                                      |
| Interest on financial liabilities                             | -                                    | 39,15,956                            |
| Interest on delayed payment of statutory dues                 | -                                    | 41,50,000                            |
| Interest others   | 64,72,881                            | 8,82,899                             |
|   | <b>64,72,881</b>                     | <b>89,48,855</b>                     |
| <b>iii) Depreciation expense</b>                              |                                      |                                      |
| Depreciation on property, plant and equipment                 | 11,99,819                            | 25,84,731                            |
|   | <b>11,99,819</b>                     | <b>25,84,731</b>                     |
| <b>iv) Other expenses</b>                                     |                                      |                                      |
| Repairs and maintenance                                       | 17,37,123                            | 33,50,018                            |
| Power and fuel  | 23,05,645                            | 3,25,426                             |
| Rent  | 10,69,475                            | 32,24,391                            |
| Rates and taxes   | 13,20,618                            | 16,41,417                            |
| Insurance   | 3,59,898                             | 2,96,289                             |
| Cash discount   | -                                    | 15,664                               |
| Travelling and conveyance                                     | 2,93,211                             | 8,80,332                             |
| Vehicle running and maintenance                               | 5,63,729                             | 17,05,796                            |
| Bad debts and advance written off                             | -                                    | 6,01,121                             |
| Impairment of trade receivables                               | -                                    | 29,30,864                            |
| Selling and distribution expenses (net of freight recoveries) | 3,27,574                             | 6,26,425                             |
| Printing and stationery                                       | 2,05,324                             | 4,12,149                             |
| Postage, telegram and telephone                               | 5,10,745                             | 11,16,063                            |
| Unclaimed balances and excess provision                       | 5,650                                | -                                    |
| Bank charges  | 472                                  | 29,128                               |
| Legal and professional  | 21,28,300                            | 1,08,13,202                          |
| Directors fee   | 1,55,000                             | 1,15,000                             |
| Claim paid  | 1,94,657                             | -                                    |
| Payment to Auditors'  | -                                    | -                                    |
| Audit Fee   | 1,40,000                             | 1,65,000                             |
| Tax Audit Fee   | 50,000                               | 80,000                               |
| For Expenses  | -                                    | 22,870                               |
| Miscellaneous expenses  | 25,49,174                            | 66,36,969                            |
|   | <b>1,39,16,595</b>                   | <b>3,49,88,124</b>                   |
| <b>Total expenses from discontinued operations</b>            | <b>3,03,25,372</b>                   | <b>7,09,84,709</b>                   |
| <b>(Loss)/ profit before tax from discontinued operation</b>  | <b>(1,02,56,808)</b>                 | <b>51,76,89,281</b>                  |



|  | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--|--------------------------------------|--------------------------------------|
|  | ₹                                    | ₹                                    |
| <b>Income tax expenses</b>                                   |                                      |                                      |
| <b>from discontinuing operations</b>                         |                                      |                                      |
| <b>Current tax</b>   |                                      |                                      |
| - Current tax for the year (MAT)                             | -                                    | 10,89,75,685                         |
|  | -                                    | <b>10,89,75,685</b>                  |
| <b>Deferred tax</b>  |                                      |                                      |
| - Deferred tax (MAT credit)                                  | -                                    | (10,89,75,685)                       |
|  | -                                    | <b>(10,89,75,685)</b>                |
| <b>Summary of profit and loss of discontinued operations</b> |                                      |                                      |
| Revenue  | 2,00,68,564                          | 58,86,73,990                         |
| Expenses   | (3,03,25,372)                        | (7,09,84,709)                        |
| <b>Profit before income tax</b>                              | <b>(1,02,56,808)</b>                 | <b>51,76,89,281</b>                  |
| Tax expense  |                                      |                                      |
| Current tax  | -                                    | 10,89,75,685                         |
| Deferred tax   | -                                    | (10,89,75,685)                       |
| <b>Profit after tax</b>                                      | <b>(1,02,56,808)</b>                 | <b>51,76,89,281</b>                  |
| Other comprehensive income for the year, net of tax          | -                                    | -                                    |
| <b>Total comprehensive income for the year</b>               | <b>(1,02,56,808)</b>                 | <b>51,76,89,281</b>                  |

## ii) Going concern

The net worth of the Company as on date is positive and there is no foreseeable issue that the Company shall not be able to pay off its remaining liabilities which are not significant in current context. However, out of abundant caution and in view of accounting principle of prudence, all the assets have been shown at lower of book value and Net realisable value and all known liabilities have been fully recorded at values at which the same are likely to be discharged.

Consequently, all the known losses have been recorded and unrealised gains, if any, have been ignored. In view of improved net worth and availability of funds, the management is hopeful to finalise a new business plan for the Company in near future.

## 23 Detail of dues to micro and small enterprises defined under the MSMED Act 2006

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue Principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly, there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.



## 24 Related party disclosures

- a) Holding Company  
Mandelia Investments Private Limited
- b) Association of persons having significant influence on Key management personnel  
Shravan Kumar Mandelia (HUF)  
Bal Gopal Mandelia (HUF)
- c) Key Management Personnel  
Shravan Kumar Mandelia (Managing Director)  
Bal Gopal Mandelia (Managing Director)
- d) Relative of the Key Management  
Anant Vijay Mandelia (Marketing Executive) son of Bal Gopal Mandelia

|   | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|---|--------------------------------------|--------------------------------------|
|   | ₹                                    | ₹                                    |
| <b>Transaction with related Parties during the year</b> |                                      |                                      |
| <b>Remuneration Paid</b>                                |                                      |                                      |
| Shravan Kumar Mandelia                                  | 7,65,244                             | 7,37,359                             |
| Bal Gopal Mandelia                                      | 8,41,444                             | 8,00,856                             |
| Anant Vijay Mandelia                                    | -                                    | 11,24,833                            |
|   | <b>16,06,688</b>                     | <b>26,63,048</b>                     |
| <b>Loan repaid during the year</b>                      |                                      |                                      |
| Shravan Kumar Mandelia                                  | -                                    | 2,75,04,294                          |
| Bal Gopal Mandelia                                      | -                                    | 1,74,20,253                          |
|   | -                                    | <b>4,49,24,547</b>                   |
| <b>Rent paid (net of recovery)</b>                      |                                      |                                      |
| Shravan Kumar Mandelia                                  | 1,44,000                             | 1,44,000                             |
| Bal Gopal Mandelia                                      | 1,44,000                             | 1,44,000                             |
|   | <b>2,88,000</b>                      | <b>2,88,000</b>                      |

There are no closing balances receivables or payable to related parties.



## 25 Financial instruments by category

### i) From continued operations

| Particulars                        | March 31, 2019 |                  | March 31, 2018 |                  |
|------------------------------------|----------------|------------------|----------------|------------------|
|                                    | FVTPL          | Amortised cost   | FVTPL          | Amortised cost   |
|                                    | ₹              | ₹                | ₹              | ₹                |
| <b>Financial assets</b>            |                |                  |                |                  |
| Cash and cash equivalents          | -              | 11,91,912        | -              | 65,98,755        |
| Bank balance other than above      | -              | 1,99,357         | -              | -                |
| <b>Total financial assets</b>      | -              | <b>13,91,269</b> | -              | <b>65,98,755</b> |
| <b>Financial liabilities</b>       |                |                  |                |                  |
| Trade payables                     | -              | 6,17,222         | -              | -                |
| Other financial liabilities        | -              | 17,37,837        | -              | -                |
| <b>Total financial liabilities</b> | -              | <b>23,55,059</b> | -              | -                |

### ii) From discontinued operations

| Particulars                        | March 31, 2019 |                 | March 31, 2018 |                    |
|------------------------------------|----------------|-----------------|----------------|--------------------|
|                                    | FVTPL          | Amortised cost  | FVTPL          | Amortised cost     |
|                                    | ₹              | ₹               | ₹              | ₹                  |
| <b>Financial assets</b>            |                |                 |                |                    |
| Other financial assets (current)   | -              | -               | -              | 2,15,97,751        |
| <b>Total financial assets</b>      | -              | -               | -              | <b>2,15,97,751</b> |
| <b>Financial liabilities</b>       |                |                 |                |                    |
| Trade payables                     | -              | 4,33,345        | -              | 43,19,417          |
| Other financial liabilities        | -              | 1,96,500        | -              | 1,01,06,860        |
| <b>Total financial liabilities</b> | -              | <b>6,29,845</b> | -              | <b>1,44,26,276</b> |

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

## 26 Credit Risks

### (A) Credit risk

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

#### a) Credit risk management

##### i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.



A: Low credit risk

B: High credit risk

| Asset group         | Basis of categorisation                                | Provision for expenses credit loss                   |
|---------------------|--|--|
| A: Low credit risk  | Trade receivables, cash and cash equivalents and loans | 12 month expected credit loss                        |
| B: High credit risk | Trade receivables                                      | Life time expected credit loss or fully provided for |

In respect of trade receivables, the Company recognises a provision for lifetime expected credit loss.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy, advance not recoverable or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

| Assets under credit risk – |  |                |                |
|----------------------------|--|----------------|----------------|
| Credit rating              | Particulars  | March 31, 2019 | March 31, 2018 |
|                            |  | ₹              | ₹              |
| A: Low credit risk         | Trade receivables, cash and cash equivalents and loans | 13,91,269      | 65,98,755      |
| B: Moderate credit risk    | Not applicable   |                |                |
| C: High credit risk        | Not applicable   |                |                |

## 27 Liquidity Risk

### i) Continued operations

The Company's current assets aggregate to Rs.20,02,57,675 (2018- Rs.27,23,31,210) including current investments, cash and cash equivalents and other bank balances of Rs.1,99,357 (2018- Rs. nil) against an aggregate current liability of Rs.74,73,372 (2018- Rs.nil); Non-current liabilities amounting to Rs.nil (2018- Rs.nil).

### ii) Discontinued operations

The Company's current assets aggregate to Rs.9,33,852 (2018- Rs.2,24,09,792) including current investments, cash and cash equivalents and other bank balances of Rs. nil (2018- Rs. nil) against an aggregate current liability of Rs.59,83,488 (2018- Rs.9,98,83,358); Non-current liabilities amounting to Rs.nil (2018- Rs.nil).

Further, while the Company's total equity stands at Rs.31,01,30,845 (2018- Rs.320,444,954), Non-current borrowings- Rs. nil (2018- Rs.nil), current borrowings- Rs.nil (2018- Rs.nil). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.



## 28 Market Risks

The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Profit and Loss. The value of investments in such equity instruments as at March 31, 2019 is Rs.13,47,009 (2018- Rs.14,36,290). Accordingly, fair value fluctuations arising from market volatility is recognised in Profit and Loss.

As the Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of liquidity, safety and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in debt mutual funds and are fair valued through the Statement of Profit and Loss to recognise market volatility. The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

## 29 Foreign currency risk

The Company does not have a significant foreign currency risk as it does not have any significant exposure in foreign currency as at the year end. The Company has no-hedge policy for its foreign currency items as these are insignificant. Therefore, the sensitivity to foreign currency fluctuation is not relevant.

## 30 Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** unobservable inputs for the asset or liability.

## 31 Financial instruments and cash deposits

### i) Continuing operations

March 31, 2019

|                               | Estimated gross carrying amount | Expected credit losses | Carrying amount |
|-------------------------------|---------------------------------|------------------------|-----------------|
|                               | ₹                               | ₹                      | ₹               |
| Trade receivables             | 83,19,054                       | (83,19,054)            | -               |
| Cash and cash equivalents     | 11,91,912                       | -                      | 11,91,912       |
| Bank balance other than above | 1,99,357                        | -                      | 1,99,357        |





# HINDUSTAN EVEREST TOOLS LTD.

March 31, 2018

| Particulars               | Estimated gross carrying amount | Expected credit losses | Carrying amount |
|---------------------------|---------------------------------|------------------------|-----------------|
|                           | ₹                               | ₹                      | ₹               |
| Trade receivables         | 1,13,00,458                     | (1,13,00,458)          | -               |
| Cash and cash equivalents | 65,98,755                       | -                      | 65,98,755       |

ii) Discontinued operations

March 31, 2019

|                                  | Estimated gross carrying amount | Expected credit losses | Carrying amount |
|----------------------------------|---------------------------------|------------------------|-----------------|
|                                  | ₹                               | ₹                      | ₹               |
| Other financial assets (current) | -                               | -                      | -               |

March 31, 2018

|                                  | Estimated gross carrying amount | Expected credit losses | Carrying amount |
|----------------------------------|---------------------------------|------------------------|-----------------|
|                                  | ₹                               | ₹                      | ₹               |
| Other financial assets (current) | 2,15,97,751                     | -                      | 2,15,97,751     |

For **SSRA & Co.**

Chartered Accountants  
Firm Registration No. 014266N

Suresh Goyal  
Partner  
Membership No.: 093711

Place: New Delhi  
Dated: May 16, 2019

For and on the behalf of the Board of Directors

BAL GOPAL MANDELIA  
Managing Director  
DIN 00040592

SONAM GUPTA  
Company Secretary  
Membership No. A51329

SHRAVAN KUMAR MANDELIA  
Managing Director  
DIN 00040532

DEEPAK GUPTA  
Chief Financial Officer

# HINDUSTAN EVEREST TOOLS LIMITED

CIN: L74899DL1962PLC003634

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

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

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



|                                  |               |
|----------------------------------|---------------|
| DP. Id* / Client Id* / Folio No. | No. of Shares |
|----------------------------------|---------------|

NAME AND ADDRESS OF THE SHAREHOLDER

I/We hereby record my/ our presence at the 56<sup>TH</sup> Annual General Meeting ("AGM") of the members of HINDUSTAN EVEREST TOOLS LIMITED held at "PHD House" opposite Asian Games Village, Siri Fort Road, New Delhi - 110016 on Monday, 30<sup>th</sup> September, 2019 at 10:30 A.M. (IST).

\*Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

## HINDUSTAN EVEREST TOOLS LIMITED

CIN: L74899DL1962PLC003634

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

### PROXY FORM

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

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

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

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Monday, 30<sup>th</sup> September, 2019 at 10:30 a.m. at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

| Resolutions  | Optional* |         |
|--|-----------|---------|
|  | For       | Against |
| 1. Consider and adopt Audited Financial Statement of the Company for the financial year ended on 31st March, 2019 along with the Report of the Board of Directors and Auditors thereon |           |         |
| 2. Reappointment of Shri Shravan Kumar Mandelia (DIN: 00040532), who retires by rotation, and being eligible, offers himself for re-appointmen   |           |         |
| <b>Special Business</b>  |           |         |
| 3. Appointment of Mr. Amitav (DIN: 08240143) as an Independent Director of the Company   |           |         |
| 4. Appointment of Miss Shifa Nagar (DIN: 08240119) as an Independent Director of the Company   |           |         |
| 5. Re-appointment of Mr. Pradeep Jain (DIN: 00108240) as an Independent Director of the Company  |           |         |
| 6. Re-appointment of Shri Shravan Kumar Mandelia (DIN: 00040532) as a Managing Director of the Company and approval of remuneration and other terms and conditions of his appointment  |           |         |
| 7. Re-appointment of Shri Balgopal Mandelia (DIN: 00040592) as a Managing Director of the Company and approval of remuneration and other terms and conditions of his appointment       |           |         |

\* Applicable for investors holding shares in electronic form

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Shareholder \_\_\_\_\_

Signature of first proxy holder \_\_\_\_\_

Signature of second proxy holder \_\_\_\_\_

Signature of third proxy holder \_\_\_\_\_

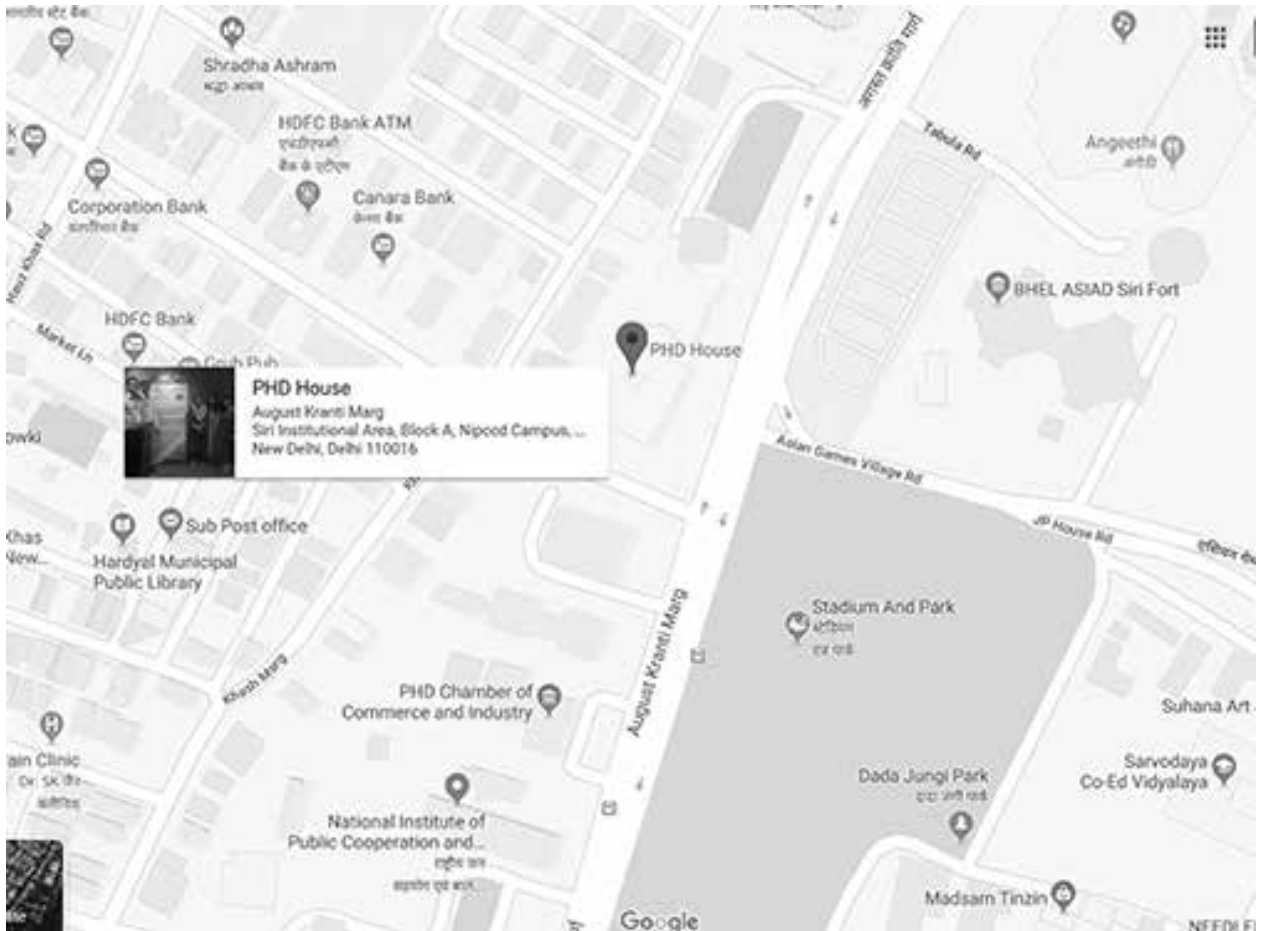
Affix a Revenue stamp

Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 2) A Proxy need not be a member of the Company.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) For the Resolutions, Explanatory Statement and Notes, Please refer to the Notice of the 56<sup>th</sup> Annual General Meeting.
- 5) \*\* This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 6) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes. When a Member appoints a Proxy and both the Member and Proxy attend the Meeting, the Proxy will stand automatically revoked.
- 7) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
- 8) This form of proxy shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.
- 9) This form of proxy will be valid only if it is duly complete in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.
- 10) Undated proxy form will not be considered valid.
- 11) If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.



ROUTE MAP





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**HINDUSTAN EVEREST TOOLS LTD**

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