

**Hindustan
Everest Tools
Limited**



CIN: L74899DL1962PLC003634

Dohil Chambers, 46, Nehru Place,
New Delhi -110 019 (INDIA)
Ph : +91 11 46579476
Email: admin@everesttools.com
Website:- www.everesttools.com

Date: 04th December, 2020
To,

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

Sub: - Submission of Annual Report for Financial Year 2019-20 and AGM Notice for the 57th Annual General Meeting of the Company scheduled to be held on 30th December, 2020

Dear Sir/Ma'am,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("SEBI Listing Regulations"), please find attached soft copy of the Annual Report for Financial Year 2019-20 along with Notice for the 57th Annual General Meeting of the members of the Company scheduled to be held on Wednesday, 30th December, 2020 at 10:30 A.M. at "PHD House" opposite Asian Games Village, Siri Fort Road, New Delhi - 110016.

Kindly take the same in your records and oblige.

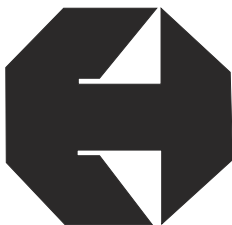
Thanking You,

Yours Faithfully,
For Hindustan Everest Tools Limited


Sonam Gupta
Company Secretary

Encl: As above

57th
Annual Report
2019 - 2020



Hindustan
Everest
Tools Ltd.

"The First ISO 9001 Hand Tools Company in India"



LATE SYT. D.P. MANDELIA



HINDUSTAN EVEREST TOOLS LTD.

57th ANNUAL REPORT 2019-20

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

REGISTERED OFFICE

Dohil Chambers,
46, Nehru Place,
New Delhi-110 019
Ph. : 91-11-46579476
Email : admin@everesttools.com
CIN : L74899 DL1962 PLC003634
Website : <http://www.everesttools.com>

SHARES LISTED AT

Bombay Stock Exchange

REGISTAR & TRANSFR 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. : 49411000 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: 011-46579476

Notice of the 57th Annual General Meeting

NOTICE is hereby given that the 57TH Annual General Meeting (“AGM”) of HINDUSTAN EVEREST TOOLS LIMITED will be held at “PHD House” opposite Asian Games Village, Siri Fort Road, New Delhi - 110016 on **Wednesday, 30th December, 2020 at 10:30 A.M. (IST)** to transact the following business:-

ORDINARY BUSINESS:

1. Adoption of Financial Statements

To receive, consider and adopt the audited standalone financial statements of the company for the financial year ended 31st March, 2020 together with the reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** the Audited Standalone Financial Statements of the Company including Balance sheet along with profit and loss account, cash flow statement for the financial year ended 31st March, 2020, along with notes and schedules thereto forming part thereof and the reports of the Board of Directors and the Auditors thereon as laid before this meeting, be and are hereby received, considered and adopted.”

2. Appointment of Director in place of the retiring Director

To appoint a Director in place of Shri Balgopal Mandelia (DIN: 00040592), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

“**RESOLVED THAT** pursuant to Section 152(6) of the Companies Act, 2013, Shri Balgopal Mandelia (DIN: 00040592), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director (Managing Director), liable to retire by rotation.”

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

Date: 11.11.2020

Place: New Delhi

**Sd/-
Sonam Gupta
(Company Secretary)
M. No. 51329**

IMPORTANT NOTES

1. 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. M/s. SSRA & Co., Chartered Accountants, New Delhi (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.

2. 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.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 57TH 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 BLANK FORM OF THE PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF COMMENCEMENT OF ANNUAL GENERAL MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percentage of the total share capital of the Company carrying voting rights. A member holding more than ten percentage 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 proxy for any other person or shareholder.

The instrument appointing a proxy shall be in writing and be signed by the appointer or his/her 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.

Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolution/ authority, as applicable, issued by the member.

4. 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.
5. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated 12th May, 2020, electronic copy of the Annual Report for the financial year 2019-20 and Notice of the 57th AGM of the Company, inter alia, indicating the process and manner of e-voting will be sent only through electronic mode to all the Members whose e-mail IDs are registered with the Company's Registrar & Share Transfer Agent/Depository Participant(s) for communication purposes, as the requirement of sending the hard copies of annual report and notice of AGM has been dispensed with. Members may note that the Notice and Annual Report will also be available on the Company's website www.everesttools.com and may also be accessed from the relevant section of the website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com respectively.
6. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
7. **Due to COVID-19 pandemic, members are requested to wear face mask before entering into the premises for attending 57th Annual General Meeting of the Company and follow the necessary instructions at the venue to maintain social distancing and sanitize hands in regular intervals during the entire proceeding of Annual General Meeting.** Members are also requested to please submit the attendance slip duly filled and signed along with self-declaration as mentioned therein.



HINDUSTAN EVEREST TOOLS LTD.

8. Non-Resident Indian members are requested to inform LI IPL/ 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.
9. Only registered members of the Company may attend and vote at the AGM. 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.*
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') (as amended), dividend which remain unclaimed for a consecutive 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 onwards and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, to their DPs in case shares are held in electronic form or to Company's RTA i.e. **Link Intime India Pvt. Ltd. (LI IPL)** in case shares are held in physical form.
12. Members may avail the facility of nomination by nominating a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's RTA i.e. LI IPL. Members are requested to submit the said details to their DPs in case the shares are held in electronic form and to LI IPL in case the shares are held in physical form.
13. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's RTA i.e. LI IPL for consolidation into single folio.
14. Members/Proxies/Authorized Representatives are requested to deposit the attendance slip duly filed and signed for attending the Meeting. Members who hold shares in dematerialization form are requested to write their client ID and DP ID number for identification.
15. SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 read with SEBI press release No. 49/2018 dated December 3, 2018, has mandated that w.e.f. 01.04.2019, except in case of transmission or transposition of securities, request for effecting transfer of securities held in physical form shall not be processed by the Company / RTA of the Company unless the securities are held in dematerialized form. Hence Shareholders holding shares in physical form are requested to get their physical shares dematerialized.
16. 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 form are, 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/RTA i.e. LI IPL.
17. In keeping with the Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests the Members who have not registered their email addresses so far, to register their email addresses with their DPs in case shares are held by them in electronic form and with the Company's RTA i.e. LI IPL in case shares are held by them in physical form for receiving all communication including annual report, notices, circulars etc. from the Company electronically.



18. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 11.00 am to 1.00 pm up to the date of AGM and copies thereof are also available at Company's Registered office. These documents along with the Register of Directors and Key Managerial Personnel & their shareholding maintained under section 170 of the Companies Act, 2013 and the Register of Contracts & Arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 shall be open for inspection at the meeting to any person having right to attend the meeting.
19. 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 **Thursday, 24th December, 2020 to Wednesday, 30th December, 2020 (both days inclusive)** for the purpose of 57th AGM of the Company.
20. (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, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, Phone No. – 011-49411000, Fax: 41410591, E-Mail: delhi@linkintime.co.in and Company's E-mail: 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.
21. Members having any query relating to the enclosed Annual Accounts are requested to send the same to the Company Secretary at the Registered Office of the Company at least seven days before the date of Annual General Meeting so as to enable the management to keep the information ready for replying at the meeting.
22. **Cut-off Date**
- The Company has fixed Wednesday, December 23, 2020 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. Wednesday, December 23, 2020 only. A person who is not a Member as on the Cutoff Date should treat this Notice for information purposes only.
23. **Voting through electronic means**
- I In compliance with provisions of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time 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 57th 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.



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II Shareholders of the company holding shares either in physical form or dematerialized form, as on record date i.e. 23rd December, 2020 are eligible to cast their vote.

III **The instructions for e-voting are as under:**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

- (i) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
- (ii) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- (iii) A new screen will open. Enter the login credential i.e. User ID and password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(iv) 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 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 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 For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

(v) 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.
- (vi) 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.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- (vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- (viii) Now, you will have to click on "Login" button.
- (ix) After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is mentioned below:

- (i) After successful login at Step 1, Home page of e-voting opens. Click on e-voting to activate voting cycle.
 - (ii) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 - (iii) Select "EVEN" of Hindustan Everest Tools Limited.
 - (iv) Now you are ready for e-voting as Cast Vote page opens.
 - (v) Cast your vote by selecting appropriate option i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 - (vi) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - (viii) Once you have vote done the resolution, you will not be allowed to modify your vote.
- IV 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 or admin@everesttools.com with a copy marked to evoting@nsdl.co.in.
- V 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 to reset the password.



HINDUSTAN EVEREST TOOLS LTD.

- VI. 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 or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
- VII 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).
- VIII The e-voting period commences on **Sunday, 27th December, 2020 (09:00 a.m.) and ends on Tuesday, 29th December, 2020 (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 23rd December, 2020 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on are solution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- IX 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 23rd December, 2020.
- X 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.
- XI The Board of Directors have appointed Mr. Shiv Paul Singh, Practicing Company Secretary (M. No.: 5690 and CP No. 5553) as the Scrutinizer for conducting the voting / poll and remote e-voting process in a fair and transparent manner.
- XII The Scrutinizer shall within a period of three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and prepare the scrutinizer report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting/Managing Director and in his absence to the Company Secretary of the Company.
- XIII 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 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.



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.)

Name	Shri Balgopal Mandelia
Date of Birth and Age of Director	09/09/1960, 60 years
Director Identification Number (DIN)	00040592
Qualification	B. Com.
Expertise in specific functional areas	Tools Industry and Hospital Management
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per letter of appointment
Last Drawn Remuneration	Rs. 729618/-
Date of first appointment on the Board	01/01/1994
Directorship held in other Listed companies and Unlisted companies	- 1. Mandelia Investments Private Limited
No. of Board Meetings attended during the year 2019-2020	4
Membership/Chairmanship of the Committees across the Companies (as on 31.03.2020)*	Member – 0 Chairman – 0
No. of equity shares held	406 equity shares of Rs. 10/- each
Relationship with other Directors	Except for Shri Shravan Kumar Mandelia, he is not related /associated with any director of the Company
Brief Resume	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.

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

**Date: 11.11.2020
Place: New Delhi**

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



HINDUSTAN EVEREST TOOLS LTD.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 57th Annual Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2020.

I. FINANCIAL PERFORMANCE

FINANCIAL RESULTS	Amt in Rs.	
	2019-2020	2018-2019
Total Revenue from continuing operations	16077974	6198982
Total expenses from continuing operations	39395284	6256283
Profit/ (Loss) before tax from continuing operations	(23317310)	(57301)
Provisions for Deferred Tax/tax expense	107519032	-
Profit/(Loss) for the year from continuing operations	(130836342)	(57301)
Profit/(Loss) for the year from discontinued operations	(15450692)	(10256808)
Profit/(Loss) for the year*	(146287034)	(10314109)

* MAT Credit reserve amounting to Rs. 10.75 Crores has been written off as this was determined to be unutilisable.

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 performance 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 (Listing Obligations and Disclosure Requirements) 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 31.03.2020 was 13.

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.

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

As mentioned below, there are no other material changes and commitment which affects the financial position of company after the close of financial year 2019-20 till the date of report.

Open Offer to the Public Equity Shareholders of Hindustan Everest Tools Limited:

The promoters and the directors of the company Shri Shravan Kumar Mandelia and Shri Balgopal Mandelia have entered into a Share Purchase Agreement (SPA) dated 24th October 2020 for sale and transfer of entire promoters shareholding held in **Hindustan Everest Tools Limited (Target Company)** along with the shares held by them in M/s Mandelia Investments Private Limited (MIPL) (the Holding Company of HETL) in favour of Algoquant Financials LLP (Acquirer). Pursuant to the above mentioned acquisition, Algoquant Financials LLP (Acquirer) has proposed to make an Open Offer to the public equity shareholders of the Company i.e. Hindustan Everest Tools Limited -Target Company in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto. MIPL holds 8,34,470 Equity Shares constituting 51.92% of the Voting Share Capital of the Target Company. Consequent to the entering of the said SPA, the Acquirer is entitled to: (i) indirectly exercise 51.92% of Voting Share Capital of the Target Company and directly exercise 0.05% of Voting Share Capital of the Target Company and (ii) exercise substantial control and management of the Target Company.



The Open Offer is being made to acquire up to 4,17,872 Equity Shares of face value Rs. 10/- each constituting 26% of the paid up equity share capital at an offer price of Rs. 97/- (Offer Price) per equity share aggregating to Rs.4,05,33,584/- (Offer Size) in cash from the Public Shareholders of the Target Company, subject to terms and conditions mentioned in the Public Announcement dated 24th October, 2020 and the Detailed Public Statement -DPS dated 30th October, 2020 published in newspaper and submitted to BSE Ltd. (BSE) on 02nd November, 2020. The draft Letter of Offer –DLOO prepared in accordance with SAST Regulations have been filed with SEBI and informed to BSE on 09th November, 2020. The Shareholders may keep a track on further information/ updates on Open offer, which shall be available on the website of BSE and the Target Company from time to time.

INDIAN ACCOUNTING STANDARDS (IND-AS)

Financial Statements of your Company for the financial year ended 31st March, 2020, are prepared in accordance with Indian Accounting Standards (Ind-AS), as notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

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 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting. Consequently Shri Balgopal Mandelia (DIN: 00040592), Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

Further, as recommended by Nomination and Remuneration Committee and in accordance with the approval of the members of the Company in the Annual General Meeting held on 30th September, 2019, the Board of Directors of the Company appointed Mr. Amitav (DIN: 08240143) as an Independent Director of the company for a period of 5 years who was earlier appointed as an additional director in the category of Independent Director of the Company w.e.f. 29.09.2018.

Furthermore, as recommended by Nomination and Remuneration Committee and in accordance with the approval of the members of the Company in the Annual General Meeting held on 30th September, 2019, the Board of Directors of the Company re-appointed Mr. Pradeep Jain (DIN: 00108240) as an Independent Director of the company for a second term of 5 years w.e.f. from the conclusion of the above mentioned Annual General meeting up to September 30, 2024.

Key Managerial Personnel

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 as on 31st March, 2020 are as follows:-

Shri Shraavan Kumar Mandelia, Managing Director

Shri Balgopal Mandelia, Managing Director

Shri Deepak Gupta, Chief Financial Officer

Miss Sonam Gupta, Company Secretary

There is no 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. 2019 – 2020 including upto the date of this report, 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 :-

- i. That in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable Indian Accounting Standards (Ind-AS) read with requirements set out under Schedule III to the Companies Act, 2013 have been followed along with proper explanation relating to material departures.



- ii. 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 loss of the Company for the year under review.
- iii. 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.
- iv. That the Directors have prepared the financial statements for the financial year ended 31st March, 2020 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 SYSTEMS AND THEIR ADEQUACY

In terms of Section 134 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, 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. The Company's Risk Management Policy is well defined to identify and evaluate business risks across all businesses. It assesses all risks at both pre and post-mitigation levels and looks at the actual or potential impact that a risk may have on the business together with an evaluation of the probability of the same occurring. Risk mapping exercises are carried out with a view to regularly monitor and review the risks, identify ownership of the risk, assessing monetary value of such risk and methods to mitigate the same. As per view of board, there is no risk in operation of company, which may impact the existence of company.

The impact of Covid on the Company is limited. There is no significant impact regarding capital and financial resources. None of the assets are impaired. We have no threat in meeting our financial obligations. The Company stands adequately funded to aptly support its operating plan. It is difficult to estimate the future impact of Covid-19. We continue to keep a close eye on the situation for ensuring continued corrective action wherever required.

WEB LINK OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, as amended, the Annual Return of the Company for the financial year 2019-20 is placed on the website of the Company and may be accessed on the company's website <http://www.everesttools.com/investors.html>.

NUMBER OF MEETING OF THE BOARD AND COMMITTEE

The Board duly met at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice along with agenda and notes on agenda of each Board Meeting was given in writing to each Director.

Four (4) meetings of Board of Directors were held during the year. The interval between two meetings was well within the maximum period mentioned under section 173 of Companies Act, 2013 and Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Committees

Your Company has constituted several Committees



of the Board which have been established as part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

As on 31st March, 2020, your Board has 03 (three) mandatory Committees, namely:

Audit Committee, Nomination, Remuneration & Compensation (NRC) Committee; & Stakeholders' Relationship Committee (SRC) and

The details with respect to the composition, powers, roles, terms of reference, number of meetings etc. of the Committees held during the FY20 and attendance of the Members at each Committee Meeting, are provided in the Corporate Governance Report which forms part of this Report.

The meetings of Audit Committee were convened and held Four (4) times during the year. The meeting of Nomination and Remuneration Committee was convened and held Two (2) times during the year. The meeting of Stakeholders Relationship Committee was convened and held One (1) time during the year.

For further details, please refer report on Corporate Governance of this Annual Report.

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

All the recommendations made by the Audit Committee were accepted by the Board.

Further, the Roles and Responsibilities and other related matters of Audit Committee forms an integral part of Corporate Governance Report as part of this Annual Report.

STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the independent directors of the Company under Section 149(7) of the Companies Act, 2013 confirming

that they meet the criteria of independence in terms of 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 as specified in the Companies Act, 2013, Rules made thereunder and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are independent of the management.

FAMILIARISATION PROGRAMME AND TRAINING OF INDEPENDENT DIRECTORS

The detail of programmes conducted during the year 2019-20 for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at link:

http://www.everesttools.com/pdfs/Familiarization%20Programme%20for%20Independent%20Director_2019-20.pdf

NOMINATION AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other relevant matters. 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 applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance as a whole, its Committees and



individually for Chairman & Managing Directors, Executive Directors, Independent Directors and other Non-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 2013, 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 loans or guarantees or provided security during the financial year 2019-20.

Further, the company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the investments made by the company in securities of other body corporates.

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. There is no material significant transaction entered into with any of the related parties that may have conflict with the interest of the Company.

Detail of related party transactions have been disclosed in notes to the financial statements. Attention of the members is drawn to the disclosures of transactions with related parties set out in Note No. 25 of the Standalone Financial Statements forming part of the Annual Report.

Pursuant to Clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rules 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements or transactions entered into by the Company with related parties has been disclosed in Form No. AOC- 2 which is attached as

Annexure "B"

The policy on related party transactions are approved by the Board and may be accessed on the Company's website.

COST RECORDS

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.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of Companies Act, 2013 and rules made there under, every company having net worth of Rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board.

However, it is not applicable in case of your Company. Hence there is no need to form Corporate Social Responsibility Committee and Corporate Social Responsibility Policy for the company as per the requirement of the Companies Act, 2013.

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.

AUDITORS AND AUDITOR'S REPORT

STATUTORY AUDITOR

M/s. SSRA & Co., Chartered Accountants, New Delhi (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 financial year 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 or disclaimer.



SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr. Pradip Kumar Muduli, practicing Company Secretary for conducting secretarial audit of the company for the financial year 2019-20.

The Secretarial Audit Report is annexed herewith as **Annexure "C"**. The Secretarial Audit Report dated 31st July, 2020 contain few qualifications which have been duly explained:-

Management response to the qualification set out in the Secretarial Audit Report:

a) The Company has not appointed internal auditor as required u/s 138 of the Companies Act 2013.

In the absence of any ongoing business activity it was considered not necessary to appoint internal auditor in the company.

b) Regulation 23(9) SEBI (LODR) - Disclosure of Related Party transactions for the Half Year ended 31st March 2019 was not informed to BSE & for Half Year ended September 30, 2019 there was delay of 8 days in informing BSE.

This being the first year of implanting the Regulation 23(9) SEBI (LODR) and besides payment of managerial remuneration and rent there was no other transactions of related party, hence, there was deviation in informing BSE, which was later rectified. Further, earlier the disclosure was made to the exchange on yearly basis in the form of Audited Financial Statement which includes the disclosure regarding the Related Party transactions and there has been no hiding of any information from the public.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the company has complied with all the applicable secretarial standards issued by the Institute of Company Secretaries of India on Meetings of Board of Directors and General Meetings.

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, as amended from time to time, 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 has not carried out any manufacturing activities during the year.
- 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, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

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

Mandelia Investments Private Limited is the holding Company and holding 51.92% shares of the Company.

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.

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has an effective system to redress complaints received regarding sexual harassment in line with the requirements of the Sexual Harassment

of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, apprentices and trainees) are covered under this policy.

The policy may be accessed on the Company's website. Your Directors further state that the Company has not received any complaint of sexual harassment during the year under review.

Further, 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.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The details of employees as per provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Disclosure pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure "D"** to this Report.

Further, 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, there is no employee of the company who draw remuneration in excess of the limits set out in the said rules.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements as stipulated under the various regulations of the SEBI (Listing Obligations



and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, as amended. A report on Corporate Governance along with certificate on its compliance forms a part of this Annual Report.

EXTENSION OF ANNUAL GENERAL MEETING

Due to COVID-19 Pandemic, the Company is unable to hold its 57th Annual General Meeting within the statutory time period as stipulated under the provisions of section 96(1) of the Companies Act, 2013 and filed an application before the Registrar of Companies, NCT of Delhi & Haryana for extension of time up to three (3) months i.e. up to 31.12.2020, for holding 57th Annual General Meeting of the Company for the financial year ended March 31, 2020.

GENERAL

Your Director states that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

- a) Change in share capital of the Company.
- b) Issue of the equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to employees of the Company.
- d) Mandelia Investment Private Limited is the holding company and there is no subsidiary of your company, Managing Directors of the company does not receive any remuneration or commission from any of such companies.
- e) No significant or material orders were passed by the regulators or courts or tribunals, which impact the going concern status and Company's operations in future.
- f) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- g) There is no subsidiary of company, so no policy on material subsidiary is required to be adopted.
- h) No fraud has been reported by the Auditors to the Audit Committee or the Board which were committed against the company by officers or employees of the company.
- i) Issue of Employee Stock Option Scheme to employees of the company.

ACKNOWLEDGEMENT

Your Directors would like to place on record their sincere appreciation for assistance and co-operation received from the Bankers, Vendors, Government Authorities, Customers and Member during the year under review. Your Directors also wish to place on record their deep sense of appreciation for committed services by the executive staff & workers of the Company and gratitude to the members for their continued support and confidence.

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

Sd/-

**Balgopal Mandelia
Managing Director
DIN: 00040592
ADD: B-92,
Greater Kailash-I
New Delhi 110048**

Sd/-

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

**Dated: November 11, 2020
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 13 employees in the Company as on 31st March, 2020 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, 2020 is given as under:-



PERFORMANCE	Year ended 31-03-2020 (Amt in Rs.)
Revenue from continuing operations	1,60,77,974
Expenditure from continuing operations	3,93,95,284
Profit/ (Loss) before tax from continuing operations	(2,33,17,310)
Provisions for Deferred Tax/tax expense	10,75,19,032
Profit/(Loss) for the year from continuing operations	(13,08,36,342)
Profit/(Loss) for the year from discontinued operations	(1,54,50,692)
Profit/(Loss) for the year	(14,62,87,034)

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

S. No.	Particulars	FY 2019-20	FY 2018-19	Detailed explanation for changes thereof
i.	Interest Coverage Ratio	(19.76)	(1.59)	This ratio has changed significantly due to the following reasons: 1. In FY 2020, Gain on fair valuation of financial assets [FVTPL] is Rs. 1,30,38,255 but in previous FY it was Rs. 31,52,223. 2. In FY 2020, Interest expense is Rs. 18,67,862 which includes interest on delay in payment of statutory dues. However, in FY 2019, Interest expense was Rs. 64,72,881 which includes interest payment to GAIL and payment of income tax. Thus, there is reduction in interest burden.
ii.	Current Ratio	5.60	14.95	This ratio has reduced significantly due to increase in current liabilities of discontinued operations.
iii.	Net Profit Margin (%)*	-	-0.04	In FY 2020, the Company has not earned revenue from continuing operations.
iv.	Debtors Turnover	-	-	In FY 2019 and 2020, the Company has no trade receivables.
v.	Inventory Turnover	-	-	In FY 2019 and 2020, there is no inventory as the Company has closed in operations in 2017.
vi.	Debt Equity Ratio	-	-	In FY 2019 and 2020, the Company does not have finance- related liabilities.
vii.	Operating Profit Margin (%)	-	-0.04	In FY 2020, the Company has not earned revenue from continuing operations.

* Considered only for continuing operations



HINDUSTAN EVEREST TOOLS LTD.

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 2019-20 is (0.89) compared to previous financial year 2018-19 which was (0.03). This change in return on net worth is due to increase in expenses in current year as compared with previous financial year.

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**

Sd/-

**Balgopal Mandelia
Managing Director
DIN: 00040592
ADD: B-92,
Greater Kailash-I
New Delhi 110048**

Sd/-

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

**Dated: November 11, 2020
Place: New Delhi**



Annexure B to the Directors' Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2020, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis

Name of related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of contract / arrangement / transaction	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval of Board, if any	Amount paid as advances, if any
Shravan Kumar Mandelia	Managing Director	Sale of Vehicle	2019-20	On arm's length basis and ordinary course of business	20.03.2020	-
Balgopal Mandelia	Managing Director	Sale of Vehicle	2019-20	On arm's length basis and ordinary course of business	20.03.2020	-

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

Sd/-

**Balgopal Mandelia
Managing Director
DIN: 00040592
ADD: B-92,
Greater Kailash-I
New Delhi 110048**

Sd/-

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

**Dated: November 11, 2020
Place: New Delhi**



HINDUSTAN EVEREST TOOLS LTD.

Annexure C to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and ruleNo.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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-CIN L74899DL1962PLC003634 & having registered office at Dohil Chambers, 46, Nehru Place, New Delhi 110 019 (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, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 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 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;



(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 (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;

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(e) 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);

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 appointed internal auditor as required U/s.138 of the Companies Act 2013.*
- b) *Regulation 23(9) SEBI (LODR) - Disclosure Of Related Party transactions for the Half Year ended 31st March 2019 was not informed to BSE & for Half Year ended September 30, 2019 there was delay of 8 days in informing BSE.*

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 & 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.



HINDUSTAN EVEREST TOOLS LTD.

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 etc.

I further report that during the audit period the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Pradip Kumar Muduli
(Practising Company Secretary)

FCS No.6170
C P No.:5730

Place : New Delhi
Date : 31/07/2020
UDIN: **F006170B000536095**

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.



'ANNEXURE A'

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.
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.

Pradip Kumar Muduli
(Practising Company Secretary)

FCS No.6170
C P No.:5730

Place : New Delhi
Date : 31/07/2020
UDIN: **F006170B000536095**



HINDUSTAN EVEREST TOOLS LTD.

Annexure D to the Directors' Report

Particulars of Employees as on 31.03.2020

DISCLOSURE PERTAINING TO REMUNERATION AND OTHER DETAILS AS REQUIRED U/S 197(12) 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	2.14 : 1	
		Mr. B.G. Mandeia	1.87: 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 Mr. B.G. Mandelia	As per Payout NIL	As per terms 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;	13 employees as on 31.03.2020		
(v)	Average percentile increase already made in the managerial 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 managerial justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>Average Salary increase of non- managerial employees were negligible.</p> <p>Average salary increase of managerial employees is NIL.</p> <p>There are no exceptional circumstances for increase in the managerial remuneration.</p>		
(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 provisions of section 197 (12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AS ON 31.03.2020

S. No.	Name	Age	Designation of Employee	Nature of Employment (Whether Contractual or otherwise)	% of Equity Shares held by Employee	Remuneration (Rs.)	Other Terms and Conditions	Qualifications	Experience (in yrs)	Date Of Commencement of Employment	Particulars of 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	59	Managing Director	Regular	0.025	729618	-	B.Com	37	01.04.1982	None	Yes
2.	Shri S.K .Mandelia	61	Managing Director	Regular	0.025	837124	-	B.Com	37	01.04.1982	None	Yes
3.	Shri Deepak Gupta	60	Dy. Manager (Accounts)	Regular	0.012	697320	-	B.Com.	20	07.07.2000	None	No
4.	Shri Mukesh Agarwal	52	Manager (Estate)	Regular	0.000	656400	-	B.Com	10	23.06.2008	None	No
5.	Ms. Sonam Gupta	27	Company Secretary	Regular	0.000	488400	-	B.Com (Hons), CS	3	01.06.2018	None	No
6.	Shri S.S. Rauthan	66	Asst. Manager (Personnel)	Regular	0.000	474000	-	B.A.	36	22.06.1984	None	No
7.	Smt. Usha Sajwan	47	Sr. Officer (Personnel)	Regular	0.000	444000	-	B.Sc.	10	01.08.2008	None	No
8.	Shri Mahesh Chandra#	56	Asst. Manager (Personnel)	Regular	0.000	325288	-	B.A.	14	08.04.2005	None	No
9.	Shri Umesh Tiwari	51	Officer	Regular	0.000	304620	-	10 th Pass	21	16.05.2000	None	No
10.	Shri BabluTomar*	42	Asst. Manager (Accounts)	Regular	0.000	296377	-	B.Com	8	01.05.2010	None	No

* Bablutomar resigned on 15.10.2019



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 Shares held by Employee	Remuneration (Rs.)	Other Terms and Conditions	Qualifications	Experience (in yrs)	Date Of Commencement of Employment	Particulars of 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.												

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

Sd/-

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

Sd/-

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

Dated: November 11, 2020

Place: New Delhi



CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2020. 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)). The Company has adopted best practices mandated in SEBI (LODR). This section 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.

All Directors of the Company have rich knowledge and experience in the industry for providing guidance and direction to the Company. The Board of Directors along with its Committees provides leadership and guidance to the management, thereby enhancing stakeholders' value. The Board reviews strategic business plans, budgets, setting up goals and evaluation performance and investment decision. 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



HINDUSTAN EVEREST TOOLS LTD.

of independence. As on 31st March, 2020, the Board of the Company consists of 6 directors out of which 3 are Non-Executive Independent Directors, 2 are Executive Director and 1 is 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 31st March, 2020 are as follows:

Name	Category	Designation	No. of Board Meetings Held during the year 2019 – 2020	No. of Board Meetings Attended during the year 2019 – 2020	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)
Shri Shravan Kumar Mandelia	Promoter/ Executive Director	Managing Director	4	4	2	No	-	-	-	405
Shri Balgopal Mandelia	Promoter/ Executive Director	Managing Director	4	4	2	Yes	-	-	-	406
Shri Pradeep Jain	Independent/ Non-Executive Director	Director	4	3	10	Yes	-	-	-	-
Shri Saurabh Kumar Parasramka	Non Independent/ Non-Executive Director	Director	4	4	4	Yes	-	-	-	-
Shri Amitav	Independent/ Non-Executive Director	Director	4	4	1	Yes	-	-	-	-
Miss Shifa Nagar	Independent/ Non-Executive Director	Director	4	4	1	No	-	-	-	-

% 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 Shravan Kumar Mandelia and Shri Balgopal Mandelia, there is no relationship between directors of the company. Shri Shravan 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.

Matrix setting out the skills/expertise/competence of the board of directors

The skill sets identified by the board along with its availability assessment collectively for the board and individually for each Director are as under:

Skills and its description	Name of directors					
	Shravan Kumar Mandelia	Balgopal Mandelia	Saurabh Kumar Parasramka	Pradeep Jain	Amitav	Shifa Nagar
	Managing Director	Managing Director	Non -Executive Non -Independent Director	Non-executive Independent Director	Non-executive Independent Director	Non -Executive Independent Women director
Sales & Marketing- Experience in sales and marketing management based on understanding of the consumer & consumer goods industry.	✓	✓	✓			
General Management/ Governance- Strategic thinking, decision making and protect interest of all stakeholders.	✓	✓	✓	✓	✓	✓



Skills and its description	Name of directors					
	Shravan Kumar Mandelia	Balgopal Mandelia	Saurabh Kumar Parasramka	Pradeep Jain	Amitav	Shifa Nagar
	Managing Director	Managing Director	Non -Executive Non -Independent Director	Non-executive Independent Director	Non-executive Independent Director	Non -Executive Independent Women director
Financial and Accounting Skills- Understanding the financial statements, financial controls, capital allocation, risk management, mergers and acquisitions etc.	✓	✓	✓	✓	✓	✓
Technical Skills- Significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.	✓	✓			✓	
Crafting of Business Strategies- Developing long-term strategies to grow business in a sustainable manner in diverse business environments and changing economic conditions.	✓	✓		✓		

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.

None of the independent director has resigned before the expiry of his tenure during the financial year 2019-20.

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 also, the Independent Directors, inter-alia, reviewed the performance of non-independent directors, and the Board as a whole.

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 2019-2020** (4) Four Board Meetings were held i.e. 16/05/2019, 12/08/2019, 11/11/2019, and 12/02/2020. 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. The necessary quorum was present for all the meetings.

During the year 2019-20, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

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 has constituted an Audit Committee of Directors and empowered the Committee to deal with all such matters which it may consider appropriate to perform as audit committee including items specified in Section 177(4) of the Companies Act, 2013 (as may be modified/amended from time to time), items specified in Part C of Schedule II in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 under the head role of audit committee (as may be modified/amended from time to time) and such matters as may be assigned from time to time by the Board of Directors.

The Board of Directors at its meeting held on 16/05/2019 has reconstituted the Audit Committee of the Board as Shri 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 Shri Amitav, Non-Executive/Independent Director is the Chairman of the committee. The other members of Audit Committee include Shri Pradeep Jain and Miss Shifa Nagar, Non-Executive/Independent Director and Shri 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.



Meetings:

During the **Financial Year 2019-2020**, the Audit Committee met 4 times during the year on 16/05/2019, 12/08/2019, 11/11/2019, and 12/02/2020. The attendance of Members at the Meetings was as follows:

S. No.	Name of Member	Status	No. of meetings during the year	No. of Meetings Attended
1	Shri Pradeep Jain	Member	4	3
2	Shri Saurabh Kumar Parasramka	Member	4	4
3	Shri Amitav	Chairman	4	4
4	Miss Shifa Nagar ^{\$}	Member	4	4

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

The Company Secretary acts as the Secretary to the Audit Committee.

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 of the related party transactions as per policy of the Company, including granting of omnibus approval for related party transactions;
 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. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
 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. Management discussion and analysis of financial condition and results of operations.
 20. 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;
 21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 22. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments



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 has constituted a Nomination and Remuneration Committee. The role of the committee is to perform all such matters as prescribed under the Companies Act, 2013 and the rules framed there under and Schedule II Part D(A) about role of Nomination and Remuneration Committee of Directors under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which inter alia includes - recommendation to Board of Directors remuneration policy for the Company, formulation of criteria for performance evaluation of directors, Board and Committee, appointment of Director, appointment and remuneration of Executive Director, Key Managerial Personnel and Senior Management.

The Committee will also deal with matters as may be assigned from time to time by the Board of Directors.

The Committee has formulated a guiding policy on remuneration for its Directors, Key Managerial Personnel and senior management of the Company.

The Committee has devised uniform performance evaluation criteria for directors including independent directors.

The Board of Directors at its meeting held on 16/05/2019 has reconstituted the Nomination & Remuneration Committee of the Board as Shri 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 Shri Amitav, Non-Executive/Independent Director is the Chairman of the committee. The other members of Nomination & Remuneration Committee include Shri Pradeep Jain and Miss Shifa Nagar, Non-Executive/Independent Director and Shri Saurabh Kumar Parasramka, Non-executive/Non- Independent Director.

MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE:

During the **Financial Year 2019- 2020** the Committee met Two Times i.e. on 16/05/2019 and 12/08/2019. 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
1	Shri Pradeep Jain	Member	2	1
2	Shri Saurabh Kumar Parasramka	Member	2	2
3	Shri Amitav	Chairman	2	2
4	Miss Shifa Nagar [§]	Member	2	2

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

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

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 and to carry out evaluation of every Directors' performance.
- 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.
- 6) Determine/ review on behalf of Board of Directors of the Company the compensation package, service agreements and other employment conditions for Managing/Whole Time Director(s).
- 7) Determine on behalf of the Board of Directors of the Company the quantum of annual increments/incentives on the basis of performance of the Key Managerial Personnel.
- 8) Formulate, amend and administer stock options plans and grant stock options to Managing / Whole Time Director(s) and employees of the Company.
- 9) Delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.
- 10) Consider other matters, as from time to time be referred to it by the Board.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee.

Your Company understands the requirements of an effective Board Evaluation process and accordingly conducts a Performance Evaluation every year in respect of the following:

- a. Board of Directors as a whole
- b. Committees of the Board of Directors
- c. Individual Directors

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidance Note on Board Evaluation issued by SEBI, your Company has carried out a Performance Evaluation for the Board / Committees / Directors of your Company for the financial year ended March 31, 2020.

The key objectives of conducting the Board Evaluation were to ensure that the Board and various Committees of the Board have appropriate composition of Directors and they have been functioning collectively to achieve common business goals of your Company. Similarly the key objective of conducting performance evaluation of the Directors through individual assessment and peer assessment was to ascertain if the Directors actively participate in Board Meetings and contribute to achieve the common business goal of the Company. The Directors carry out the aforesaid Performance Evaluation for the financial year ended March 31, 2020.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was also carried out by the Independent Directors.

An indicative list of factors that may be evaluated include participation and contribution by a director, commitment,



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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 2019-2020:

Name of the Director	Salary	Perquisites and allowances	Retiral benefits	Bonuses	Performance Linked Incentive	Total	Stock Options granted
Shri Shraavan Kumar Mandelia	3,12,000 per annum	5,25,124	Nil	Nil	Nil	8,37,124	Nil
Shri Balgopal Mandelia	3,00,000 per annum	4,29,618	Nil	Nil	Nil	7,29,618	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 Shraavan Kumar Mandelia, Managing Director is for 5 years i.e. w.e.f. 14th December, 2018 to 13th December, 2023 and Shri Balgopal Mandelia, Managing Director is for 5 years i.e. w.e.f. 01st January, 2019 to 31st 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) DIRECTOR'S INTEREST IN THE COMPANY

The Company has not entered into contracts with Companies in which the Directors of the Company are interested as director or member. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the Companies in which they are directors or members. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 189 of the Companies Act, 2013.

7) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors has constituted Stakeholders Relationship Committee of the Board in terms of the requirements of Section 178 of the Companies Act, 2013 and Rules framed thereunder read with Regulation 20 of the Listing Regulations. The role of the committee is to consider and resolve the grievances of shareholders and investors and perform such roles as may require under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



The Board of Directors at its meeting held on 16/05/2019 has reconstituted the Stakeholders Relationship Committee of the Board as Shri 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. Shri Amitav, Non-Executive/Independent Director is the Chairman of the committee. The other members of Stakeholders Relationship Committee include Shri Pradeep Jain and Miss Shifa Nagar, Non-Executive/Independent Director.

MEETINGS OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee met 1 times during the year i.e. on 17/03/2020. 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
1	Shri Pradeep Jain	Member	1	1
2	Shri Amitav*	Chairman	1	1
3	Miss Shifa Nagar*	Member	1	1

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

The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee.

Terms of Reference-The role of the committee shall inter-alia include the following:

- a) resolving the grievances of Security holders of the Company.
- b) To approve applications for transfer, transmission, transposition of shares and mutation of share certificates including issue of duplicate certificates, split, sub-division or consolidation of certificates and to deal with all related matters.
- c) To look into and redress the Shareholders / investors grievances relating to:
 - i. Transfer of shares;
 - ii. Non-receipt of dividends;
 - iii. Non-receipt of annual reports; and
 - iv. Any other complaint concerning the Shareholders / investors
- d) The Committee will oversee the performance of the Registrars and Share Transfer Agents of the Company.
- e) Review of measures taken for effective exercise of voting rights by shareholders.
- f) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
- g) Such other matters as may be required, from time to time, by any statutory or regulatory authority to be attended by the Committee;
- h) Consider other matters, as from time to time be referred to it by the Board.

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 Pvt. Ltd.** 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.

In compliance with the requirements of the SEBI Circular No. CIR/OIAE/2/2011 dated June 3, 2011, the Company has obtained exclusive User ID and Password for processing the investor complaints in a centralized web based SEBI Complaints Redress System - 'SCORES'. This enables the investors to view online the action taken by the Company on their complaints and current status thereof, by logging on to the SEBI's website www.sebi.gov.in. No shareholder's complaint was lying unresolved as on March 31, 2020 under 'SCORES'.

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	4	4	Nil

As on March 31st, 2020 no complaints were outstanding.

Compliance officer

The Board has designated Miss Sonam Gupta, Company Secretary as Compliance Officer of the Company. 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.

8) INDEPENDENT DIRECTOR'S MEETING

During the year under review, the Independent Directors met on 31st July, 2020 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.

Further, the meeting of Independent Directors' could not be held in March 2020 (for FY. 2019-20) due to Covid and on the basis of relaxation given by SEBI it was held on 31st July 2020.

9) CEO/CFO Certification

The Managing Director and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) and Part B of Schedule II of the Listing Regulations for the financial year ended March 31, 2020. The MD and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations

10) 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
2016-17	“PHD House” opposite Asian Games Village, Siri Fort Road, New Delhi – 110016	Thursday, 30 th 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 th September, 2018 at 10:00 A.M.	No Special resolution was passed at the meeting.
2018-19	“PHD House” opposite Asian Games Village, Siri Fort Road, New Delhi - 110016	Monday, 30 th September, 2019 at 10:30 A.M.	a) Re-appointment of Mr. Pradeep Jain (DIN: 00108240) as an Independent Director of the Company for a second term of five consecutive years.

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

POSTAL BALLOT

During the FY ended March 31, 2020, 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:

The Company does not propose to conduct any special Resolution through Postal Ballot under Section 110 of the Companies Act, 2013 and Rules framed thereunder on or before the forthcoming Annual General Meeting.

11) 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 materially significant 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. 25 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. These transactions have been disclosed in the Notes to Accounts of the Company and policy is available at website of the company www.everesttools.com.

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. 28th 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.

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure whistle blowing system for directors and employees of the Company to raise concern. The Policy broadly covers instances of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct, alteration of documents, fraudulent financial reporting, misappropriation/misuse of Company's assets, manipulation of Company's data, pilferage of proprietary information, abuse of authority, etc. 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. The Policy is available on the website of the Company.

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

The Quarterly / Yearly Reports on compliance of Corporate Governance requirements in the prescribed format have been submitted to the Stock Exchanges where the Shares of the Company are listed within the stipulated time. 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. 1,50,000/- on consolidated basis.

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

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment of women at workplace.

During the financial year ended on March 31st 2020, 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.



11. The Company has complied with the requirements of the Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.
12. The Company has accepted all the recommendations of the committees given time to time in their respective course of business.
13. **Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account**

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

General Disclosures

1. 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.
2. 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.
3. The Company's senior management has confirmed to the Board of Directors that they do not have any personal interest related to its material, financial and commercial transactions that may have a potential conflict with the interests of the Company at large.
4. 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 31st, 2020, 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, 2020.

5. 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.
6. The company has not come out with any Public Issue, Right Issue / Preferential Issue or QIP in the Financial Year 2019-20.
7. **Compliance Certificate of the Auditors**

Certificates from Pradip Kumar Muduli, Company Secretary (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 Secretary 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
8. **Annual Secretarial Compliance Report**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8thFebruary, 2019 read with Regulation 24A of the Listing Regulations, directed listed entities to submit Annual Secretarial Compliance Report issued by



HINDUSTAN EVEREST TOOLS LTD.

a Company Secretary in Practice with Stock Exchange within 60 days from the end of the financial year. The Company has undertaken Annual Secretarial Compliance Audit from Pradip Kumar Muduli, Practicing Company Secretary, New Delhi, for the financial year 2019-20 for all applicable SEBI Regulations and circulars / guidelines issued thereunder.

The Company has submitted the Annual Secretarial Compliance Report issued by Pradip Kumar Muduli, Practicing Company Secretary, to the stock exchange i.e. BSE Ltd. within the prescribed time lines as mentioned under SEBI circular dated 25 June, 2020.

Currency exchange rate fluctuations

9. **Impact:** Our assets, earnings and cash flows werenot influenced by foreign currencies during the year. There was no foreign exchange earnings or outgo during the year.

12) MEANS OF COMMUNICATION

Quarterly Results

In compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company regularly intimates quarterly un-audited as well as audited financial results to the Stock Exchange immediately after they are taken on record by the Board.

The quarterly, half-yearly and annual financial results of the Company are published in leading newspaper –a) Pioneer (English & Hindi) for June 2019, September 2019 and December 2019; b) Financial Express (English) and Jansatta (Hindi) for March 2020 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	30.06.2019	August 12, 2019
2	30.09.2019	November 11, 2019
3	31.12.2019	February 12, 2020
4	31.03.2020	July 31, 2020

The website of the Company www.everesttools.com contains a separate dedicated section “Investors Desk” which contains details / information for various stakeholders including Financial Results, Shareholding Pattern, Company Policies, etc. The shareholders / investors can view the details of electronic filings done by the Company on the respective websites of BSE Limited. The Company’s Annual Report is also available in a user-friendly and downloadable form. A Management Discussion and Analysis Report is a part of the Company’s Annual Report.

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

13) SHAREHOLDERS’ GENERAL INFORMATION

(1) Annual General Meeting

Day, Date and Time: Wednesday, 30th December, 2020 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 2020– 2021

Tentative calendar of events for the financial year 2020–2021(April to March) is as under:



Adoption of Quarterly Financial Results for:

First Quarter Results on 28th September, 2020

Second Quarter Results on or before 14th November, 2020 (tentative)

Third Quarter Results on or before 14th February, 2021 (tentative)

Audited Financial Results for the year ended 31st March, 2021 on or before 30th May, 2021 (tentative)

(3) Book Closure

The Register of Members and Share Transfer Register will remain closed from 24.12.2020 to 30.12.2020 (Both days inclusive) on account of Annual General Meeting.

(4) Dividend Payment Date

No dividend has been recommended for the year ended 31st March, 2020.

(5) Listing at Stock Exchanges

At present, the equity shares of the Company are listed on BSE Limited (BSE). The Company has paid the listing fees to the Stock Exchange for the year 2020-21. The address of stock exchange with stock exchange code are as under:

Sr. No.	Name of Stock Exchange	Stock Code
1.	BSE Limited Phiroze Jeejeebhoy Towers , Dalal Street, Mumbai- 400001	505725

(6) ISIN – INE598D01019

(7) Corporate Identity Number (CIN) of the Company: L74899DL1962PLC003634

(8) Stock Market Price Data on BSE and Performance in comparison to broad-based indices on the closing prices

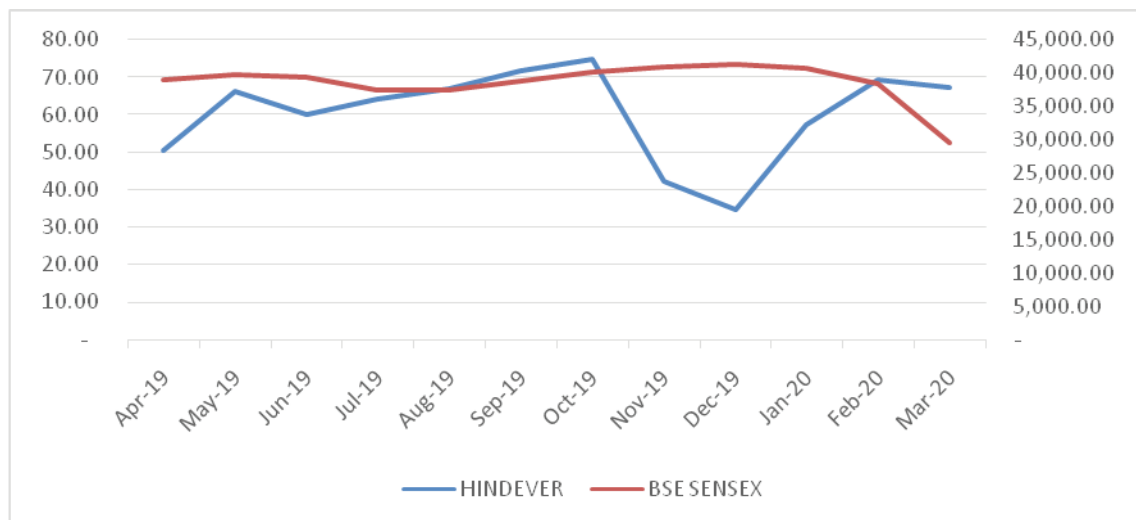
Monthly High and Low prices of equity shares of the Company quoted at Bombay Stock Exchange during the year 2019-20:

Month	HETL		BSE SENSEX	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2019	64.65	44.55	39487.45	38460.25
May 2019	68.10	47.60	40124.96	36956.10
June 2019	69.25	60.00	40312.07	38870.96
July 2019	66.85	55.10	40032.41	37128.26
August 2019	72.40	65.95	37807.55	36102.35
September 2019	72.25	66.85	39441.12	35987.80
October 2019	74.70	67.90	40392.22	37415.83
November 2019	78.00	42.00	41163.79	40014.23
December 2019	47.00	34.35	41809.96	40135.37
January 2020	57.05	29.95	42273.87	40476.55
February 2020	69.30	58.15	41709.30	38219.97
March 2020	68.05	67.00	39083.17	25638.90

Source: BSE Portal



(9) **Share performance of the Company in comparison to BSE Sensex**



(10) **Trading of Securities**

The securities of the Company were not suspended from trading any time during the financial year 2019-20.

(11) **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, 1st floor, Plot No NH-2,

C-1 Block, LSC, Near Savitri Market,

Janakpuri, New Delhi - 110058

Phone No.: 011 - 4141 1000,

Fax No.: 011- 41410591

Email ID: delhi@linkintime.co.in

Contact Person: Shri Bharat Bhusan

(12) **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. Physical shares received for dematerialization are processed and completed within a period of 15 days from the date of receipt, provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders.

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.

(13) 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).

(14) Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad:

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March, 2020. Accordingly credit rating is not required.

(15) 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.

(1) Shareholding Pattern as on 31stMarch, 2020.

<i>Category</i>	<i>No. of Shares held</i>	<i>% of Shareholding</i>
A. PROMOTERS		
Promoter and Promoter Group	835287	51.97
B. PUBLIC		
Individuals holding nominal share capital upto 2 lac	341771	21.26
Individuals holding nominal share capital in excess of 2 lac	183643	11.43
Financial Institutions/Banks	33670	2.09
Mutual Funds/UTI	-	-
NBFCs registered with RBI	-	-
OTHERS	212829	13.24
Total	1607200	100



(17) Distribution of Shareholding as on 31stMarch, 2020

Category	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1-500	1745	91.79	186853	11.63
501-1000	97	5.10	69686	4.34
1001-2000	33	1.74	47099	2.93
2001-3000	4	0.21	10502	0.65
3001-4000	5	0.26	17458	1.09
4001-5000	5	0.26	22433	1.39
5001-10000	1	0.05	9976	0.62
10001 & above	11	0.58	1243193	77.35
Total	1901	100	1607200	100

(18) 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 31.03.2020, 116242 Equity Shares were held in demat form in CDSL and 1242657 shares were held in demat form in NSDL. Further, 2,48,301 Equity Shares are held in physical form.

(19) 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.

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

Not Applicable

(21) 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 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.

(22) Plant Location

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

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

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

(24) Address for correspondence:

Hindustan Everest Tools Limited (Regd. Office)

Dohil Chambers, 4th Floor,

46, Nehru Place,

New Delhi-110019

PH No. 011-46579476

Email Id: admin@everesttools.com



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

We, Shравan Kumar Mandelia and Balgopal Mandelia, Managing Directors of Hindustan Everest Tools Limited, hereby declare that all Board members and senior management personnel have affirmed for the year ended 31st March, 2020, compliance with the Code of Conduct of the company laid down for them.

Date: 11.11.2020
Place: New Delhi

Sd/-
Balgopal Mandelia
Managing Director
DIN:00040592

Sd/-
Shравan Kumar Mandelia
Managing Director
DIN: 00040532



HINDUSTAN EVEREST TOOLS LTD.

MD/CFO CERTIFICATE

To

The Board of Directors
Hindustan Everest Tools Limited

Dear members of the board

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 31st March, 2020 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. there are no instances of significant fraud of which we have become aware.

Date: 11.11.2020
Place: New Delhi

Sd/-
Deepak Gupta
CFO

Sd/-
Balgopal Mandelia
Managing Director
DIN: 00040592

Sd/-
Shравan Kumar Mandelia
Managing Director
DIN: 00040532



Annexure - I

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

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

1. I have examined the compliance of the conditions of Corporate Governance by Hindustan Everest Tools Limited ('the Company') having CIN L74899DL1962PLC003634 for the year ended on March 31, 2020, 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.

2. 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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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, 2020.
3. 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.

Sd/-

Pradip Kumar Muduli
(Practicing Company Secretary)

FCS No.6170
C P No.:5730

Place : New Delhi
Date : 31/07/2020
UDIN: F006170B000536084



HINDUSTAN EVEREST TOOLS LTD.

Annexure – 2

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 -CIN L74899DL1962PLC003634 & 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) 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, 2020 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. Shravan 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.

Sd/-

Pradip Kumar Muduli
(Practicing Company Secretary)

FCS No.6170
C P No.:5730

Place : New Delhi
Date : 31/07/2020
UDIN: F006170B000536051



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, 2020.

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 2020 ("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;

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



HINDUSTAN EVEREST TOOLS LTD.

(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.	<u>Regulation 23(9) SEBI (LODR) - Disclosure Of Related Party transactions for the Half Year ended 31st March 2019</u> & for Half Year ended September 30, 2019 to BSE.	<u>Related Party transactions for the Half Year ended 31st March 2019</u> was not informed to BSE & for Half Year ended September 30, 2019 there was delay of 8 days in informing BSE.	As informed by the management this being the first year of implanting the Regulation 23(9) SEBI (LODR) and besides payment of managerial remuneration and rent there was no other transactions of related party, hence, there was deviation in informing BSE.

(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:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31/03/2019	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Though the Company has intimated about the Stock Exchange as required in respect of <i>Board Meetings held in May 2018 and August 2018 but it has not published the notices convening the said Board Meetings.</i>	<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>	Company has taken care of publishing the notice convening Board Meetings in F.Y.2019-20.	Company has taken care of publishing the <i>notice convening Board Meetings in F.Y.2019-20.</i>

Place: New Delhi
Date : 23/07/2020

Name : Pradip Kumar Muduli
FCS No.:6170, CP :5730
UDIN: F006170B000493791



INDEPENDENT AUDITOR'S 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 31-March-20, 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 31-March-20, 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 thereunder, 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 21** 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 31-March-20 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 standalonefinancial 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 31-March-20 taken on record by the Board of Directors, none of the directors is disqualified as on 31-March-20 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 31-March-20 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 21 (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

Sd/-

Suresh Goyal

Partner

Membership Number: 093711

UDIN: 20093711AAAACY3552

Place: New Delhi

Date: 31-July-20



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 31-March-20.]

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment. Further, refer note 21 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 21 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 21 related to discontinued operations.
- (ii) The Company does not hold any inventory (refer note 21 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, sales tax, service tax, value added tax, customs duty, excise 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, sales tax, service tax, value added tax, customs duty, excise 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, the 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 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

Sd/-

Suresh Goyal
Partner
Membership No. 093711
UDIN: 20093711AAAACY3552

Place: New Delhi

Date: 31-July-20



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 31-March-20 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 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 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, 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 and such internal financial controls over financial reporting were operating effectively as at 31-March-20, 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 the Company, which comprise the Balance Sheet as at 31-March-20, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 31-July-20 expressed an unmodified opinion.

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

Sd/-

Suresh Goyal
Partner
Membership Number: 093711
UDIN: 20093711AAAACY3552

Place: New Delhi

Date: 31-July-20



HINDUSTAN EVEREST TOOLS LTD.

BALANCE SHEET AS AT MARCH 31, 2020

	Notes	As at	
		March 31, 2020	March 31, 2019
		₹	₹
ASSETS			
Non-current assets			
Property, plant and equipment	3	-	1,16,17,083
Financial assets	4		
- Investments		-	13,47,009
Deferred tax assets	5	-	10,75,19,032
Income tax assets (net)	6	19,13,052	19,13,052
Total non-current assets		19,13,052	12,23,96,177
Current assets			
Property, plant and equipment [held-for-sale]	3	22,59,864	-
Financial assets	7		
- Investments		18,40,41,318	19,85,73,927
- Cash and cash equivalents		94,11,096	11,91,912
- Bank balance other than cash and cash equivalents		1,99,357	1,99,357
Other current assets	8	2,20,228	2,92,479
Current assets pertaining to discontinued operations	21	9,88,110	9,33,852
Total current assets		19,71,19,974	20,11,91,528
TOTAL ASSETS		19,90,33,026	32,35,87,705
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	1,60,72,000	1,60,72,000
Other equity	10	14,77,71,811	29,40,58,845
Total equity		16,38,43,811	31,01,30,845
Liabilities			
Current liabilities			
Financial liabilities	11		
- Trade payables		-	-
-to micro and small enterprises		-	6,17,222
-to others			
- Other financial liabilities		34,18,633	17,37,837
Other current liabilities	12	81,56,100	30,05,800
Current tax liabilities (net)	13	21,26,833	21,12,513
Current liabilities pertaining to discontinued operations	21	2,14,87,648	59,83,488
Total current liabilities		3,51,89,215	1,34,56,860
Total liabilities		3,51,89,215	1,34,56,860
TOTAL EQUITY AND LIABILITIES		19,90,33,026	32,35,87,705

The accompanying notes 1 to 32 are an integral part of these financial statements.

As per our report of even date

For SSRA & Co.

Chartered Accountants
Firm Registration No. 014266N
Sd/-
Suresh Goyal
Partner
Membership.No. 093711
UDIN: 20093711AAAACY3552

Place: New Delhi
Dated: July 31, 2020

For and on the behalf of the Board of Directors

Sd/-
BAL GOPAL MANDELIA
Managing Director
DIN 00040592

Sd/-
DEEPAK GUPTA
Chief Financial Officer

Sd/-
SHRAVAN KUMAR MANDELIA
Managing Director
DIN 00040532

Sd/-
SONAM GUPTA
Company Secretary
Membership No. A51329



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Notes	Year ended March 31, 2020 (₹)	Year ended March 31, 2019 (₹)
Revenue from continuing operations			
Revenue from operations	14	-	13,21,992
Other income	15	1,60,77,974	48,76,990
Total revenue from continuing operations		1,60,77,974	61,98,982
Expenses from continuing operations			
Purchases of traded goods		-	12,64,135
Employee benefits expense	16	1,02,80,590	20,64,483
Finance cost	17	18,67,862	-
Depreciation expense	18	20,91,983	3,94,381
Other expenses	19	2,51,54,849	25,33,284
Total expenses from continuing operations		3,93,95,284	62,56,283
Loss before tax from continuing operations before exceptional item		(2,33,17,310)	(57,301)
Tax expense			
Current tax	20	-	-
Deferred tax		10,75,19,032	-
Loss for the year from continuing operations		(13,08,36,342)	(57,301)
Discontinued operations			
Loss before tax from discontinued operations [including exceptional items]	21	(1,54,50,692)	(1,02,56,808)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Loss for the year from discontinued operations		(1,54,50,692)	(1,02,56,808)
Loss for the year		(14,62,87,034)	(1,03,14,109)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(14,62,87,034)	(1,03,14,109)
Loss per equity share from continuing operations (basic and diluted)	22	(14.51)	(0.04)
Loss per equity share from discontinued operations (basic and diluted)		(9.61)	(6.38)
Loss per equity share from continuing and discontinued operations (basic and diluted)		(24.12)	(6.42)

The accompanying notes 1 to 32 are an integral part of these financial statements.

As per our report of even date

For SSRA & Co.

Chartered Accountants
Firm Registration No. 014266N
Sd/-
Suresh Goyal
Partner
Membership.No. 093711
UDIN: 20093711AAAACY3552

Place: New Delhi
Dated: July 31, 2020

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Sd/-
SONAM GUPTA
Company Secretary
Membership No. A51329



HINDUSTAN EVEREST TOOLS LTD.

Statement of changes in equity for the year ended March 31, 2020

I) Equity share capital	Amount (₹)
Balance as at April 1, 2018	1,60,72,000
Changes in equity share capital during the year	-
Balance as at March 31, 2019	1,60,72,000
Changes in equity share capital during the year	-
Balance as at March 31, 2020	1,60,72,000

II) Other equity

For the year ended March 31, 2020

Particulars	Reserves and surplus			Total equity
	Retained earnings	Capital reserves	Securities premium reserve	
	₹	₹	₹	
As at April 01, 2019	28,59,78,445	7,52,400	73,28,000	29,40,58,845
Loss for the year	(14,62,87,034)	-	-	(14,62,87,034)
Total comprehensive income for the year	13,96,91,411	7,52,400	73,28,000	14,77,71,811
As at March 31, 2020	13,96,91,411	7,52,400	73,28,000	14,77,71,811

For the year ended March 31, 2019

Particulars	Reserves and surplus			Total equity
	Retained earnings	Capital reserves	Securities premium reserve	
	₹	₹	₹	
As at April 01, 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)
Total comprehensive income for the year	28,59,78,445	7,52,400	73,28,000	29,40,58,845
As at March 31, 2019	28,59,78,445	7,52,400	73,28,000	29,40,58,845

The accompanying notes 1 to 32 are an integral part of these financial statements.

As per our report of even date

For SSRA & Co.

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Place: New Delhi
Dated: July 31, 2020

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DIN 00040532

Sd/-
SONAM GUPTA
Company Secretary
Membership No. A51329



Cash Flow Statement for the Year ended March 31, 2020

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Cash flow from operating activities		
Loss before income tax from		
-Continuing operations	(2,33,17,310)	(57,301)
-Discontinued operations	(1,54,50,692)	(1,02,56,808)
Loss before income tax including discontinued operations	(3,87,68,002)	(1,03,14,109)
Adjustments for:		
Depreciation and amortisation expense	20,91,983	15,94,200
Gain on fair valuation of financial assets	(1,30,38,255)	(1,46,07,981)
Loss/(Gain) on disposal of property, plant and equipments	7,44,662	(5,000)
Dividend received	(7,200)	(13,800)
Finance costs	18,67,862	64,72,881
Gain on sale of investment	(2,51,298)	(8,99,566)
Other non-cash adjustments		
Provision for expected credit loss	77,01,224	-
Provision of liability related to non compliance	32,78,000	-
Operating loss before Working Capital Changes	(3,63,81,025)	(1,77,73,376)
Change in operating assets and liabilities		
in other current assets	17,994	2,11,83,460
in trade payables	(5,38,754)	(32,68,850)
in other current liabilities	15,04,439	(21,51,431)
in other financial liabilities	34,53,490	(81,72,523)
in other financial assets	-	(1,99,357)
in provisions	1,21,53,000	-
Cash generated used in operations	(1,97,90,855)	(1,03,82,075)
Income taxes paid	14,320	(7,13,26,042)
Net cash flow used in operating activities (A)	(1,97,76,535)	(8,17,08,117)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipments	65,20,573	5,000
"Proceeds from sale of investments (Shares & Mutual Funds)"	2,14,67,946	8,27,55,356
Dividend received	7,200	13,800
Net cash flow from/ (used in) investing activities (B)	2,79,95,719	8,27,74,156
Cash flows from financing activities		
Interest paid	-	(64,72,881)
Net cash flow from/ (used in) financing activities (C)	-	(64,72,881)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	82,19,184	(54,06,842)
Cash and cash equivalents at the beginning of the financial year	11,91,912	65,98,755
Cash and cash equivalents at end of the year	94,11,096	11,91,912



HINDUSTAN EVEREST TOOLS LTD.

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹	₹
Components of cash and cash equivalents		
Balance with banks		
-in current account	31,90,523	11,77,378
Cash on hand	-	14,534
Cheques on hand	62,20,573	-
Total cash and cash equivalents	94,11,096	11,91,912

As per our report of even date

For SSRA & Co.

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Sd/-

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Partner
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Place: New Delhi
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DIN 00040592

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Chief Financial Officer

Sd/-

SHRAVAN KUMAR MANDELIA

Managing Director
DIN 00040532

Sd/-

SONAM GUPTA

Company Secretary
Membership No. A51329



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

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 25-January-1962 and the registered office of the Company is at Dohil Chambers, 4th floor, 46 Nehru place, New Delhi. Equity shares of the Company are listed on Bombay Stock Exchange ("BSE" or "the Stock exchange").

2. 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 31-March-20 were authorized and approved for issue by the Board of Directors on 31-July-20.

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.

During the preceding financial year, as at 31-December-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 (to the extent not specific) and tax credits shall now be considered at Corporate level as majority of the liabilities of discontinued operations have been settled.

The period of 9 months ended 31-Dec-2018 was considered as period for discontinued operations in the preceding year for entire Company. Accordingly, the figures pertaining to are preceding year were classified as discontinued operations for 01-April-2018 to 31-Dec-2018 and the figures from 01-Jan-2019 to 31-March-2019 were disclosed as continued operations. Accordingly, to this extent previous year figures are not comparable to current year figures.

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 31-March-2020 is included in the following notes:

- Note 5– write off of deferred tax assets: The Company has not been able to generate profits to take benefit of the MAT credit recorded by the Company as the operations of the Company have not yet been started and management has not been able to finalise a new line of business. The recoverability of the deferred tax asset, due to lack of certainty of realisation, is low. Consequently, the aforementioned credit has been written-off due to lack of certainty of realisation.



B) Financial instruments

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.

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.

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.

Assets Category	Estimated useful life (in years)
Buildings	60
Vehicles	8 to 10

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).

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.

G) Revenue

Revenue is recognised 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.

H) Leases

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.

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.

The Company's leasing arrangements are in respect of operating leases for premises (office & Godown). These leasing arrangements are not non-cancellable and range between 0-11 months and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable is charged as 'Rent' under Note 18.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2019 on March 30, 2019 notifying Ind AS 116, 'Leases' which was effective on or after 01-April-2019. The management of the Company has evaluated the impact of adoption of Ind-AS 116 on the financial results of the Company. All the leases of the Company were short-term operating lease.

I) Income tax

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 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.

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.

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.

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.

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.

O) Segment Reporting

In accordance with INDAS- 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.



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 3 Property, plant and equipment (\$)

Particulars	Buildings#	Vehicles*	Total
	₹	₹	₹
Gross Block			
Original Cost as at April 01, 2018	27,97,772	1,47,86,216	1,75,83,988
Additions during the year	-	-	-
Sales/Adjustments	-	-	-
Original Cost as at March 31, 2019	27,97,772	1,47,86,216	1,75,83,988
Accumulated Depreciation			
As at April 01, 2018	4,18,273	39,54,432	43,72,705
Charge for the year	75,430	15,18,770	15,94,200
Sales/Adjustments	-	-	-
As at March 31, 2019	4,93,703	54,73,202	59,66,905
Net Block			
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
Gross Block			
Original Cost as at April 01, 2019	27,97,772	1,47,86,216	1,75,83,988
Additions during the year	-	-	-
Sales/Adjustments	27,97,772	1,47,86,216	1,75,83,988
As at March 31, 2020	-	-	-
Accumulated Depreciation			
As at April 01, 2019	4,93,703	54,73,202	59,66,905
Charge for the year	44,204	20,47,779	20,91,983
Sales/Adjustments	5,37,907	75,20,981	80,58,888
As at March 31, 2020	-	-	-
Net Block			
As at March 31, 2020	-	-	-
As at March 31, 2019	23,04,069	93,13,014	1,16,17,083

\$ Refer note 21 discontinued operations

Subsequent to the year end, the Company has disposed off its buildings (flats) on June 06, 2020. The entire consideration has been received and transfer deed has been duly executed. The consequent "gain" shall be recognised in the year of sale. Owing to the aforesaid sale, the building has been reclassified to PPE held for sale amounting Rs. 22,59,864/-

* During the year ended March 31, 2020, the Company has disposed off all its vehicles. Consequent loss on sale of vehicle of Rs. 7,44,662 has been duly recorded in the Statement of Profit & Loss.



HINDUSTAN EVEREST TOOLS LTD.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	Number	Number	₹	₹
NON- CURRENT ASSETS				
4 Financial assets				
i) Investments				
in equity instruments (Quoted)				
Equity shares of Jay Shree Tea and Industries Limited of Rs.5 each, fully paid up	-	3,508	-	1,14,009
Equity shares of Hindalco Industries Limited of Re. 1 each, fully paid up	-	6,000	-	12,33,000
in equity instruments (Un-quoted)				
Equity shares of Bharat Commerce and Industries Limited of Rs.10 each, fully paid up*#	-	4,000	-	-
Total (equity instruments)			-	13,47,009
Aggregate value of				
Quoted			-	13,47,009
Unquoted			-	-
*Provision for diminution In value of long term investment (un-quoted)			-	1,21,404
#Written-off against the provision				
5 Deferred tax assets				
Minimum alternate tax (credit entitlement) [refer note 20.1]			10,75,19,032	-
			10,75,19,032	-
6 Income tax assets (net)				
Advance tax and tax deducted at source			19,13,052	19,13,052
			19,13,052	19,13,052

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Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

	No. of units		As at	As at
	2020	2019	31-March-20	31-March-19
			₹	₹
CURRENT ASSETS				
7 Financial assets				
i) Investments				
in Mutual funds (Quoted)*				
Kotak low duration fund at [Cost Rs. 2,075 each] [face value Rs. 1,000]	30,919	32,640	7,61,96,038	7,46,29,742
Birla Sunlife cash manager at [Cost Rs. 410.09 each]	83,185	91,632	4,02,35,596	4,11,83,250
L and T Floating rate fund at [Cost Rs. 16.78 each]	33,98,069	39,27,277	6,76,09,684	7,25,88,652
Franklin India low duration fund of [Cost Rs. 21.38 each]	3,73,496	4,67,906	-	1,01,72,283
			18,40,41,318	19,85,73,927
Aggregate value of Quoted			18,40,41,318	19,85,73,927
* Face value of Rs. 10 per unit, unless otherwise stated				
ii) Cash and cash equivalents				
Balances with banks -in current accounts			31,90,523	11,77,378
Cash on hand			-	14,534
Cheques on hand			62,20,573	-
			94,11,096	11,91,912
iii) Bank balance other than cash and cash equivalents				
Deposits with maturity for more than 3 months but less than 12 months			1,99,357	1,99,357
			1,99,357	1,99,357
8 Other current assets (Unsecured, considered good unless otherwise stated)				
Advances other than capital advances:				
Advance to employees			2,20,228	2,92,479
			2,20,228	2,92,479



HINDUSTAN EVEREST TOOLS LTD.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

	As at March 31, 2020	As at March 31, 2019
	₹	₹
9 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 of shares	Equity share capital (par value)	Number of shares	Equity share capital (par value)
		₹		₹
As at 01-April-18	16,07,200	1,60,72,000	16,07,200	1,60,72,000
Add: Issued during the year	-	-	-	-
As at 31-March-19	16,07,200	1,60,72,000	16,07,200	1,60,72,000
As at April 01, 2019	16,07,200	1,60,72,000	16,07,200	1,60,72,000
Add: Issued during the year	-	-	-	-
As at March 31, 2020	16,07,200	1,60,72,000	16,07,200	1,60,72,000

(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, if any, 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.

The shareholders have all other rights as available to equity shareholders as per provisions of the Companies Act, 2013 read together with the Memorandum and Articles of Association of the Company, as applicable.



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

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

	31-March-20		31-March-19	
	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.

10 Other equity

i) Retained earnings

Balance as at the beginning of the year

28,59,78,445

Loss for the year

(14,62,87,034)

Balance as at the end of the year

13,96,91,411

ii) Reserves

Other reserves

Capital reserve

7,52,400

Securities premium

73,28,000

Balance as at the end of the year

80,80,400

Total reserves and surplus

14,77,71,811

- a) 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.
- b) 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.
- c) 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.



HINDUSTAN EVEREST TOOLS LTD.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

	As at March 31,2020	As at 31-March-19
	₹	₹
CURRENT LIABILITIES		
11 Financial liabilities		
i) Trade payables (refer note 23)		
-to micro and small enterprises	-	-
-to Others	-	6,17,222
	-	6,17,222
ii) Other financial liabilities		
Employee emoluments	26,59,454	17,37,837
Expenses payable	7,59,179	-
	34,18,633	17,37,837
12 Other current liabilities		
Advance received against agreement to sell property, plant & equipment	10,00,000	-
Statutory dues (including interest thereon)	71,56,100	30,05,800
	81,56,100	30,05,800
13 Current tax liabilities (net)		
Provision for income tax	21,26,833	21,12,513
	21,26,833	21,12,513



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

	Year ended 31-March-20	Year ended 31-March-19
	₹	₹
Revenue from continuing operations		
14 Revenue from operations		
Sale of products (net of goods and services tax)		
-Domestic sales	-	13,21,992
	-	13,21,992
15 Other income		
Interest income		
- on financial assets	-	2,00,383
Gain on sale of financial assets	2,51,298	8,99,566
Gain on fair valuation of financial assets [FVTPL]	1,30,38,255	31,52,223
Dividend received	7,200	7,200
Bad debts recovered	-	2,51,787
Liabilities no longer required, written-back	27,77,768	-
Miscellaneous income	3,453	3,65,830
	1,60,77,974	48,76,990
Expenses of continuing operations		
16 Employee benefits expense		
Salaries, wages and bonus	80,07,825	17,70,585
Contribution to provident and other funds	4,52,156	1,29,410
Gratuity expense	10,41,980	-
Staff welfare	7,78,629	1,64,488
	1,02,80,590	20,64,483
17 Finance Cost		
Interest on delay in payment of statutory dues	18,67,862	-
	18,67,862	-
18 Depreciation expense		
Depreciation on property, plant and equipment*	20,91,983	3,94,381
	20,91,983	3,94,381



HINDUSTAN EVEREST TOOLS LTD.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
	₹	₹
19 Other expenses		
Repairs and maintenance	19,97,924	4,61,422
Power and fuel	14,21,795	6,74,246
Rent	13,29,140	2,81,825
Rates and taxes	41,098	33,750
Insurance	3,91,357	1,095
Travelling and conveyance	8,01,537	99,653
Vehicle running and maintenance	10,11,921	2,35,099
Selling and distribution expenses (net of freight recoveries)	-	91,809
Printing and stationery	2,19,703	74,099
Postage, telegram and telephone	4,87,172	1,80,485
Unclaimed balances written off	4,81,296	26,191
Bank charges	1,091	4,272
Legal and professional fees	17,41,646	1,57,100
Directors fee	1,60,000	50,000
Loss on sale of property, plant and equipment	7,44,662	-
Prior period GST liability expensed off	8,42,954	-
Claim paid	-	1,05,108
Loss on fair valuation of financial asset	77,01,224	-
Provision of liability related to non-compliances	32,78,000	-
Payment to Auditors'		
as statutory auditors	75,000	25,000
as tax auditor's	-	30,000
For others	75,000	2,130
Miscellaneous expenses	23,52,329	-
	2,51,54,849	25,33,284
20 Tax expense		
from continuing operations		
Current tax		
- Current tax for the year	-	-
	-	-
Deferred tax		
- Deferred tax (MAT credit written off)	10,75,19,032	-
	10,75,19,032	-
	10,75,19,032	-



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

20.1 Note on non- recognition / derecognition of deferred tax

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. 27,43,58,916 (Previous year Rs. 25,17,33,548) and 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 incurrance of loss. Unabsorbed depreciation can be set off anytime in future years.

During the year, the Company has derecognised the deferred tax asset as the Company has not been able to generate profits to take benefit of the MAT credit as the operations of the Company have not yet been started and management has not been able to finalise a new line of business. The recoverability of the deferred tax asset, due to lack of certainty of realisation, is low.

Consequently, the aforementioned credit has been written-off due to lack of certainty of realisation.

20.2 Effective tax reconciliation

Loss before tax

Tax using domestic tax rate @ 26%

Deferred tax assets not recognised

Reversal of MAT credit entitlement

Expected tax after adjustments

As per statement of profit and loss

Tax/(credit)charged to profit and loss

Current tax

Deferred tax [MAT credit written off]

	Year ended 31-March-20	Year ended 31-March-19
	₹	₹
Loss before tax	(3,87,68,002)	(1,03,14,109)
Tax using domestic tax rate @ 26%	(1,00,79,681)	(26,81,668)
Deferred tax assets not recognised	1,00,79,681	26,81,668
Reversal of MAT credit entitlement	10,75,19,032	
Expected tax after adjustments	10,75,19,032	-
As per statement of profit and loss		
Tax/(credit)charged to profit and loss		
Current tax	-	-
Deferred tax [MAT credit written off]	10,75,19,032	-
	10,75,19,032	-

21 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.



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

During the year ended 31 March, 2019, 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 returns with low risk. 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. Only specific liabilities of discontinued operations are disclosed under discontinued operations.

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.

The period of 9 months ended 31 December, 2018 was considered as period for discontinued operations in the preceding year for entire Company. Accordingly, the figures pertaining to are preceding year were classified as discontinued operations for 01 April, 2018 to 31 December, 2018 and the figures from 01 January, 2019 to 31 March, 2019 were disclosed as continued operations. Accordingly, to this extent previous year figures are not comparable to current year figures.

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 position and financial performance

The financial performance presented for the year ended 31 March, 2020 and 31 March, 2019

	As at 31 March, 2020	As at 31 March, 2019
	₹	₹
a) Current assets pertaining to discontinued operations		
Financial assets (Unsecured, considered good unless otherwise stated)		
Deposit with Government Department	9,71,610	9,17,352
Deposit with Others	16,500	16,500
	9,88,110	9,33,852



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

	As at 31 March, 2020 ₹	As at 31 March, 2019 ₹
b) Current liabilities pertaining to discontinued operations		
(i) Financial liabilities		
Trade payables (refer note 23)		
-to micro and small enterprises	-	-
-to others	5,11,813	4,33,345
	5,11,813	4,33,345
(ii) Other financial liabilities		
Trade deposits	1,71,500	1,96,500
Employee emoluments	17,97,692	
	19,69,192	1,96,500
(iii) Other current liabilities		
Statutory dues (including interest thereon)	15,00,000	-
	15,00,000	-
(iv) Provisions		
Provision for employee benefits:		
- for gratuity (defined benefit obligation)	1,25,00,643	53,53,643
Provision for liability under Haryana VAT	50,06,000	-
	1,75,06,643	53,53,643
	2,14,87,648	59,83,488

Contingent liabilities:

(iv) (a) Provision for gratuity (defined benefit obligation)

The labour union had submitted a demand notice to the management of the Company for revision of wages and other amenities. This notice was under negotiation when without any prior notice, the workers staged a walk out on 22 May, 2013 bringing the production and all aligned activities to a complete standstill. All efforts by the management as well as the labour department to find a resolution to the strike were unsuccessful.

The Hon'ble Governor of Haryana issued orders declaring the strike to be illegal and directed the workers to join duty with in 3 days of the order and refer the dispute to the labour court panipat. This too had no affect on the labour union and the workers resorted to unrest and production shut down on 3 separate occasions causing heavy losses to the Company. The strike continued, forcing the management to issue notice of forfeiture of Gratuity and all other dues include lien on service of all workers on payrolls.



HINDUSTAN EVEREST TOOLS LTD.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

The notice regarding the forfeiture of gratuity and other dues was challenged by some of the workers through Labour office, Sonapat where the matter was dismissed in favour of the Company. Thereafter, the workers appealed before the Dy. Labour Commissioner, Rohtak where DLC ruled the matter in favour of the workers i.e. against the Company. The learned DLC chose to pass this order without giving due consideration to the actual facts of the case and therefore, the Management then had no option but to approach the High Court, Chandigarh vide writ petition no. 18716/2018 and the case was decided against the Company on 06-Mar-20. The management has filed a revision petition on a larger bench on 05-July-20 and the petition has been admitted for hearing on merit 22-July-20.

However, on a prudence basis, the management has recorded an expense of Rs. 71,47,000 and is carrying a total provision of Rs.125,00,643 (previous year Rs.53,53,643) in the books of account. The management believes the likelihood of a higher liability is low.

(iv) (b) Provision for liability under Haryana VAT

The Company had received an order dated 31-Jan-20 in the month of February 20. The assessing officer has demanded VAT/CST of Rs. 28.57 lacs for the AY 2016-17 and Rs. 21.49 lacs for the AY 2015-16. However, on a prudence basis, the management has recorded a provision for liability under VAT/CST amounting Rs.50,06,000 in the books of account.

However, the management is in the process of filing an appeal to get relief in the matter.

Summary of profit and loss of discontinued operations

Revenue	-	2,00,68,564
Expenses	(1,54,50,692)	(3,03,25,372)
Loss before income tax	(1,54,50,692)	(1,02,56,808)
Tax expense		
Current tax	-	-
Deferred tax	-	-
Loss after tax	(1,54,50,692)	(1,02,56,808)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(1,54,50,692)	(1,02,56,808)

Year ended	Year ended
31-March-20	31-March-19
₹	₹

c) Loss before tax from discontinued operations

(a) Revenue from discontinued operations

Other income

Gain on fair valuation of financial assets	-	1,14,55,758
Dividend Received	-	6,600
Unclaimed balances and excess provision	-	51,09,598
Gain on sale of property, plant and equipment	-	5,000
Bad debts recovered	-	26,97,254
Miscellaneous income	-	7,94,354
	-	2,00,68,564
Total Revenue from discontinued operations	-	2,00,68,564



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

	Year ended 31-March-20	Year ended 31-March-19
	₹	₹
(b) Expenses from discontinued operations		
(i) Employee benefits expense		
Salaries, wages and bonus	-	77,58,465
Contribution to provident and other funds	-	3,59,616
Gratuity expense	1,04,44,692	-
Staff welfare	-	6,17,996
	1,04,44,692	87,36,077
(ii) Finance costs		
Interest on delay in payment of statutory dues	-	64,72,881
	-	64,72,881
	Year ended 31-March-20	Year ended 31-March-19
	₹	₹
(iii) Depreciation expense		
Depreciation on property, plant and equipment	-	11,99,819
	-	11,99,819
(iv) Other expenses		
Repairs and maintenance	-	17,37,123
Power and fuel	-	23,05,645
Rent	-	10,69,475
Rates and taxes	-	13,20,618
Insurance	-	3,59,898
Travelling and conveyance	-	2,93,211
Vehicle running and maintenance	-	5,63,729
Selling and distribution expenses (net of freight recoveries)	-	3,27,574
Printing and stationery	-	2,05,324
Postage, telegram and telephone	-	5,10,745
Unclaimed balances and excess provision	-	5,650
Bank charges	-	472
Legal and professional	-	21,28,300
Directors fee	-	1,55,000
Claim paid	-	1,94,657
Provision for VAT liability	50,06,000	-
Payment to Auditors'		
Audit Fee	-	1,40,000
Tax Audit Fee	-	50,000
Miscellaneous expenses	-	25,49,174
	50,06,000	1,39,16,595
Total expenses from discontinued operations	1,54,50,692	3,03,25,372
Loss before tax from discontinued operation	(1,54,50,692)	(1,02,56,808)



HINDUSTAN EVEREST TOOLS LTD.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

(III) 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.

	Year ended 31-March-20	Year ended 31-March-19
	₹	₹
22 Loss per equity share		
from continuing operations (basic and diluted)		
Profit/(loss) before OCI attributable to equity shareholders	(2,33,17,310)	(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
	(14.51)	(0.04)
from discontinued operations (basic and diluted)		
Profit/(loss) before OCI attributable to equity shareholders'	(1,54,50,692)	(1,02,56,808)
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
	(9.61)	(6.38)
from continuing and discontinued operations (basic and diluted)	(24.12)	(6.42)

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 The Company has taken into account the possible impacts of COVID-19 in preparation of the standalone financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on its cost. During the year ended 31-March-20, it resulted into lower income on its investments in financial assets due to decline in net realisable value of investments in mutual funds. The investments which are doubtful of recovery have been appropriately adjusted through fair valuation loss.

The Company has considered internal and certain external sources of information up to the date of financials and there are no factors that can impact the carrying amount of its assets. Post commencement of unlocking of the lockdown the Company's operations have been very slow due to various restrictions during lock-down.



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

25 Related party disclosures

a) **Holding Company**

Mandelia Investments Private Limited

b) **Entities 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)

Sonam Gupta (Company Secretary) [W.e.f. 01-June-18]

Deepak Gupta (Chief Financial Officer) [W.e.f. 29-September-18]

Transactions with related parties during the year

Remuneration Paid

Shravan Kumar Mandelia

8,37,124

7,65,244

Bal Gopal Mandelia

7,29,618

8,41,444

Sonam Gupta

4,88,400

3,40,000

Deepak Gupta

6,97,320

3,50,160

27,52,462

22,96,848

Rent paid

Shravan Kumar Mandelia

1,44,000

1,44,000

Bal Gopal Mandelia

1,44,000

1,44,000

2,88,000

2,88,000

Sale of Vehicle

Shravan Kumar Mandelia

17,43,810

-

Bal Gopal Mandelia

44,76,763

-

62,20,573

-

Balances at the year end

Remuneration payable

Shravan Kumar Mandelia

14,280

25,560

Bal Gopal Mandelia

13,500

247

Sonam Gupta

40,280

-

Deepak Gupta

56,310

-

1,24,370

25,807

Rent payable

Shravan Kumar Mandelia

24,000

24,000

Bal Gopal Mandelia

24,000

24,000

48,000

48,000



HINDUSTAN EVEREST TOOLS LTD.

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

26 Financial instruments by category

i) From continued operations

Particulars	31-March-20		31-March-19	
	FVTPL	Amortised cost	FVTPL	Amortised cost
	₹	₹	₹	₹
Financial assets				
Investments (non-current)- (at Fair Value) [Level 1]	-	-	13,47,009	-
Investments (current)- (at Fair Value) [Level 1]	18,40,41,318	-	19,85,73,927	-
Cash and cash equivalents	-	94,11,096	-	11,91,912
Bank balance other than above	-	1,99,357	-	1,99,357
Total financial assets	-	96,10,453	-	13,91,269
Financial liabilities				
Trade payables	-	-	-	6,17,222
Other financial liabilities	-	34,18,633	-	17,37,837
Total financial liabilities	-	34,18,633	-	23,55,059

ii) From discontinued operations

Particulars	31-March-20		31-March-19	
	FVTPL	Amortised cost	FVTPL	Amortised cost
	₹	₹	₹	₹
Financial assets				
Other financial assets (current)	-	9,88,110	-	9,33,852
Total financial assets	-	9,88,110	-	9,33,852
Financial liabilities				
Trade payables	-	5,11,813	-	4,33,345
Other financial liabilities	-	19,69,192	-	1,96,500
Total financial liabilities	-	24,81,005	-	6,29,845

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.

27 Credit Risks

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.



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

Credit risk management

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	Cash and cash equivalents, loans and Investments	12 month expected credit loss
B: High credit risk	No such assets as of now	Life time expected credit loss or fully provided for

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	31-March-20	31-March-19
		₹	₹
A: Low credit risk	Cash and cash equivalents, loans and Investment	96,10,453	13,91,269
B: Moderate credit risk	Not applicable		
C: High credit risk	Not applicable		

28 Liquidity Risk

i) Continued operations

The Company's current assets aggregate to Rs. 19,61,31,864 (2019-Rs.20,02,57,675) including current investments, cash and cash equivalents and other bank balances of Rs.1,99,357 (2019-Rs. 1,99,357) against an aggregate current liability of Rs. 1,37,01,566 (2019- Rs.74,73,372); Non-current liabilities amounting to Rs.nil (2019- Rs.nil).

ii) Discontinued operations

The Company's current assets aggregate to Rs. 9,88,110 (2019- Rs.9,33,852) including current investments, cash and cash equivalents and other bank balances of Rs. nil (2019- Rs. nil) against an aggregate current liability of Rs. 2,14,87,648 (2019- Rs.59,83,488); Non-current liabilities amounting to Rs.nil (2019- Rs.nil).



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

Further, while the Company's total equity stands at Rs. 16,38,43,811 (2019- Rs.31,01,30,845), Non- current borrowings- Rs. nil (2019- Rs.nil), current borrowings- Rs.nil (2019- 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.

29 Market Risks

The Company is not an active investor in equity markets; it held certain investments in equity for long term value accretion which were accordingly measured at fair value through Profit and Loss. The value of investments in such equity instruments as at 31-March-20 is Rs. nil (2019- Rs.13,47,009). Accordingly, fair value fluctuations arising from market volatility is recognised in Profit and Loss. However, during the year ended 31-March-2020, the Company has sold all its investments in equity instruments.

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.

30 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.

31 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.

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable. However, the Company has no such assets.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 and Level 2 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.



Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March, 2020

32 Financial instruments and cash deposits

i) Continuing operations

31-March-20

	Estimated gross carrying amount	Expected credit losses	Carrying amount
	₹	₹	₹
Cash and cash equivalents	94,11,096	-	94,11,096
Bank balance other than above	1,99,357	-	1,99,357

31-March-19

	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

ii) Discontinued operations

31-March-20

	Estimated gross carrying amount	Expected credit losses	Carrying amount
	₹	₹	₹
Other financial assets (current)	9,88,110	-	9,88,110

31-March-19

	Estimated gross carrying amount	Expected credit losses	Carrying amount
	₹	₹	₹
Other financial assets (current)	9,33,852	-	9,33,852

As per our report of even date

For SSRA & Co.

Chartered Accountants
Firm Registration No. 014266N
Sd/-
Suresh Goyal
Partner
Membership.No. 093711
UDIN: 20093711AAAACY3552

Place: New Delhi
Dated: July 31, 2020

For and on the behalf of the Board of Directors

Sd/-
BAL GOPAL MANDELIA
Managing Director
DIN 00040592

Sd/-
DEEPAK GUPTA
Chief Financial Officer

Sd/-
SHRAVAN KUMAR MANDELIA
Managing Director
DIN 00040532

Sd/-
SONAM GUPTA
Company Secretary
Membership No. A51329



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HINDUSTAN EVEREST TOOLS LIMITED

CIN: L74899DL1962PLC003634

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



ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE MEETING VENUE

DP ID _____ Client ID _____ Folio No. _____

Number of Shares held _____

Name of the Member/Proxy (In Block Letters) _____

Address of the Member/Proxy (In Block Letters) _____

I certify that I am a Member/Proxy for the member of the Company.

I hereby record my presence at the **57thAnnual General Meeting** of the of the members of **HINDUSTAN EVEREST TOOLS LIMITED** held at **"PHD House" opposite Asian Games Village, Siri Fort Road, New Delhi - 110016** on **Wednesday, 30th December, 2020** at **10:30 A.M. (IST)**.

Signature of the Member/Proxy/Representative

Notes:

- Only Member/Proxy/Representative can attend the meeting. No Minors would be allowed at the meeting.
- Member/Proxy/Representative wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filed in and signed.
- At the entry of the AGM venue, hands are required to be sanitized and body temperature by using Thermo Guns will be checked. If the body temperature is higher than COVID-19 norms, the entry may be restricted by the entry staff.
- Member/Proxy/Representative will wear the face masks all the time during the proceeding of the AGM. Member/Proxy/Representative without face mask will not be permitted.
- Member/Proxy/Representative will follow the norms of social distancing as required under COVID-19 guidelines.

SELF DECLARATION

I, _____ (Member/Proxy/Representative) resident of _____

do hereby, declare the following:-

- I have read the aforementioned instructions pertaining to COVID-19 pandemic.
- I have in the last 14 days (please tick, wherever it is applicable to you, otherwise leave blank):

a) The following flu-like symptoms:

Fever: Cough: Breathlessness: Sore throat / Runny Nose: Body ache:

Others-Please specify: _____

b) Been in close contact with a confirmed case of COVID-19 ('Close Contact' means being at less than one meter distance for more than 15 minutes.):

c) Not been in close contact with a person suffering from COVID-19 and am NOT under mandatory quarantine:

d) Travelled the following cities / country in the last 14 days prior to arriving at the AGM Venue:

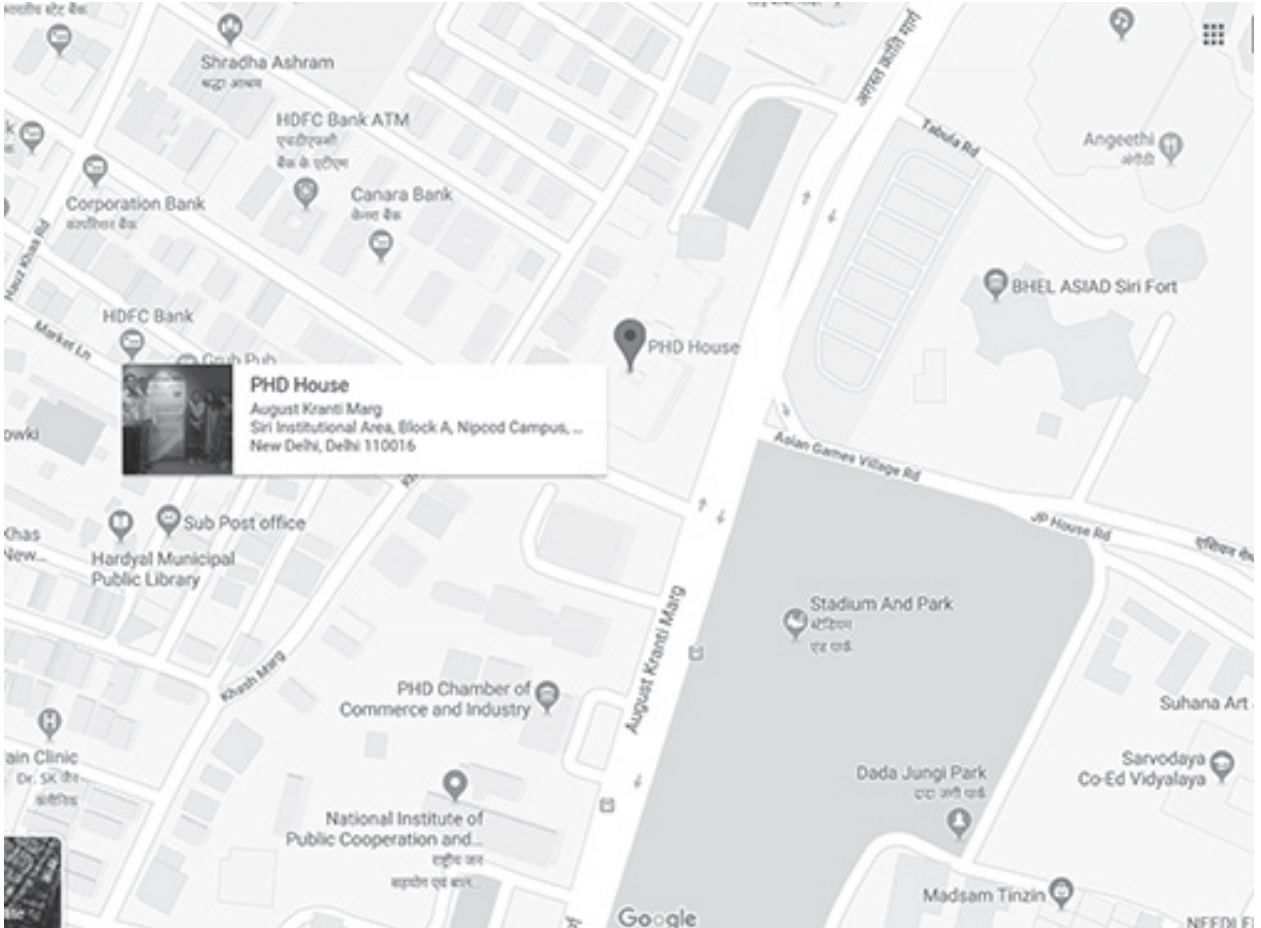
	1st City	2nd City	3rd City	4th City
Name of cities / country				
Date of Arrival in New Delhi City				

- The health and well being of our members, staff and community is our first priority; therefore the management reserves the right to deny entry to the AGM Venue.
- I / we undertake to abide by aforementioned instructions pertaining to COVID-19 pandemic.

Signature of the Member/Proxy/Representative



ROUTE MAP





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) holding _____ 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 _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **57th ANNUAL GENERAL MEETING** of the Company to be held on **Wednesday, 30th December, 2020 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	Abstain
1. Consider and adopt Audited Financial Statement of the Company for the financial year ended on 31st March, 2020 along with the Report of the Board of Directors and Auditors thereon			
2. Reappointment of Shri Balgopal Mandelia (DIN: 00040592), who retires by rotation, and being eligible, offers himself for re-appointment			

* Applicable for investors holding shares in electronic form

Signed this----- day of-----2020

Signature of Shareholder -----

Affix a Revenue stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

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 and Notes, Please refer to the Notice of the 57th 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' or 'Abstain' 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.
- 12) The Company reserves its right to ask for identification of the proxy.



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Notes

Horizontal lines for writing notes.



Notes

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HINDUSTAN EVEREST TOOLS LTD

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