

**Hindustan
Everest Tools
Limited**



HET/07/2020
July 31, 2020

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

011-46579476

To,
Manager (Listing)
BSE Limited
Floor 25, P J Tower,
Dalal Street, Mumbai -400001

Re: Company's Code No. 505725

Sub: Outcome of Board Meeting held today i.e. on 31st July, 2020

Dear Sir/ Ma'am,

Pursuant to regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that Board of Directors of the company at its meeting held today i.e. 31st July, 2020, has inter-alia discussed and unanimously approved the following agenda items:

- A. The Audited Financial Statements (Standalone) as per Indian Accounting Standards (IND AS) for the Quarter and Financial Year ended March 31, 2020 and The Audited Standalone Financial Results of the company along with the Audit Report of the Statutory Auditors for the quarter and financial year ended 31st March, 2020, which has been duly reviewed and recommended by the Audit Committee in its meeting held earlier;
- B. Appointment of M/s Pradip Kumar Muduli, Practicing Company Secretary, membership no. 6170 as a Secretarial Auditor of the Company for the financial year 2020-21.
- C. Other items as mentioned in the agenda.

In pursuance of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following:

1. A copy of duly signed Audited Standalone Financial Results of the company along with Audit Report of the Statutory Auditors and declaration in respect of audit report with unmodified opinion under Regulation 33 of Listing Regulations for the quarter and financial year ended 31st March, 2020, is enclosed herewith.

The Meeting of Board of the Directors commenced at 12:00 P.M. and concluded at **8:45 P.M.**

Kindly take the above information in your records and oblige.

Thanking You,

Yours faithfully
For **Hindustan Everest Tools Ltd.**


Sonam Gupta
Company Secretary & Compliance Officer

Hindustan Everest Tools Limited



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HINDUSTAN EVEREST TOOLS LIMITED
CIN : L74899DL1962PLC003634

Ph. No. - 011-46579476

(ALL AMOUNTS ARE IN INDIAN RUPEES LAKHS, EXCEPT IF OTHERWISE STATED)

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31-MARCH 20

	Particulars	Quarter ended			Year ended	
		31-Mar-20 (Audited)	31-Dec-19 (Unaudited)	31-Mar-19 (Audited)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
1	Income from continuing operations					
(a)	Revenue from operations			13.22		13.22
(b)	Other income	43.86	42.95	48.77	160.78	48.77
	Total income from continuing operations	43.86	42.95	61.99	160.78	61.99
2	Expenses of continuing operations					
(i)	Purchases of traded goods			12.64		12.64
(ii)	Employee benefits expense	20.48	24.61	20.65	102.81	20.65
(iii)	Depreciation	11.25	3.08	3.94	20.92	3.94
(iv)	Finance cost	18.68			18.68	
(v)	Provision for expected credit loss	77.01			77.01	
(vi)	Other expenses	75.41	35.57	25.33	174.54	25.33
	Total expenses of continuing operations	202.84	63.26	62.56	393.95	62.56
3	Profit/(loss) from continuing operations before tax	(158.98)	(20.31)	(0.57)	(233.17)	(0.57)
4	Income tax expense					
	Current tax				1,075.19	
	Deferred tax [refer note 6(c)]	1,075.19			1,075.19	
5	Profit/(loss) after tax from continuing operations	(1,234.17)	(20.31)	(0.57)	(1,308.36)	(0.57)
6	Discontinued operations					
	(Loss)/profit from discontinued operations before tax	(154.51)		32.87	(154.51)	(102.58)
	Tax expense of discontinued operations					
	Current tax					
	Deferred tax charge/(credit)			14.57		14.57
	Tax for earlier year charge/(credit)			(14.57)		(14.57)
	Profit/(loss) for the year from discontinued operations	(154.51)		32.87	(154.51)	(102.58)
7	(Loss)/Profit for the year	(1,388.68)	(20.31)	32.30	(1,462.87)	(103.15)
8	Other comprehensive Income for the year, net of tax					
9	Total comprehensive income for the year	(1,388.68)	(20.31)	32.30	(1,462.87)	(103.15)
10	Paid up equity share capital (face value of share Rs.10/- each)	160.72	160.72	160.72	160.72	160.72
11	Other equity				1,477.72	2,940.59
12	Earnings/(loss) per share (Not annualised)					
	from continuing operations					
	Basic (Rs.)	(9.89)	(1.26)	(0.04)	(14.51)	(0.04)
	Diluted (Rs.)	(9.89)	(1.26)	(0.04)	(14.51)	(0.04)
	from discontinued operations					
	Basic (Rs.)	(9.61)		2.05	(9.61)	(6.38)
	Diluted (Rs.)	(9.61)		2.05	(9.61)	(6.38)
	from continuing and discontinued operations					
	Basic (Rs.)	(19.51)	(1.26)	2.01	(24.12)	(6.42)
	Diluted (Rs.)	(19.51)	(1.26)	2.01	(24.12)	(6.42)



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Hindustan Everest Tools Limited

Notes:

1.STATEMENT OF ASSETS AND LIABILITIES AS AT 31-MARCH-20

(Amount in lakhs)

Particulars	As at 31-Mar-20 (Audited)	As at 31-Mar-19 (Audited)
ASSETS		
Non Current Assets		
Property, plant and equipment	-	116.17
Financial assets	-	13.47
- Investments	-	1,075.19
Deferred tax assets	19.13	19.13
Income tax assets	19.13	1,223.96
Total non-current assets		
Current assets		
Property, plant and equipment held for Sale	22.60	-
Financial assets	1,840.41	1,985.74
- Investments	94.11	11.92
- Cash and cash equivalents	1.99	1.99
- Other financial assets	2.20	2.93
Other current assets	9.88	9.34
Current assets pertaining to discontinued operations	1,971.20	2,011.92
Total current assets	1,990.33	3,235.88
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity		
Equity share capital	160.72	160.72
Other equity	1,477.72	2,940.59
Total equity	1,638.44	3,101.31
Liabilities		
Current liabilities		
- Trade payables		
-to micro, small and medium enterprises	-	6.17
-to others	34.19	17.37
- Other financial liabilities	81.56	30.05
Other current liabilities	21.27	21.13
Current tax liabilities	214.88	59.85
Current liabilities pertaining to discontinued operations	351.89	134.57
Total current liabilities	351.89	134.57
Total liabilities	1,990.33	3,235.88
TOTAL EQUITY AND LIABILITIES		



Notes:

2. STATEMENT OF CASH FLOW AS AT 31-MARCH-20

(Amount in lakhs)

	Year ended 31-Mar-20	Year ended 31-Mar-19
	₹	₹
Cash flow from operating activities		
(Loss)/ profit before income tax from- Continuing operations	(233.17)	(0.57)
Discontinued operations	(154.51)	(102.57)
(Loss)/ profit before income tax	(387.68)	(103.14)
Adjustments for:		
Depreciation and amortisation expense	20.92	15.94
Gain on fair valuation of financial assets	(130.38)	(146.08)
Loss/Gain on disposal of property, plant and equipments	7.45	(0.05)
Dividend received	(0.07)	(0.14)
Finance costs	18.68	64.73
Gain on sale of investment	(2.51)	(9.00)
Provision for expected credit loss	77.01	-
Provision of liability related to SEBI non compliance	32.78	-
Operating loss before Working Capital Changes	(363.81)	(177.73)
Change in operating assets and liabilities		
in other current assets	0.18	211.83
in trade payables	(5.39)	(32.69)
in other current liabilities	15.04	(21.51)
in other financial liabilities	34.53	(81.73)
in provisions	121.53	-
	(197.91)	(100.93)
Cash generated from/(used in) operations	0.14	(713.26)
Income taxes paid	(197.77)	(814.19)
Net cash flow used in operating activities (A)		
Cash flows from investing activities		
Proceeds from sale of property, plant and equipments	65.21	0.05
Proceeds from sale of investments (Shares & MF)	214.68	827.55
Dividend received	0.07	0.14
Net cash flow from investing activities (B)	279.96	827.74
Cash flows from financing activities		
Interest paid	-	(64.73)
Net cash flow from/ (used in) financing activities (C)		(64.73)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	82.19	(52.07)
Cash and cash equivalents at the beginning of the financial year	13.91	65.99
Cash and cash equivalents at end of the year	96.10	13.91
Components of cash and cash equivalents		
Balance with banks		
- in current account	31.91	11.77
Cash on hand	-	0.15
Cheques on hand	62.21	-
Bank balance other than cash and cash equivalent	1.99	1.99
Total cash and cash equivalents	96.10	13.91



Notes :

- 3 The above Statement of "Audited Financial Results" for the quarter and year ended 31-March-20 ("the Statement") has been reviewed by the audit committee and approved by the Board of Directors in its meeting held on 31-July 20. The Statutory auditors have issued an un-modified opinion on the Statement.
- 4 The financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules framed thereunder and other accounting principles generally accepted in India.
- 5 Subsequent to closure of its only manufacturing facility in year 2017, the management of the Company has been exploring various business activities in trading as well as manufacturing space with a particular emphasis in engineering sector which has traditionally been the expertise of the management since the inception of the Company.

During the quarter ended 31-Dec-18, the Company had substantially completed the settlement of liabilities, and realisation of assets, pertaining to its discontinued operations. Net surplus funds are available at the Corporate level for investment in a new business and the same have been temporarily invested in debt based mutual funds to earn risk free returns. As of now, income from or gain on fair valuation, of these investments is major source of income for the Company. However, the investments are temporary and the management of the Company does not foresee it to be a permanent source in view of the aforementioned business plan under evaluation. Consequently, the statutory liabilities and tax credits shall now be considered at Corporate level as majority of the liabilities of discontinued operations have been settled. 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.

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.

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6 Exceptional items:

a) Provision for Gratuity:

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-13 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 within 3 days of the order and refer the dispute to the labour court Panipat. This too had no effect 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.

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 but 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. 104.45 lacs and is carrying a total provision of Rs.157.98 lacs (previous year Rs.53.53 lacs) in the books of account. The management believes the likelihood of a higher liability is low.

b) 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. Consequently, the Company has recorded a provision for liability under VAT/CST amounting Rs.50.06 lacs.

However, on a prudence basis, the management has recorded a provision for liability under VAT/CST amounting Rs.50.06 lacs in the books of account.

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

c) Deferred tax credit written-off

The Company has paid tax under MAT in the financial year 2017-18 as per the provisions of Income Tax Act, 1961. The Company had recorded a MAT credit of Rs.1,075 lacs as MAT credit entitlement. 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.

7 In accordance with IND AS- 108, the Company has only one segment i.e. business of trading in metals.

8 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.



- 9 The Company has taken into account the possible impacts of COVID-19 in preparation of the standalone financial results, 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 quarter it resulted into lower income on its investments in financial assets due to decline in net realisable value of investments.

The Company has considered internal and certain external sources of information up to the date of approval of the standalone quarterly financial results 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.

- 10 The format of the quarterly financial results are available on the websites of Bombay Stock Exchange and the website of the Company ("www.everesttools.com").

For and on behalf of the board of directors

Place: New Delhi

Date: 31-July-20



Shriyan Kumar Mandelia
Managing Director
DIN: 00040532





Independent Auditor's Report on Quarterly and Year to date Annual Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

**To the Board of Directors of Hindustan Everest Tools Limited
Opinion**

1. We have audited the accompanying annual standalone financial results of Hindustan Everest Tools Limited ('the Company') for the quarter and year ended 31-March-20('the Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31-March-20.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 Statement 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 ('the ICAI') 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 5, explaining in detail the management's plan to identify a new business and the ability of the Company to continue as a going concern.

Our opinion is not qualified in respect of this matter.



SSRA & CO

CHARTERED ACCOUNTANTS

M-13, LGF, SOUTH EXTENSION PART-2, NEW DELHI-110049

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of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in Ind AS 34 and other Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. 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 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

6. In preparing the Statement, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, 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 in place adequate internal financial controls with reference to financial statements 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 the management;
 - Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations
 - Conclude on the appropriateness of the 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 Statement 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; and
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
10. Materiality is the magnitude of misstatements in the Statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Statement.
11. 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.
12. 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.
13. The Statement includes the financial results for the quarter and year ended 31-March-20, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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



Suresh Goyal
Partner

Membership No. 093711

UDIN: 20093711AAAAAC43552

Place: New Delhi

Date: 31-July-2020

**Hindustan
Everest Tools
Limited**



July 31, 2020

To,
Manager (Listing)
BSE Limited
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Ph. : ~~91-11-46579476~~ ~~011-46579476~~
E-mail : ho@everesttools.com
CIN : L74899DL1962PLC003634

011-46579476

Re: Company's Code No. 505725

Subject: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Declaration in respect of Audit Report with unmodified opinion for the financial year ended 31st March, 2020

Dear Sir/ Ma'am,

Pursuant to Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated 27th May, 2016, we hereby declare that the Statutory Auditors of the Company, M/s. SSRA & Co., Chartered Accountants (Firm Registration No. 014266N) have issued an Audit Report with Unmodified Opinion on Audited Financial Results of the Company (Standalone) for the Quarter and Year Ended March 31st, 2020.

Kindly take this declaration on your records.

Thanking You,

For Hindustan Everest Tools Limited

**Deepak Gupta
Chief Financial Officer**