

HET/05/2019  
May 16, 2019

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 16<sup>th</sup> May, 2019**

Dear Sir/ Ma'am,

Pursuant to regulation 30 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. 16<sup>th</sup> May, 2019, has inter-alia discussed and unanimously approved the following agenda items:

- A) The **Audited Standalone Financial Results of the company along with the Audit Report** of the Statutory Auditors for the **quarter and financial year ended 31<sup>st</sup> March, 2019**, which was also approved by the Audit Committee in its meeting held earlier;
- B) Based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of shareholders at the ensuing AGM, the Board has appointed Ms Shifa Nagar, as the Independent Director of the company for a term of 5 years w.e.f. 16.05.2019.

Brief Profile of Ms. Shifa Nagar:-

Ms. Shifa Nagar is a graduate in English from Sri Venkateswara College, University of Delhi (2005-2008). She is also a Post Graduate, having done her Masters in International Relations from University of London, London, United Kingdom (2008-2009). Furthermore, she has an LL.B. Degree from Faculty of Law, University of Delhi (2010-2013).

Since 2013, she has been practicing as a lawyer in various High Courts in India and the Supreme Court. She has got rich experience in the legal field including corporate matters, labour matters, international relation and arbitration. Her experience will help in providing guidance to the Board in its functioning.

Further, Ms. Shifa Nagar has no interest/relationship with any member of the Board of directors in any manner.

Note: In this regard, we confirm that Ms. Shifa Nagar is not debarred/disqualified from holding the office of director by virtue of any SEBI or any other such authority.



**Hindustan  
Everest Tools  
Limited** 

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CIN : L74899DL1962PLC003634

- C) Appointment of M/s Pradip Kumar Muduli, Practicing Company Secretary, membership no. 6170 as a Secretarial Auditor of the Company for the financial year 2019-20.
- D) Revised Code of practices and procedures of fair disclosure of Unpublished Price Sensitive Information as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 w.e.f. April 1, 2019 was approved. A copy of the same is enclosed.
- E) 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 31<sup>st</sup> March, 2019, is enclosed herewith.

The Meeting of Board of the Directors commenced at 02:00 P.M. and concluded at 05:45 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**

**Policy for Determination of Legitimate Purpose**

**Effective from 01.04.2019**





## Objective:

Hindustan Everest Tools Limited (the "Company") is a public company whose equity shares are listed on BSE Limited (BSE) and subject to the rules and regulations issued by the Securities and Exchange Board of India (SEBI).

The Company shares data or information with various stakeholders like organizations, agencies, institutions, intermediaries, establishments, persons, etc., during the course of its business operations. Such unpublished data or information, if made publicly available may materially impact the market price of the listed securities of the Company. If such persons trade on the basis of unpublished price sensitive information ('UPSI'), it could result in an undue advantage to such persons. The trading in the securities of the Company by an insider is governed by and subject to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Regulations') as amended from time to time and the Company's "CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING IN SECURITIES BY INSIDERS".

This "Policy for Determination of Legitimate Purpose" ('Policy') is framed by the Board of Directors of the Company pursuant to the amendment in the Regulations, in 2018 and is part of Company's "CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING IN SECURITIES BY INSIDERS. This policy is effective from April 1, 2019 and is applicable to all Insiders.

In terms of Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2018, it is necessary for the Board of Directors of a Listed Company to make a policy for determination of "Legitimate Purpose". The objective of the policy is to regulate and monitor communication of Unpublished Price Sensitive Information (UPSI) for legitimate business purpose in the best interest of the company and to ensure that such information is shared on "need to Know" basis and not misused by the recipient thereof and it should be treated as part of Code of Fair Disclosures and Conduct formulated under the Regulations.

## Definition:

1. **"Legitimate Business Purpose"** means any purpose furthering or in the best interest of the company and shall include the following in connection with:
  - (i) The preparation of financial statements and MIS in discharge of duties/responsibilities of the respective office of the organization.
  - (ii) Fulfillment of any statutory obligation or compliance with applicable laws and regulations.
  - (iii) Any filing with or investigation, inquiry or request for information by a Governmental Authority,
  - (iv) Availing/ renewal of any financial facility and/or compliance with requirements set forth in any credit facility or other agreement evidencing Indebtedness or otherwise required financing sources thereof,
  - (v) Due Diligence relating to acquisition/ takeover/merger/demerger or any other similar arrangement/ restructuring of the company or its division/brand/ products, etc
  - (vi) Sharing of information in the ordinary course of the business with consultants / advisors / lawyers/ auditors/ insolvency professionals/ lenders/ suppliers/ merchant bankers etc provided that such sharing shall not be carried out to evade or circumvent the prohibition of insider Regulations.
  - (vii) Fulfillment of a pre-existing obligation.
2. "Unpublished price sensitive information or UPSI" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is





likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel;
- (vi) [such other information as determined by the Board of Directors/Chief Executive Officer/Chief Operating Officer/Chief Financial Officer from time to time. (Regulation 2(1)(n))

This Policy is to be read with Company's "CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING IN SECURITIES BY INSIDERS".

**Policy:**

1. Any Unpublished Price Sensitive information (UPSI) shall be shared by a "designated Person" only on "need to Know" basis and only for "Legitimate Business Purpose" (LBP). Any such communication or sharing of UPSI shall be in furtherance of and in the best interest of the company.
2. All persons in receipt of such UPSI shall be considered as "insider" and shall not trade in securities of the company when in possession of such UPSI. Such "insiders" are obliged to comply with the requirements of PIT Regulations.
3. The Company shall maintain a structured digital data base of all such persons containing the name, address, PAN number or any other identifier if PAN not available, nature of UPSI, LBP for which the information or communication was shared and date and time when such UPSI was shared.
4. The company shall before sharing of such information serve a notice on or sign confidentiality/ non-disclosure agreement with, the person with whom UPSI is shared informing him/her that he/she has to ensure the compliance of PIT Regulations while in possession of UPSI.
5. If information/ communication is shared with several persons representing a firm/entity which has been appointed or has the duty to carry out a legitimate business purpose, the notice to or Confidentiality/Non-Disclosure Agreement has to be entered into which each such person.
6. Where information/communication is shared with any regulatory and statutory or governmental authority, the said authority may be put to notice with respect to dealing will such UPSI and compliance of PIT regulations.

**Policy Review:**

The Policy shall be reviewed periodically in accordance with review of internal control and check as well as changes or any regulatory requirements from time to time. In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall override this Policy.

**Authority:**

The "Policy for Determination of Legitimate Business purpose has been approved by the board of directors of the company"





## **Legitimate Purpose referred to in the SEBI (Prohibition of Insider Trading) Regulations, 2015**

### **Regulation 3:**

(1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

(2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

(2A) The board of directors of a listed company shall make a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under regulation 8.

Explanation -“legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

(2B) Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.





## HINDUSTAN EVEREST TOOLS LIMITED

### POLICY AND PROCEDURE FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION ("UPSI") OR SUSPECTED LEAK OF UPSI

Effective from 01.04.2019

#### **Objective:**

In terms of **Regulation 9A** of SEBI (Prohibition of Insider Trading) Regulations, 2018, it is necessary for the Board of Directors of a Listed Company to make a Policy and Procedure for Inquiry In Case Of Leak of Unpublished Price Sensitive Information ("UPSI") Or Suspected Leak of UPSI. The objective of the policy is to initiate appropriate inquiries on becoming aware of leak of UPSI and inform the Board of Directors promptly of such leaks, inquiries and results of such inquiries and it should be treated as part of the company's Code of Conduct for Prevention of Insider Trading and Code of Practices and fair disclosure of unpublished price sensitive information formulated under the insider Regulations.

#### **Definition:**

- (i) "Leak of UPSI" shall mean communication of information by any Insider, Employee, Designated Persons, fiduciaries or any other known or unknown person to any person other than a person(s) authorized by the Board after following the due process prescribed in this behalf in the company's Code of Conduct for Prevention of Insider Trading and Code of Practices and fair disclosure of unpublished price sensitive information and /or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto, which is / shall be UPSI.
- (ii) "Suspect" means the person or persons against or in relation to whom an inquiry is initiated in case of leak or suspected leak of UPSI.

#### **Policy:**

1. Disclosure of actual or suspected leak of UPSI to stock exchanges:

On becoming aware of actual or suspected leak of UPSI of the Company, the designated person of the company shall ensure that the same shall be promptly intimated to the Stock Exchanges on which the securities of the Company are listed.

2. Report of Actual or Suspected Leak Of UPSI to SEBI

On becoming aware of actual or suspected leak of UPSI of the Company, the designated person of the company shall ensure that a report on such actual or suspected leak of UPSI, preliminary enquiry thereon and results thereof shall be promptly made to the SEBI.

3. Constitution Of Enquiry Committee

As and when required, the stakeholder relationship committee of the board of the company shall also act as "Enquiry Committee".





#### 4. Duties of Enquiry Committee:

The Enquiry Committee shall be responsible:-

- (a) To conduct a preliminary enquiry to ascertain the truth contained in the information or complaint pertaining to actual or suspected leak of UPSI, if any;
- (b) To authorize any person to collect necessary support material; and
- (c) To decide disciplinary action thereon.
- (d) To intimate the result of enquiry to the board of the company

#### 5. Procedure for enquiry in case of leak of UPSI

On becoming aware or suo-moto or otherwise, of actual or suspected leak of UPSI of the Company by any promoter, director, key managerial person, Insider, employee, designated personnel, support staff, fiduciaries or any other known or unknown person, the authorized person after informing the same to the Managing Director or Chief Financial Officer or Enquiry Committee of the Company, shall follow the below mentioned procedure in order to enquire and/or investigate the matter to ensure:-

##### (a) Preliminary Enquiry:

Preliminary enquiry is a fact-finding exercise. The object of preliminary enquiry is to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any and to collect necessary available material in support of the allegations and thereafter to decide whether there is justification to embark on any disciplinary action.

The Enquiry Committee shall appoint and/or authorize any person(s), as it may deem fit, to initiate/conduct an enquiry to collect the relevant fact, material substances on actual or suspected leak of UPSI.

##### (b) Report of Preliminary Enquiry to the Enquiry Committee:

The Person(s) appointed/authorized to enquire the matter of actual or suspected leak of UPSI shall submit his report to the Enquiry Committee within 30 days from the date of his appointment on this behalf. However, the period of 30 days can be extended by the Committee, if deemed necessary.

##### (c) Disciplinary Action:

The Disciplinary action(s) shall include salary / wage freeze, suspension, recovery, termination of employment, contract/agreement etc., as may be decided by the Members of the Committee.

#### **Powers of the Inquiry Committee**

For purpose of conducting inquiry, the Inquiry Committee may:

##### a) call upon

- such employees/individuals to seek clarification or information pertaining to the leak.
- persons / members of committees involved in generation of the original data for purpose of determination of key figures pertaining to financial figures.
- persons involved in the consolidation of the figures for the financial results.
- persons involved in the preparation of board notes and presentations.
- persons involved in dissemination of information relating to financial results in the public domain.
- any other persons who had access to the information.
- any market intermediaries, fiduciaries and other person/ entities who have access to UPSI for







inquiry conducted for leak of such UPSI.

- b) at its discretion, invite external investigators/experts.
- c) take necessary actions including sending the Suspect on leave, restrict physical access to the office premise, freeze access to systems, electronic devices, emails, etc., during the pendency of the investigations for fair conduct of the proceedings.
- d) keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation.
- e) notify the Suspect of the allegations at the outset of internal investigation and provide him opportunity to represent his case and submit evidence.
- f) do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

**Authority:**

The Policy and Procedure for Inquiry In Case Of Leak of Unpublished Price Sensitive Information ("UPSI") Or Suspected Leak of UPSI has been approved by the board of directors of the company"

