

**Hindustan  
Everest Tools  
Limited** 

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

Date: - 29/09/2018

To,  
The Manager (Listing)  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001

**SUB: Proceedings and Voting Results of the 55<sup>th</sup> Annual General Meeting (“AGM”) of Hindustan Everest Tools Limited (“the Company”)**

Dear Sir/Madam,

The 55<sup>th</sup> Annual General Meeting (AGM) of the members of Hindustan Everest Tools Limited (‘the Company’) has been duly convened and held on **Saturday, September 29, 2018 viz. today at 10:00 A.M. at “PHD House” Opposite Asian Games Village, Siri Fort Road, New Delhi-110016 India** to transact the business as stated in the notice dated 10.08.2018, convening the AGM.

In this regard, please find enclosed the following:

- 1) Summary of the proceedings of the AGM of the Company as required under Regulation 30, Part-A of Schedule-III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) Voting results of the business transacted at the AGM, as required under Regulation 44(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3) Report of the Scrutinizer dated 29<sup>th</sup> September, 2018 pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014.
- 4) Annual Report for the financial year 2017-18 as required under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

The Voting Results along with the Scrutinizer’s Report dated 29<sup>th</sup> September, 2018 is made available on the Company’s website at <http://www.everesttools.com/investors/result-of-AGM17-18.pdf>.

You are requested to kindly take the same on your record and oblige.

Thanking You

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

  
**Sonam Gupta**  
Company Secretary



HETL/ 09/2018  
September 29, 2018

**The BSE Ltd.,  
Floor 25, P.J. Tower,  
Dalal Street,  
Mumbai-400001**

**Ref: - Company Code 505725**

**Subject:- Disclosure under Regulation 30(2) of SEBI (LODR) Regulations 2015  
proceedings and outcome of Annual General Meeting held on 29/09/2018.**

Dear Sir,

Please find here under summary of proceedings of 55<sup>th</sup> Annual General Meeting (AGM) of the company along with consolidated report of the Scrutinizer on e- voting and voting by ballot at the AGM:-

**SUMMARY OF PROCEEDINGS OF THE 55<sup>TH</sup> ANNUAL GENERAL MEETING**

The 55<sup>th</sup> Annual General Meeting of the members of Hindustan Everest Tools Limited (the company) was held on Saturday, September 29, 2018 at 10:00 A.M. at "PHD House" Opposite Asian Games Village, Siri Fort Road, New Delhi-110016, India.

**Directors Present:**

Mr. Shravan Kumar Mandelia	Managing Director
Mr. Balgopal Mandelia	Managing Director
Mr. Ambarish Raj	Independent Director & chairman of Audit and Nomination and Remuneration Committee.
Mr. Saurabh Parasramka	Director

**In attendance**

Mr. Shiv Paul Singh	Scrutinizer
Ms. Sonam Gupta	Company Secretary

**Members Present**

In person – 47 representing 906306 shares

By Proxy - 3 representing 179990 shares



Mr. Shravan Kumar Mandelia was unanimously elected as the Chairman of the Annual General Meeting, took the chair and conducted the proceedings of the Meeting as the requisite quorum was present. The Chairman addressed the shareholders and spoke about Financial Performance of the Company, current economic situations and its impact.

The Chairman thereafter declared that the copies of audited financial statements for the year ended March 31, 2018, Director's and Auditors' report had been posted/mailed as the case may be along with Notice of the aforesaid Annual General Meeting to all the Members and that the original documents along with the statutory registers and Secretarial Auditors' Report were available for inspection.

Mr. Shravan Kumar Mandelia, Chairman of the Annual General Meeting read out and explained the qualifications contained in Secretarial Auditors Report and Auditor's Report.

The Chairman further informed the shareholders that e-voting facility has been provided to all Members to vote electronically and that there will be no voting by show of hands at the meeting. Clarifications were provided to the queries raised by the members.

The following items of business, as per the Notice of the AGM were transacted and were passed by requisite majority:-

- (1) Adopted audited Financial Statements of the company for the financial year ended on March 31, 2018 and reports of the Board of Directors and the Auditors thereon (Ordinary Resolution)
- (2) Reappointment of Mr. Saurabh Parasramka (DIN: 00935199), as Director, who liable to retire by rotation and being eligible has offered himself for re-appointment (Ordinary Resolution)

The Chairman informed the shareholders that Mr. Shiv Paul Singh, Practicing Company Secretary has been appointed as scrutinizer for the Poll at this meeting and to report on the combined voting results of e-voting and the Poll for each of the items as per the notice of the AGM. The scrutinizers' report was received and accordingly all the resolutions as set out in the notice of the AGM were declared as passed. The scanned copy of consolidated Scrutinizer Report dated 29/09/2018 is attached herewith.

This is for your necessary information and record.

Thanking you,

Your's faithfully

For **Hindustan Everest Tools Limited**

  
**Sonam Gupta**  
Company Secretary



## Voting Results

(Disclosure as per Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015)

Date of AGM	Saturday, 29 <sup>th</sup> September, 2018 at 10:00 A.M.
Total Number of Shareholders on Record Date	1892
No. of Shareholders present in the Meeting either in person or through proxy: -	
Promoters and Promoter Group:	3
Public:	47
No. of Shareholders attended the Meeting through Video Conferencing: -	
Promoters and Promoter Group:	N.A.
Public:	N.A.

Resolution No.	1							
Resolution Required: (Ordinary/Special)	To receive, consider and adopt the audited financial statements of the company for the financial year ended 31 <sup>st</sup> March, 2018 together with the reports of the Board of Directors and Auditors thereon (Ordinary Resolution).							
Whether Promoter/Promoter Group are interested in the agenda/resolution?	No							
Category	Mode of Voting	No. of Shares held (1)	No. of Voted Polled (2)	% of Votes Polled on Outstanding Shares (3) = [(2)/ (1)] *100	No. of Votes-In favour (4)	No. of Votes-Against (5)	% of Votes in Favour on Votes Polled (6) = [(4)/ (2)] *100	% of Votes Against on votes Polled (7) = [(5)/ (2)] *100
Promoter and Promoter Group	E-Voting	835281	0	0	0	0	0	0
	Poll		835281	100	835281	0	100	0
	Postal Ballot (If Applicable)		0	0	0	0	0	0
	<b>Total</b>		<b>835281</b>	<b>835281</b>	<b>100</b>	<b>835281</b>	<b>0</b>	<b>100</b>
Public-Institutions	E-Voting	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot (If Applicable)		0	0	0	0	0	0
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Public - Non Institutions	E-Voting	251015	69443	27.66	69443	0	100	0
	Poll		181273	71.22	181273	0	100	0
	Postal Ballot (If Applicable)		0	0	0	0	0	0
	<b>Total</b>		<b>251015</b>	<b>250716</b>	<b>99.88</b>	<b>250716</b>	<b>0</b>	<b>100</b>
<b>TOTAL</b>		<b>1086296</b>	<b>1085997</b>	<b>99.97</b>	<b>1085997</b>	<b>0</b>	<b>100</b>	<b>0</b>



Resolution No.			2					
Resolution Required: (Ordinary/Special)			To appoint a Director in place of Shri Saurabh Kumar Parasramka (DIN: 00935199), Director, who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution)					
Whether Promoter/Promoter Group are interested in the agenda/resolution?			No					
Category	Mode of Voting	No. of Shares held (1)	No. of Voted Polled (2)	% of Votes Polled on Outstanding Shares (3) = [(2)/(1)] *100	No. of Votes-In favour (4)	No. of Votes-Against (5)	% of Votes in Favour on Votes Polled (6) = [(4)/(2)] *100	% of Votes Against on votes Polled (7) = [(5)/(2)] *100
Promoter and Promoter Group	E-Voting	835281	0	0	0	0	0	0
	Poll		835281	100	835281	0	100	0
	Postal Ballot (If Applicable)		0	0	0	0	0	0
	Total		835281	835281	100	835281	0	100
Public-Institutions	E-Voting	0	0	0	0	0	0	0
	Poll		0	0	0	0	0	0
	Postal Ballot (If Applicable)		0	0	0	0	0	0
	Total		0	0	0	0	0	0
Public - Non Institutions	E-Voting	251015	69443	27.66	69443	0	0	0
	Poll		181273	71.22	181273	0	100	0
	Postal Ballot (If Applicable)		0	0	0	0	100	0
	Total		251015	250716	99.88	250716	0	0
<b>TOTAL</b>		<b>1086296</b>	<b>1085997</b>	<b>99.97</b>	<b>1085997</b>	<b>0</b>	<b>100</b>	<b>0</b>



# SHIV PAUL SINGH

## PRACTISING COMPANY SECRETARY

House No. E - 51, E - Block, Street No. - 2, East Vinod Nagar, New Delhi - 110091  
PAN: AMMPS8893H, Mobile : 9711899119, E - mail : slathiacs71@yahoo.co.in

### CONSOLIDATED SCRUTINIZER REPORT FOR REMOTE E-VOTING & POLL FOR HINDUSTAN EVEREST TOOLS LIMITED

(Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies  
(Management and Administration ) Rules 2014 as amended by Companies (Management  
and Administration) Amendment Rules, 2015

To  
THE CHAIRMAN OF THE MEETING  
55<sup>TH</sup> ANNUAL GENERAL MEETING OF  
HINDUSTAN EVEREST TOOLS LIMITED  
(CIN NO. : L74899DL1962PLC003634)  
4<sup>TH</sup> FLOOR, DOHIL CHAMBERS,  
46, NEHRU PLACE,  
NEW DELHI-110019

SUBJECT : PASSING OF RESOLUTION(S) THROUGH ELECTRONIC VOTING AND POLL  
CONDUCTED AT THE 55<sup>TH</sup> ANNUAL GENERAL MEETING OF HINDUSTAN EVEREST TOOLS  
LIMITED ("THE COMPANY") HELD ON SATURDAY, THE 29<sup>TH</sup> DAY OF SEPTEMBER, 2018 AT  
10:00 A.M. AT PHD HOUSE, OPPOSITE ASIAN GAMES VILLAGE, SIRI FORT ROAD, NEW  
DELHI-110 016)

I, CS Shiv Paul Singh, Practicing Company Secretary (Holding Membership No. FCS 5690 and Certificate of Practice No. 5553) having office at E - 51, (Ground Floor), Lane No. - 2, East Vinod Nagar, Mayur Vihar, Phase - II, Delhi - 110091 was appointed as the Scrutinizer for the purpose of scrutinizing Annual General Meeting (AGM) voting process i.e. Remote e-Voting and Poll at the venue of AGM, under the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 by the Board of Directors of the Hindustan Everest Tools Limited at their meeting held on Friday, 10<sup>th</sup> August, 2018 on the resolutions mentioned in the Notice dated 10<sup>th</sup> August, 2018 for 55<sup>th</sup> AGM of the Members of the Company held on Saturday, 29<sup>th</sup> September, 2018 at 10:00 A.M. at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi-110016.

The Company had appointed National Securities Depository Limited (NSDL) as the service provider for remote e-Voting to the shareholders from 26.09.2018 (09:00 A.M.) to 28.09.2018 (05:00 P.M.).


At the 55<sup>th</sup> Annual General Meeting of the Company held on Saturday, 29<sup>th</sup> September, 2018, the Chairman of the meeting had ordered for poll to facilitate the members present in the meeting who could not participate in the Remote e-voting to record their votes through the poll process.

After completion of Poll at the AGM at 10:35 A.M. votes cast by the members were reconciled with the records maintained by the Registrar and Transfer Agents of the Company and the Authorisations / Proxies lodged with the Company. A detailed register was maintained containing the particulars of the shareholders who participated in Poll at AGM.

Thereafter, the Remote e-voting results were unblocked by me on 29<sup>th</sup> September, 2018 after the AGM of the company in the presence of two witnesses Mr. Govind Deora and Mr. Dushyant Gupta who are not in the employment of the Company. They have signed below in confirmation of the votes being unblocked in their presence.

  
(Govind Deora)  
Witness - 1



  
(Dushyant Gupta)  
Witness - 2



The consolidated result of the Remote e- Voting together with that of the Poll is as under:

**RESOLUTION NO. 1**

**ORDINARY RESOLUTION TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018, TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON;**

Particulars	No. of Members who cast their votes.	No. of Equity Shares of the Nominal Value of Re.10/- each. (No. of Votes)	% of Total Valid Votes Received
Total Votes received under Remote e-Voting	7	69443	6.39
Total Votes received in Poll at the venue of AGM in physical ballot mode	33	1016557	93.61
Total Number of Invalid Votes	3	3	0.00
Total Number of Valid Votes	37	1085997	100.00
Total Number of Votes in favour of Resolution	37	1085997	100.00
Total Number of Votes against the resolution	0	0	0.00

Therefore, the Resolution No. 1 has been approved with requisite majority.

**RESOLUTION NO. 2**

**ORDINARY RESOLUTION FOR APPOINTMENT OF A DIRECTOR IN PLACE OF SHRI SAURABH KUMAR (DIN: 00935199). DIRECTOR WHO RETIRES BY ROTATION AND BEING ELIGIBLE HAS OFFERED FOR RE-APPOINTMENT.**

Particulars	No. of Members who cast their votes.	No. of Equity Shares of the Nominal Value of RE.10/- each. (No. of Votes)	% of Total Valid Votes Received
Total Votes received under Remote e-Voting	7	69443	6.39
Total Votes received in Poll at the venue of AGM in physical ballot mode	33	1016557	93.61
Total Number of Invalid Votes	3	3	0.00
Total Number of Valid Votes	37	1085997	100.00
Total Number of Votes in favour of Resolution	37	1085997	100.00
Total Number of Votes against the resolution	0	0	0.00

Therefore, the Resolution No. 2 has been approved with requisite majority.



All the Resolutions stand passed under Remote e-Voting and poll with the requisite majority.

I hereby confirm that I am maintaining the registers received from the service provider both electronically and manually, in respect of the votes cast through Remote e- Voting and poll by the shareholders of the Company. I have handed over all the relevant records to the Shri Shравan Kumar Mandelia, Managing Director of the Company, who is authorised for its safe keeping.

Thanking you

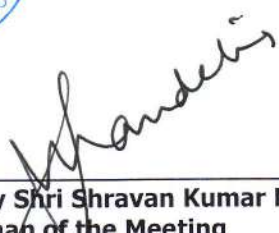
Yours Sincerely



**SCRUTINIZER  
SHIV PAUL SINGH  
PRACTISING COMPANY SECRETARY  
C. P. NO. 5553**



Date : 29.09.2018  
Place : New Delhi

  
Counter signed by **Shri Shравan Kumar Mandelia**  
Chairman of the Meeting





# SHIV PAUL SINGH

## PRACTISING COMPANY SECRETARY

House No. E - 51, E – Block, Street No. – 2, East Vinod Nagar, New Delhi – 110091  
PAN: AMMPS8893H, Mobile : 9711899119, E – mail : slathiacs71@yahoo.co.in

### FORM No. MGT-13

#### Report of Scrutinizer(s)

[Pursuant to Section 109 of the Companies Act, 2013 and Rule 21(2) of the Companies (Management and Administration) Rules, 2014]

To  
**THE CHAIRMAN OF THE MEETING**

**55<sup>TH</sup> ANNUAL GENERAL MEETING OF THE EQUITY SHAREHOLDERS OF HINDUSTAN EVEREST TOOLS LIMITED HELD ON SATURDAY, 29<sup>TH</sup> SEPTEMBER, 2018 AT 10:00 A.M., AT PHD HOUSE, OPPOSITE ASIAN GAMES VILLAGE, SIRI FORT ROAD, NEW DELHI-110016.**

Dear Sir,

I, CS Shiv Paul Singh, Practising Company Secretary, (Holding Membership Number FCS 5690 and Certificate of Practice Number 5553), was appointed as Scrutinizer for the purpose of the poll taken on the below mentioned resolutions, at the 55<sup>th</sup> Annual General Meeting of the Equity Shareholders of **Hindustan Everest Tools Limited** held on 29<sup>th</sup> September, 2018 at 10:00 A.M., at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi-110016. I submit my report as under:-

1. After the time fixed for closing of the poll by the Chairman, one ballot box kept for polling was locked in my presence with due identification marks placed by me.
2. The locked ballot box was subsequently opened in my presence and poll papers were diligently scrutinized. The poll papers were reconciled with the records maintained by the Company/Registrar and Transfer Agents of the Company and the authorizations/proxies lodged with the Company.
3. The poll papers, which were incomplete and/or which were otherwise found defective have been treated as invalid and kept separately.
4. The result of the Poll is as under:-

RESOLUTION NO.	1
SUBJECT	TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED ON 31 <sup>ST</sup> MARCH, 2018, THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON.
TYPE OF RESOLUTION	ORDINARY RESOLUTION



Handwritten signatures in blue ink.

**(I) VOTED IN FAVOUR OF THE RESOLUTION:**

No. of Members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of Valid Votes cast
30	1016554	100.00

**(II) VOTED AGAINST THE RESOLUTION:**

No. of Members present and voting (in person or by proxy )	Number of votes cast by them	% of total number of Valid Votes cast
0	0	0.00

**(III) INVALID VOTES:**

Total No. of Members (in person or by proxy) whose votes were declared invalid	Total Number of votes cast by them
3	3

<b>RESOLUTION NO.</b>	<b>2</b>
<b>SUBJECT</b>	<b>APPOINTMENT OF SHRI. SAURABH KUMAR PARASRAMKA (DIN: 00935199) DIRECTOR WHO RETIRES BY ROTATION AND BEING ELIGIBLE HAS OFFERED FOR RE-APPOINTMENT.</b>
<b>TYPE OF RESOLUTION</b>	<b>ORDINARY RESOLUTION</b>

**(I) VOTED IN FAVOUR OF THE RESOLUTION:**

No. of Members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of Valid Votes cast
30	1016554	100.00

**(II) VOTED AGAINST THE RESOLUTION:**

No. of Members present and voting (in person or by proxy )	Number of votes cast by them	% of total number of Valid Votes cast
0	0	0.00

**(III) INVALID VOTES:**

Total No. of Members (in person or by proxy) whose votes were declared invalid	Total Number of votes cast by them
3	3

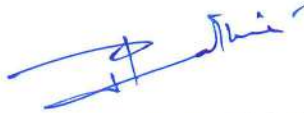


*Handwritten signature*

5. A list of Equity Shareholders who voted "FOR", "AGAINST" and those whose votes were declared invalid for each resolution is enclosed.
6. The poll papers and all other relevant records were sealed and handed over to the Shri Shравan Kumar Mandelia, Managing Director of the Company, authorised by the Board for safe keeping.

Thanking you,

Yours Sincerely

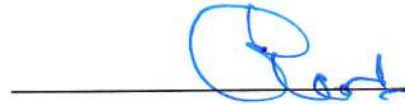


**(CS SHIV PAUL SINGH)**  
**PRACTISING COMPANY SECRETARY**  
**SCRUTINIZER**  
**C. P. No. 5553**

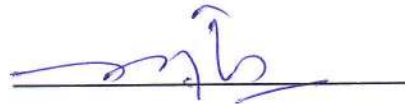


Place : New Delhi  
Date : 29<sup>th</sup> September, 2018

Witness -1 Mr. Govind Deora  
782, Sector-31,  
Faridabad (Haryana)-121003



Witness -2 Mr. Dushyant Gupta  
D-95, (2<sup>nd</sup> Floor) Gali No. 4,  
Laxmi Nagar,  
Delhi-110092



**Counter signed by Shri Shравan Kumar Mandelia :**  
**Chairman of the Meeting**



# SHIV PAUL SINGH

## PRACTISING COMPANY SECRETARY

House No. E - 51, E - Block, Street No. - 2, East Vinod Nagar, New Delhi - 110091  
PAN: AMMPS8893H, Mobile : 9711899119, E - mail : slathiacs71@yahoo.co.in

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### SCRUTINIZER'S REPORT ON REMOTE E-VOTING FOR HINDUSTAN EVEREST TOOLS LIMITED

**THE CHAIRMAN OF THE MEETING  
HINDUSTAN EVEREST TOOLS LIMITED  
4<sup>TH</sup> FLOOR, DOHIL CHAMBERS,  
46, NEHRU PLACE,  
NEW DELHI-110019**

**55<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF HINDUSTAN EVEREST TOOLS LIMITED  
HELD ON SATURDAY, THE 29<sup>TH</sup> SEPTEMBER, 2018 AT 10:00 A.M. AT PHD HOUSE, OPPOSITE  
ASIAN GAMES VILLAGE, SIRI FORT ROAD, NEW DELHI-110016.**

**SUBJECT: PASSING OF RESOLUTIONS THROUGH ELECTRONIC VOTING ("REMOTE E-VOTING")  
PURSUANT TO SECTION 108 OF THE COMPANIES ACT, 2013 READ WITH RULE 20 OF THE  
COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 AS AMENDED BY THE  
COMPANIES (MANAGEMENT AND ADMINISTRATION) AMENDMENT RULES, 2015**

Dear Sir,

1. Pursuant to the resolution passed by the Board of Directors of Hindustan Everest Tools Limited (hereinafter referred to as ("the Company") on 10<sup>th</sup> August, 2018, I have been appointed as a Scrutinizer for the Remote e-Voting process as mentioned under Rule 20(4)(ix) of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015
2. The Company had engaged National Securities Depository Limited ("NSDL") as the service provider for extending the facility of electronic voting to the Shareholders of the Company. The service provider provided a system for recording the votes of the Shareholders electronically on all the items of business (i.e ordinary business) sought to be transacted in the 55<sup>th</sup> Annual General Meeting ("AGM") of the Company, which was held on Saturday, the 29<sup>th</sup> September, 2018. National Securities Depository Limited ("NSDL") had set up Remote e-Voting facility on their website, <https://evoting.nsdl.com>. The Company had uploaded all the items of the business to be transacted on the website of the Service Provider to facilitate their shareholders to cast their vote through Remote e-Voting.
3. As on the cut-off date for the despatch of notice of AGM, there were **1892** Shareholders of the Company. The Notice of AGM along with instructions for Remote e-Voting was sent through email to **521** Shareholders whose email IDs were made available by the two depositories and for those holding in physical form to the extent it was available with the RTA and in the physical form to **1371** Shareholders.

The Notice sent both through email and physical form contained the detailed procedure to be followed by the shareholders who were desirous of casting their votes electronically as provided in the Rule 20(4)(iii)(A) to (C) of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015.



4. The cut-off date for the purposes of identifying the Shareholders who will be entitled to vote on the resolutions placed for the approval of the shareholders was 21.09.2018. The Remote e-Voting facility was kept open from 26<sup>th</sup> September, 2018 (09.00 A.M.) to 28<sup>th</sup> September, 2018 (05.00 P.M.)
5. Pursuant to Rule 20(4)(v) of Companies (Management and Administration) Amendment Rules, 2015, the Company also released an advertisement, which was published 21 days before the date of Annual General Meeting in **The Pioneer in English and in Hindi on 5<sup>th</sup> September, 2018**. The notice published in the newspaper carried the required information as specified in the Rule 20(4)(v)(a) to (h) of Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015.
6. At the end of the voting period on 28<sup>th</sup> September 2018 at 5:00 P.M. the voting portal of the service provider was blocked forthwith. On 29<sup>th</sup> September, 2018 after the AGM the votes cast through Remote e-voting facility was duly unblocked by me as a Scrutinizer in the presence of Mr. Govind Deora and Mr. Dushyant Gupta who acted as the witnesses, as prescribed in sub Rule (4)(xii) of said Rule 20 of Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015.
7. Particulars of all Votes cast by electronic mode have been entered in the register separately maintained for the purpose in electronic mode.

As a Scrutinizer, the report of the e-voting carried by the shareholders was duly compiled, the detail of which are as follows.

**RESOLUTION NO.1 – ORDINARY RESOLUTION TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINACIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2018, THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON.**

Particulars	No. of Members who cast their votes electronically	No. of Equity Shares of the Nominal Value of Re.10/- each. (Votes)	% age of the total votes received	% age of paid - up equity share capital of the Company
Total Votes received by electronic mode	7	69443	100.00	4.32
Total Number of Invalid Votes	N.A.	N.A.	N.A.	N.A.
Total Number of Votes in favour of Resolution	7	69443	100.00	4.32
Total Number of Votes against the resolution	0	0	0.00	0.00

**RESOLUTION NO.2 – ORDINARY RESOLUTION FOR APPOINTMENT OF MR. SAURABH KUMAR PARASRAMKA WHO RETIRES BY ROTATION AND BEING ELIGIBLE HAS OFFERED FOR RE-APPOINTMENT.**

Particulars	No. of Members who cast their votes electronically	No. of Equity Shares of the Nominal Value of Re.10/- each. (Votes)	% age of the total votes received	% age of paid - up equity share capital of the Company
Total Votes received by electronic mode	7	69443	100.00	4.32
Total Number of Invalid Votes	N.A.	N.A.	N.A.	N.A.
Total Number of Votes in favour of Resolution	7	69443	100.00	4.32
Total Number of Votes against the resolution	0	0	0.00	0.00



All the resolutions contained in the notice dated 10<sup>th</sup> August, 2018 calling 55<sup>th</sup> AGM of the Company stand passed under Remote e-voting process with requisite majority.

I hereby confirm that I am maintaining the registers received from the service provider both electronically and manually in respect of the votes cast through Remote e-voting by the shareholders of the Company. I have handed over these records to Shri Shравan Kumar Mandelia, Managing Director of the Company, authorised by the Board for its safe keeping.

Thanking you,

Yours Sincerely



**SHIV PAUL SINGH**  
**PRACTISING COMPANY SECRETARY**  
**SCRUTINIZER**  
**C. P. NO. 5553**



Place : New Delhi

Dated : 29<sup>th</sup> September, 2018

**WITNESS :**

1. : Mr. Govind Deora  
782, Sector-31  
Faridabad (Haryana) - 121003



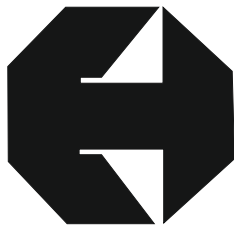
2. : Mr. Dushyant Gupta  
D-95, (2<sup>nd</sup> Floor), Gali No. 4,  
Laxmi Nagar,  
Delhi-110092



**Counter signed by Shri Shравan Kumar Mandelia**  
**Chairman of the Meeting**



*55th*  
*Annual Report*  
*2017 - 2018*



**Hindustan  
Everest  
Tools Ltd.**

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



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





# HINDUSTAN EVEREST TOOLS LTD.

## 55th ANNUAL REPORT 2017-18

### **Board of Directors**

Shri Shravan Kumar Mandelia, Managing Director  
Shri Balgopal Mandelia, Managing Director  
Shri Pradeep Jain  
Shri Ambarish Raj  
Shri Lokesh Sood  
Shri Saurabh Parasramka

### **Company Secretary**

Sonam Gupta

### **AUDITORS**

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

### **BANKERS**

HDFC Bank  
State Bank Of India

### **REGISTERED OFFICE**

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

### **SHARES LISTED AT**

Bombay Stock Exchange

### **REGISTRAR & TRANSFR AGENT**

#### **LINK INTIME INDIA PVT. LTD.**

44 Community Centre,  
2nd Floor  
Naraina Industrial Area, Phase-I, Near PVR Naraina  
New Delhi- 110 028  
Ph. : 41410592 Fax : 41410591  
Email : [delhi@linkintime.co.in](mailto: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: everesttools.com

Phone: 011-46692600, Fax: 011-41606788

### NOTICE

**NOTICE** is hereby given that the 55<sup>TH</sup> **Annual General Meeting** of the members of **HINDUSTAN EVEREST TOOLS LIMITED** will be held at “**PHD House**” **opposite Asian Games Village, Siri Fort Road, New Delhi - 110016** on **Saturday, 29<sup>th</sup> September, 2018 at 10:00 A.M. (IST)** to transact the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the company for the financial year ended 31<sup>st</sup> March, 2018 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Saurabh Kumar Parasramka (DIN: 00935199), Director, who retires by rotation and being eligible, offers himself for re-appointment.

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

**Date: 10.08.2018  
Place: New Delhi**

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

#### IMPORTANT NOTES

1. At the 54<sup>th</sup> AGM, M/s. SSRA & Co., Chartered Accountants (Firm Registration No. 014266N) were appointed as Statutory Auditors of the Company for a term of 5 years until the conclusion of 59<sup>th</sup> AGM of the Company.  
Pursuant to Notification issued by Ministry of Corporate Affairs, ratification of their appointment under Section 139 of the Companies Act, 2013, is not required and accordingly, the item has not been included in the Ordinary Business of the AGM Notice.
2. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Secretarial Standard 2 in respect of the Director seeking reappointment at the 55<sup>th</sup> AGM are annexed hereto to the Notice. The Company has received relevant disclosure/ consent from the Director seeking re-appointment.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 55<sup>TH</sup> ANNUAL GENERAL MEETING (“THE MEETING”) IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

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



4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic format, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
5. The Securities and Exchange Board of India (SEBI) vide its notification no SEBI/LAD-NRO/GN/2018/24 dated 08<sup>th</sup> June, 2018 mandated that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. W.e.f. 05.12.2018 it shall be mandatory to demat the securities for getting the shares transferred. Members holding shares in physical form are, therefore, requested to convert their holding in demat form before 05.12.2018.
6. Pursuant to Section 124 of the Companies Act, 2013, dividend which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund established by the Central government. However please note that company have not declared any dividend from the financial year 1999-2000 onwards.
7. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 24<sup>th</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018 (both days inclusive) for the purpose of 55<sup>th</sup> AGM of the Company.
8.
  - (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, 44, Community Centre, 2<sup>nd</sup> Floor, Naraina Industrial area, Phase-II, Near PVR Naraina, New Delhi-110028, Phone No. 41410592, Fax : 41410591, E-Mail : [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) and Company's - E-mail: [admin@everesttools.com](mailto:admin@everesttools.com).
  - (b) Members holding shares in the dematerialized form are requested to notify all changes with respect to their address, mandate and bank details to their Depository Participant.
  - (c) Shareholders are also requested to quote their Folio No./DP ID-Client Id and details of shares held in physical/demat mode, E-mail ids and Telephone/Fax numbers for prompt reply to their communications.
  - (d) All corporate members are requested to communicate their Corporate Identification number to either company or RTA of the company.
9. The Annual Report 2017-18 is being sent through electronic mode only to those members whose email address are registered with the Company/Depository Participant(s). Members may also note that the Notice of the 55<sup>th</sup> Annual General Meeting and the Annual Report will also be available on the Company's website :-[www.everesttools.com](http://www.everesttools.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [admin@everesttools.com](mailto:admin@everesttools.com).
10. The Annual Report along with Notice of AGM is being sent to the members, whose names appear in the Register of Members/depositories as at close of business hours on Friday, 24<sup>th</sup> August, 2018.
11. **Voting through electronic means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 55<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). The Facility for voting through ballot paper will also be made available at the AGM and the members attending



## HINDUSTAN EVEREST TOOLS LTD.

the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.

- II Shareholders of the company holding shares either in physical form or dematerialized form, as on record date i.e. 21<sup>st</sup> September, 2018 are eligible to cast their vote.

The instructions for e-voting are as under:

- (i) The Notice of 55<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and the manner of e- voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members, Login Id and initial password is mentioned in the attendance slip attached to the Notice of AGM as below:-

EVEN (E Voting Event Number)	USER ID	PASSWORD
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- (ii) NSDL shall be sending the USER ID and Password, to those Members who shareholding is in dematerialized format and whose email address are registered with the Company/Depository Participant(s) for members who have not registered their email address can use the details as provided above.
- (iii) Launch internet browser by typing the following [URL: https://www.evoting.nsdl.com](https://www.evoting.nsdl.com).
- (iv) Click on Shareholder – Login.
- (v) Enter the login credential i.e. User ID and password mentioned in the attendance slip attached with the notice of the annual general meeting.
- (vi) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your pass word confidential.
- (vii) Home page of e-voting opens. Click on e-voting to activate voting cycle.
- (viii) Select “EVEN” of Hindustan Everest Tools Limited.
- (ix) Now you are ready for e-voting as Cast Vote page opens.
- (x) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (xi) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xii) Once you have vote done the resolution, you will not be allowed to modify your vote.
- (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [slathiacs71@yahoo.co.in](mailto:slathiacs71@yahoo.co.in) or [admin@everesttools.com](mailto:admin@everesttools.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- III In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- IV If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.

- V 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).

- VI The e-voting period commences on 26<sup>th</sup> September, 2018 (9:00am) and ends on 28<sup>th</sup> September, 2018 (5:00pm). 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 21<sup>st</sup> September, 2018 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.
  - VII 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 21<sup>st</sup> September, 2018.
  - VIII 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.
  - IX Mr. Shiv Paul Singh, Practicing Company Secretary (M. No.: 5690 and CP No. 5553) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - X The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website: [www.everesttools.com](http://www.everesttools.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
12. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours on all working days except Saturdays, upto and including the date of the Annual General Meeting of the Company.

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

**Date: 10.08.2018  
Place: New Delhi**

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



## HINDUSTAN EVEREST TOOLS LTD.

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

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

Particulars	
Name	Mr. Saurabh Kumar Parasramka
Date of Birth and Age of Director	12/10/1970, 47 years
Director Identification Number (DIN)	00935199
Qualification	B. Com.
Expertise in specific functional areas	Has an experience of 24 years in the field of marketing.
Terms and Conditions of appointment re-appointment along with details of remuneration sought to be paid	He is a Non-executive non independent director and is eligible for sitting or fees only.
Last Drawn Remuneration	NIL
Date of first appointment on the Board	19/08/2016
Directorship held in other Listed companies and Unlisted companies	1) SHAILJA NIWES & NIRYAT LTD. 2) SAURAV FISCAL SERVICES PVT. LTD.
No. of Board Meetings attended during the year 2017-2018	4
Membership/Chairmanship of the Committees across the Companies (as on 31.03.2018)*	Member – 1 Chairman - 0
No. of equity shares held	Nil
Relationship with other Directors	He is not related /associated with any director of the Company
Brief Resume	Mr. Saurabh Parasramka have graduated in B. Commerce and had started a marketing company in the year 1994 in Kolkata and eventually expanded it to Delhi.  He had been appointed distributors for various multinational corporate such as Timex Watches, Mattel toys, Bauch & Lomb, Morphy Richards (Bajaj Electricals Ltd.), Pepsi Etc.  He has an experience of 24 years in field of marketing of various products.

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



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 55th Annual Report together with Audited Financial Statements of the Company for the year ended 31st March, 2018.

### I. FINANCIAL PERFORMANCE

	Rs. In Lakhs	
FINANCIAL RESULTS	2017- 2018	2016-2017
Profit/(Loss) before Finance Cost	5292.23	(1229.87)
Less: Finance Cost	<u>(89.49)</u>	<u>(124.67)</u>
Cash Profit/(Loss)	5202.74	(1354.54)
Depreciation	<u>25.85</u>	<u>58.81</u>
Net Profit/(Loss)	5176.89	(1413.35)
Provisions for Deferred Tax/tax expense	-	18.02
Profit/(loss) for the period	<u>5176.89</u>	<u>(1431.37)</u>
APPROPRIATION		
Transfer from General Reserve	<u>-</u>	<u>-</u>
Carried over to next year	<u>5176.89</u>	<u>(1431.37)</u>

### DIVIDEND

The company has discontinued its business activities and has sold the plants and has monetized all the assets. The Directors considered it prudent not to distribute dividend at this stage keeping in view the future plans of the company.

### AMOUNTS PROPOSED TO BE CARRIED TO RESERVES

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

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

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

As reported in the previous annual report, the company had discontinued its operation at its sole manufacturing plant at Sonepat and finally declared closure of the plant w.e.f 15/12/2016. During the current financial year, the Company has successfully monetized entire land of its plant alongwith plant machinery and stocks. From the realisation thereof, the Company has paid off all its liabilities. Further as on date of this report, the Company is now entirely debt free.

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

The board is thankful to the stakeholders for standing with it in times of crisis.

The Total no. of employees as on 31.3.2018 was 32.

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

Mr. Saurabh Kumar Parasramka is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Further, Mr. Govind Deora, Company Secretary of the Company has resigned from the Company w.e.f 31st August 2017, and Ms. Sonam Gupta has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 01st June, 2018.

Further, 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. 2017 - 2018, 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 accounts for the financial year ended 31st March, 2018, the applicable accounting standards 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 profit or 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 accounts for the financial year ended 31st March, 2018 on a "going concern" basis.
- v. That the Directors had laid down proper internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively..

### INTERNAL FINANCIAL CONTROLS

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

The Company has in place adequate internal financial controls



# HINDUSTAN EVEREST TOOLS LTD.

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

## RISK MANAGEMENT POLICY

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

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is available on company's website <http://www.everesttools.com/investors/MGT-9-2017-2018pdf>.

## NUMBER OF MEETING OF THE BOARD

During the financial year 2017-18, the board met 4 (Four) times. Meetings of Board of directors were convened and held on 09/06/2017, 15/09/2017, 23/10/2017 and 25/01/2018. The meetings of Audit Committee were convened and held three times during the year. The meeting of Nomination and Remuneration Committee was convened and held one time during the year.

Requisite quorum was present in all the meetings.

Name of the Director	Number of Board meetings attended during the financial year 2017-18
Shri Shravan Kumar Mandelia	04
Shri Balgopal Mandelia	04
Shri Pradeep Jain	01
Shri Ambarish Raj	04
Shri Lokesh Sood	01
Shri Saurabh Kumar Parasramka	04

## NUMBER OF MEETING OF AUDIT COMMITTEE

Name of the Member	Number of meetings attended during the financial year 2017-18
Shri Pradeep Jain	01
Shri Ambarish Raj	03
Shri Lokesh Sood	01
Shri Saurabh Parasramka	03

## NUMBER OF MEETING OF NOMINATION & REMUNERATION COMMITTEE

Name of the Member	Number of meetings attended during the financial year 2017-18
Shri Pradeep Jain	01
Shri Ambarish Raj	01
Shri Lokesh Sood	01

## STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS

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

## NOMINATION AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, KMPs and Senior Management Personnel and their remuneration. The Policy is annexed herewith as Annexure "A".

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.

## EXPLANATION OR COMMENTS ON AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT

The auditor's report and notes on accounts referred to in the Auditor's Report are self-explanatory and there are no adverse remarks or qualification in the Report and therefore, do not need any further comment.

Regarding observations made by the Secretarial Auditors, most of observations are self-explanatory, however regarding appointment of woman director, it may be please noted that due existing crisis in the company, no woman director was ready to be on the Board of the Company.

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

These primarily consist of loans to employees as per the policies of the Company and loans to suppliers in the normal course of business of the company. The closing balances of these loans are disclosed under the schedule of Loans and Advances in the financial Statements. The Company has not given any guarantees or made any investments during the year, which would be covered by Section 186 of the Companies Act, 2013.

## RELATED PARTY TRANSACTIONS

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements entered into by the Company with Related parties have been done at arm's length and are in the ordinary course of business are material in nature. Therefore it's not required to be provided in Form AOC-2.

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

During the year under review, the Company has discontinued its operation at its sole manufacturing plant at Sonapat and finally declared closure of the plant w.e.f 15/12/2016.

## 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 of the Companies (Accounts) Rules, 2014, is given hereunder:

As company has already closed its sole manufacturing plant in Sonapat w.e.f. 15/12/2016 as such there is no activities in respect to energy conservation and technology absorption. Further, during the financial year 2017-18, no transaction has been done in respect of foreign exchange.

## BOARD EVALUATION

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

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

The performance is 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 is evaluated by the Board.

## CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

## 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.

## PUBLIC DEPOSITS

During the financial year, 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 during the year under review.

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

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

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

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

## 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.

## COMPOSITION OF AUDIT COMMITTEE

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

Sh. Ambarish Raj	Independent Director
Sh. Pradeep Jain	Independent Director
Sh. Lokesh Sood	Independent Director
Sh. Saurabh Parasramka	Non-Executive Non Independent Director

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

## AUDITORS

M/s Singhi & Company, Chartered Accountants (Firm Registration No. 302049E) were appointed as the Statutory Auditors of the Company. The current tenure of M/s Singhi & Company, Chartered Accountants has expired.

M/s. SSRA & Co., Chartered Accountants (Firm Registration No. 014266N), be and are hereby appointed as statutory auditors of the Company in place of M/s Singhi & Company, Chartered Accountants (Firm Registration No. 302049E), for a period of five (5) years from the conclusion of 54th AGM till the conclusion of the AGM to be held in the calendar year 2022, and the Board of Directors be and is hereby authorized to fix remuneration payable to them for the financial year ended March 31, 2019 in consultation with the Auditors.

The Company has received a certificate from the proposed auditors to the effect that their appointment, if made would be within the limits prescribed u/s 139 of the Companies Act, 2013, and they are not disqualified for such an appointment, under the provisions of the Companies Act, 2013. They have also confirmed that they have hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the provisions of Regulation 33 of the Listing Regulation.

## SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Act the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Directors has appointed Mr. Pradip Kumar Muduli, practicing Company Secretary for conducting secretarial audit of the company for the financial year 2017-18.

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



## HINDUSTAN EVEREST TOOLS LTD.

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

There are no such frauds reported by auditors, which are committed against the company by officers or employees of the company.

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

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

### **CORPORATE GOVERNANCE**

SEBI has exempted listed companies with equity share capital of up to Rs 10 crore and net worth not exceeding of Rs 25 crores from the mandatory compliance of corporate governance code. However, as the net worth of the company as per the latest audited

balance sheet of 31.03.2018 is Rs. 32,04,44,954/-. Therefore, Corporate Governance Report is applicable on the company w.e.f. 01.04.2018 and the company shall comply with the requirements of the above specified regulation within the time period specified therein.

### **ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere appreciation to employees for their continuous efforts and valuable services rendered by them at all levels.

### **FOR & ON BEHALF OF THE BOARD**

Place : New Delhi  
Dated : August 10, 2018

Shravan Kumar Mandelia  
**Managing Director**  
**(DIN 00040532)**



## NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

### Definitions:

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

### Objective:

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

### Role of the Committee:

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

### APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.



# HINDUSTAN EVEREST TOOLS LTD.

## TERM / TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act

## PERFORMANCE EVALUATION

The committee shall carry out evaluation of performance of Directors, KMP and Senior Management Personnel as and when may be considered necessary.

## REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

## RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director/ Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/ Whole-time Directors.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive/ Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i)The Services are rendered by such Director in his capacity as the professional; and
  - ii)In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).



- 3) Remuneration to Key Managerial Personnel and Senior Management:
- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
  - b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
  - c) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
  - d) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

#### IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.



# HINDUSTAN EVEREST TOOLS LTD.

Annexure "B"

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule  
No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Hindustan Everest Tools Limited

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

Based on my verification of the Hindustan Everest Tools Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 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 2018 according to the provisions of:

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

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

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

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

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

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 have defaulted in publishing and submitting quarterly and year-to-date standalone financial results to the stock exchange (BSE) within prescribed time along with Limited Review Report or Audit Report as applicable and as required under regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, for this non compliance BSE has imposed penalty on the Company.

In view of above and also delay in payment of Listing Fee, BSE have suspended the trading of the shares of the Company.

- b) The Company have not published notice convening Board Meetings in news papers as required under listing agreement/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- c) The Company have not appointed internal auditor as required U/s.138 of the Companies Act 2013. The Company Secretary of the Company resigned 31/08/2017 and in his place the Company has appointed a new Company Secretary w.e.f. 01/06/2018.
- d) The only Woman Director in the Company resigned w.e.f. 12/08/2016 but the Company is yet to appoint a Woman Director in her place within 3 months from the date of resignation.

I further report that:

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

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

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

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

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

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

I further report that during the audit period there were following other specific events/actions in pursuance of the above referred laws, rules, regulations and guidelines etc, having a major bearing on the Company's affairs:

- a) The Company have closed its only plant at Sonapat (Haryana) w.e.f 15/12/2016 and it has already sold in June 2017 its Land, Plant and Machinery including product brand as the board felt that the existing business activities were unviable. Accordingly the plant and relevant records for the reporting period were not accessible, in view of which I am unable to comment on Compliance by the Company of Laws applicable to the said Factory.

Sd/-

Pradip Kumar Muduli  
(Practising Company Secretary)

FCS No.6170  
C P No.:5730

Place : New Delhi  
Date : 10/08/2018

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.



# HINDUSTAN EVEREST TOOLS LTD.

'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 including compliance of applicable Direct and Indirect tax laws since the same have been subject to review by Statutory Auditor and other designated professionals.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Pradip Kumar Muduli  
(Practising Company Secretary)

FCS No.6170  
C P No.:5730

Place : New Delhi  
Date : 10/08/2018





Particulars of Employees as on 31.03.2018

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(g) 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 Mr. B.G. Mandeia	3.24 : 1 3.51: 1	
(ii)	The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive or Manager, if any, in the Financial year;	Mr S.K. Mandelia. Mr B.G. Mandelia	As per Payout	As per terms
			NIL	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;	32 employees as on 31.03.2018		
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification if there are any exceptional circumstances for increase in the managerial remuneration	Average Salary increase of non-managerial employees were negligible Average salary increase of managerial employees is NIL  There are no exceptional circumstances in increase in managerial remuneration		
(vi)	Affirmation that the remuneration is as per the Remuneration Policy of the Company.	Remuneration paid during the year is as per the remuneration policy of the company.		



# HINDUSTAN EVEREST TOOLS LTD.

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

**TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AS ON 31.03.2018:**

S. No	Name	Age	Designation of Employee	Name of Employment (Whether Contractual or otherwise)	% of Equity Share held by employee	Remuneration (Rs)	Other Terms and conditions	Qualifications	Experience (in yrs)	Date of Commencement of employment	Particular of the last employment held by such employee before joining the company	Whether such employee is a relative of any director or manager of the company
1	Shri. B.G. Mandelia	58	Managing Director	Regular	0.025	800856	-	B.Com	36	01.04.1982	None	Yes
2	Shri S.K. Mandelia	60	Managing Director	Regular	0.025	737639	-	B.Com	36	01.04.1982	None	Yes
3	Shri Deepak Gupta	58	Dy. Manager (Accounts)	Regular	0.000	652920	-	B.Com.	19	07.07.2000	None	No
4	Shri Mukesh Agarwal	50	Manager (Estate)	Regular	0.000	612000		B.Com	9	23.06.2008	None	No
5	Shri Harish Sisodia	40	Dy. Manager (Marketing)	Regular	0.000	563880	-	B.Com	23	30.08.1994	None	No
6	Shri Bablu Tomar	40	Asst. Manager (Accounts)	Regular	0.000	548520		B.Com	7	01.05.2010	None	No
7	Shri Mahesh Chandra	54	Asst. Manager (Personnel)	Regular	0.000	487932		B.A.	13	08.04.2005	None	No
8	Shri S.S. Rauthan	64	Asst. Manager (Personnel)	Regular	0.000	474000		B.A.	34	22.06.1984	None	No
9	Smt. Usha Sajwan	45	Sr. Officer (Personnel)	Regular	0.000	444000		B.Sc.	9	01.08.2008	None	No
10	Shri C.S. Rawat	54	Asst. Manager	Regular	0.000	380520		B.A.	33	21.06.1985	None	No

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

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



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF HINDUSTAN EVEREST TOOLS LIMITED

#### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Hindustan Everest Tools Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2018**, 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 a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the (state of affairs) financial position, profit or loss (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. 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to the following matter in the notes to the standalone Ind AS financial statements:

1. We draw attention to note 31, explaining in detail the management's plan to identify a new business and the ability of the Company to continue as a going concern.
2. We draw attention to note 42, the Company has not complied with the provisions of Section 203 (1)(ii) and (iii) of the Act, regarding appointment of Chief Financial Officer (CFO).

Our opinion is not modified in respect of this matter.



# HINDUSTAN EVEREST TOOLS LTD.

## Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 expressed an adverse opinion and unmodified opinion respectively on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind-AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' 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 "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone Ind-AS financial statements read with Note 34 there to comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
  - g. 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, 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 Ind AS financial statements – Refer Note 18.1 to the standalone Ind AS financial statements;
    - II. The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
    - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
    - IV. Disclosures pertaining to Demonetization is not applicable to the Company for the year ended March 31, 2018.

**For SSRA & Co.**  
**Chartered Accountants**  
**Firm's Reg. No. 014266N**

**Gaurav Singla**  
**Partner**  
**Membership No 520292**

**Place: New Delhi**  
**Date: May 17, 2018**



## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Hindustan Everest Tools Limited on the standalone financial statements for the year ended March 31, 2018.]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment. Further, refer note 31 related to discontinued operations and sale of majority of the property, plant and equipment by the Company.
- (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 31 related to discontinued operations and sale of majority of the property, plant and equipment by the Company.
- (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 31 related to discontinued operations and sale of majority of the property, plant and equipment by the Company.
- (ii) As per information and explanation given to us (refer note 31 related to discontinued operations and sale of inventory as scrap by the Company), the entire inventory was scrapped and sold by the management during the year.
- (iii) As informed, 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, in so far 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.
- (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, 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. *(However, during the year the Company has defaulted in repayment of dues to bank(s) but those were made good during the year (refer note 31 on discontinued operations) after the Company repaid entire outstanding balances to bank(s)).*
- (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,



## HINDUSTAN EVEREST TOOLS LTD.

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's Reg. No. 014266N**

**Gaurav Singh**  
**Partner**  
**Membership No 520292**

**Place: New Delhi**  
**Date: May 17th,2018**



## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN EVEREST TOOLS LIMITED**

### **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 Ltd. ("the Company") as of March 31, 2018 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 the 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.

#### **Auditor's 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 deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent 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 exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgments, 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 disclaimer of 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 authorization 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 controls 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 respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on thew 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 Control Over Financial Reporting issued by the institute of Chartered Accountants of India.

#### **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the institute of Chartered Accountants of India, as specified under section 143(10) of the Act, the Standalone financial Statements of Hindustan Everest Tools Limited, which comprise the Balance Sheet as at march 31, 2018 and the related statement of Profit and Loss and Cash Flow Statements for the year then ended, and a summery of significant accounting policies and other explanatory information, and our report dated May 17, 2018 expressed and unmodified onion.

**For SSRA & Co.  
Chartered Accountants  
Firm's Reg. No. 014266N**

**Gaurav Singla  
Partner  
Membership No 520292**

**Place: New Delhi  
Date: 17th May, 2018**



# HINDUSTAN EVEREST TOOLS LTD.

## BALANCE SHEET AS AT MARCH 31, 2018

	Notes	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	1,32,11,283	5,67,13,587	6,55,30,112
Capital work-in-progress		-	-	83,096
Financial assets	5			
- Investments		14,36,290	13,62,312	6,82,649
- Other financial assets		-	-	46,87,043
Deferred tax assets	6	10,89,75,685	-	-
Income tax assets (net)	7	19,64,052	1,04,188	53,650
<b>Total non-current assets</b>		<b>12,55,87,310</b>	<b>5,81,80,087</b>	<b>7,10,36,550</b>
<b>Current assets</b>				
Inventories	8	-	1,31,59,572	12,06,87,311
Financial assets	9			
- Investments		26,57,32,455	-	-
- Trade receivables		-	41,61,219	3,16,92,596
- Cash and cash equivalents		65,98,755	2,47,231	7,55,311
- Bank balances other than (ii) above		-	-	14,73,000
- Other financial assets		2,15,97,751	28,06,700	3,78,402
Other current assets	10	8,12,041	22,06,943	86,70,014
<b>Total current assets</b>		<b>29,47,41,002</b>	<b>2,25,81,665</b>	<b>16,36,56,634</b>
<b>TOTAL ASSETS</b>		<b>42,03,28,312</b>	<b>8,07,61,752</b>	<b>23,46,93,184</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	1,60,72,000	1,60,72,000	1,60,72,000
Other equity	12	30,43,72,954	(21,18,44,576)	(6,87,08,012)
<b>Total equity</b>		<b>32,04,44,954</b>	<b>(19,57,72,576)</b>	<b>(5,26,36,012)</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities	13			
- Borrowings		-	4,49,24,605	4,30,08,731
Provisions	14	-	-	52,56,819
Other non-current liabilities	15	-	-	42,00,000
<b>Total non-current liabilities</b>		<b>-</b>	<b>4,49,24,605</b>	<b>5,24,65,550</b>
<b>Current liabilities</b>				
Financial liabilities	16			
- Borrowings		-	6,26,25,584	10,31,66,910
- Trade payables				
-to micro, small and medium enterprises		-	-	-
-to others		43,19,417	7,96,45,358	7,77,29,433
- Other financial liabilities		1,01,06,859	6,96,23,070	3,10,29,004
Other current liabilities	17	51,57,231	1,43,61,977	85,42,327
Provisions	18	53,53,643	53,53,734	1,43,95,972
Current tax liabilities (net)	19	7,49,46,208	-	-
<b>Total current liabilities</b>		<b>9,98,83,358</b>	<b>23,16,09,723</b>	<b>23,48,63,646</b>
<b>Total liabilities</b>		<b>9,98,83,358</b>	<b>27,65,34,328</b>	<b>28,73,29,196</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42,03,28,312</b>	<b>8,07,61,752</b>	<b>23,46,93,184</b>

The accompanying notes are an integral part on the Financial Statements

As per our report of even date

For SSRA & Co.

Chartered Accountants

Firm Registration No. 014266N

Gaurav Singla

Partner

Membership.No. 520292

Place: New Delhi

Dated: May 17, 2018

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For and on the behalf of the Board of Directors

BAL GOPAL MANDELIA  
Managing Director  
(DIN 00040592)

AMBARISH RAJ  
Director  
(DIN 01423870)

SHRAVAN KUMAR MANDELIA  
Managing Director  
(DIN 00040532)

SAURABH PARASRAMKA  
Director  
(DIN 00935199)



# HINDUSTAN EVEREST TOOLS LTD.



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

	Notes	For the Year ended March 31, 2018 (₹)	For the Year ended March 31, 2017 (₹)
<b>Revenue from discontinued operations</b>			
Revenue from operations	20	-	6,82,60,972
Other income	21	76,06,435	21,44,959
Gain on sale of property, plant and equipment and intangible assets (refer note 31)		58,10,67,555	71,47,134
<b>Total revenue from discontinued operations</b>		<b>58,86,73,990</b>	<b>7,75,53,065</b>
<b>Expenses from discontinued operations</b>			
Cost of material consumed	22	-	63,39,547
Excise duty	23	-	6,98,178
Purchase of Stock-in-trade		-	45,23,429
Change in inventories of finished goods, stock-in-trade and work-in-progress	24	-	7,85,19,398
Employee benefits expense	25	2,44,62,999	5,04,84,595
Finance costs	26	89,48,855	1,24,66,532
Depreciation expense	27	25,84,731	58,81,389
Other expenses	28	3,49,88,124	5,99,74,351
<b>Total expenses from discontinued operations</b>		<b>7,09,84,709</b>	<b>21,88,87,419</b>
<b>Profit/(loss) before tax from discontinued operations</b>		<b>51,76,89,281</b>	<b>(14,13,34,354)</b>
Income tax expense	29		
Current tax		10,89,75,685	18,02,210
Deferred tax		(10,89,75,685)	-
		-	18,02,210
<b>Profit/(loss) for the year from discontinued operations</b>		<b>51,76,89,281</b>	<b>(14,31,36,564)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year from discontinued operations</b>		<b>51,76,89,281</b>	<b>(14,31,36,564)</b>
<b>Earning/(loss) per equity share from discontinued operations (basic and diluted)</b>	30	<b>322.11</b>	<b>(89.06)</b>

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

As per our report of even date

**For SSRA & Co.**

Chartered Accountants

Firm Registration No. 014266N

**Gaurav Singla**

Partner

Membership.No. 520292

Place: New Delhi

Dated: May 17, 2018

**For and on the behalf of the Board of Directors**

BAL GOPAL MANDELIA

Managing Director

(DIN 00040592)

AMBARISH RAJ

Director

(DIN 01423870)

SHRAVAN KUMAR MANDELIA

Managing Director

DIN 00040532

SAURABH PARASRAMKA

Director

(DIN 00935199)



# HINDUSTAN EVEREST TOOLS LTD.

## Statement of changes in equity for the year ended March 31, 2018

I) Equity share capital	Amount (₹)
Balance as at April 1, 2016	1,60,72,000
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2017</b>	<b>1,60,72,000</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2018</b>	<b>1,60,72,000</b>

## II) Other equity

### For the year ended March 31, 2018

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

### For the year ended March 31, 2017

Particulars	Reserves and surplus				Total equity ₹
	Retained earnings ₹	Capital premium ₹	Securities account ₹	Revaluation reserve ₹	
As at April 1, 2016	(7,82,60,163)	7,52,400	73,28,000	14,71,751	(6,87,08,012)
Loss for the year	(14,31,36,564)	-	-	-	(14,31,36,564)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(22,13,96,727)</b>	<b>7,52,400</b>	<b>73,28,000</b>	<b>14,71,751</b>	<b>(21,18,44,576)</b>
<b>As at March 31, 2017</b>	<b>(22,13,96,727)</b>	<b>7,52,400</b>	<b>73,28,000</b>	<b>14,71,751</b>	<b>(21,18,44,576)</b>

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

As per our report of even date

**For SSRA & Co.**

Chartered Accountants

Firm Registration No. 014266N

**Gaurav Singla**

Partner

Membership.No. 520292

Place: New Delhi

Dated: May 17, 2018

**For and on the behalf of the Board of Directors**

BAL GOPAL MANDELIA

Managing Director

(DIN 00040592)

AMBARISH RAJ

Director

(DIN 01423870)

SHRAVAN KUMAR MANDELIA

Managing Director

DIN 00040532

SAURABH PARASRAMKA

Director

(DIN 00935199)

# HINDUSTAN EVEREST TOOLS LTD.



## Cash Flow Statement for the Year ended March 31, 2018

	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹	₹
<b>Cash Flow From Operating Activities</b>		
<b>Profit /(Loss) before Income tax</b>	<b>51,76,89,281</b>	<b>(14,13,34,354)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	25,84,731	58,81,389
Gain on fair valuation of financial assets	(58,06,434)	(6,79,663)
(Gain)/loss on sale of fixed assets	(58,10,67,555)	(71,47,134)
Dividend received	(1,754)	(9,508)
Finance costs	89,48,855	1,24,66,532
Devaluation of Inventories	-	6,71,66,153
Interest received	-	(2,16,350)
<b>Operating profit/(loss) before Working Capital Changes</b>	<b>(5,76,52,876)</b>	<b>(6,38,72,935)</b>
<b>Change in operating assets and liabilities</b>		
in trade and other receivables	41,61,219	3,62,53,193
in other financial assets (short term)	13,08,949	-
in other current assets	13,94,902	-
in Inventories	1,31,59,572	4,03,61,586
in trade payables	(7,53,26,528)	2,66,37,986
in other current liabilities	(92,04,746)	-
in other financial liabilities	(5,57,36,210)	-
Cash generated from/(used in) operations	(17,78,95,718)	3,93,79,830
Direct tax paid (net of refunds)	(3,58,89,341)	(18,52,748)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(21,37,85,059)</b>	<b>3,75,27,082</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	-	(197)
Proceeds from sales of fixed assets	60,04,13,873	1,01,65,563
Investments in mutual fund (current)	(26,00,00,000)	-
Movement in margin money	-	14,73,000
Dividend received	1,754	9,508
Interest received	-	2,16,350
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>34,04,15,627</b>	<b>1,18,64,224</b>
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(4,49,24,605)	25,68,472
Repayment of short term borrowings	(6,26,25,584)	(4,05,41,326)
Finance cost paid	(1,27,28,855)	(1,19,26,532)
<b>Net cash flow from/ (used in) financing activities (C)</b>	<b>(12,02,79,044)</b>	<b>(4,98,99,386)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>63,51,524</b>	<b>(5,08,080)</b>
Cash and cash equivalents at the beginning of the financial year	2,47,231	7,55,311
<b>Cash and cash equivalents at end of the year</b>	<b>65,98,755</b>	<b>2,47,231</b>



# HINDUSTAN EVEREST TOOLS LTD.

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
	₹	₹
<b>Components of cash and cash equivalents</b>		
Balance with banks		
-in current account	<b>59,73,259</b>	2,32,788
Cash on hand	<b>118</b>	14,443
Cheques on hand	<b>6,25,378</b>	-
<b>Total cash and cash equivalents</b>	<b>65,98,755</b>	2,47,231

As per our report of even date

**For SSRA & Co.**

Chartered Accountants  
Firm Registration No. 014266N

**Gaurav Singla**

Partner  
Membership.No. 520292

Place: New Delhi

Dated: May 17, 2018

**For and on the behalf of the Board of Directors**

BAL GOPAL MANDELIA  
Managing Director  
(DIN 00040592)

AMBARISH RAJ  
Director  
(DIN 01423870)

SHRAVAN KUMAR MANDELIA  
Managing Director  
DIN 00040532

SAURABH PARASRAMKA  
Director  
(DIN 00935199)



## Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended March 31, 2018

### 1. Background of the Reporting entity

Hindustan Everest Tools Limited (the 'Company'), a public limited Company is a manufacturer of hand Tools. The Company was incorporated on January 25, 1962 and the registered office of the Company is at Dohil Chambers, 4th floor, 46 Nehru place, New Delhi. Equity shares of the Company are listed on Bombay Stock Exchange ("BSE" or "the Stock exchange"). However, presently the trading in its equity shares is suspended by the stock exchange. Management of the Company has ensured compliance with the directions of the stock exchange and has filed application for resumption of trading in its equity shares.

### 2. Recent accounting pronouncement

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 21, 'The effects of changes in foreign exchange rates and also introduced new revenue recognition standard Ind AS 115 'Revenue from contracts with customers'. These amendments rules are applicable to the Company from April 01, 2018.

#### Inc AS 115 - Revenue from contracts with customers

Ministry of Corporate Affairs ('MCA') has notified new standard for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 - Revenue and Ind AS 11 Construction contracts. The new standard provides a control-based revenue recognition model and provides a five-step application principle to be followed for revenue recognition:

- i) Identification of the contracts with the customer
- ii) Identification of the performance obligations in the contract
- iii) Determination of the transaction price
- iv) Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- v) Recognition of revenue when performance obligation is satisfied.

The management is yet to assess the impact of this new standard on the Company's financial statements.

#### Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements

#### Amendment to Ind AS 21

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of asset/liability, for recognising related expense/ income on the settlement of said asset/liability. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

### 3. Significant Accounting Policies

#### 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.

These financial statements for the year ended March 31, 2018 are the first financial statements which the Company has prepared in accordance with Ind AS. For all periods up to and including the year ended March 31, 2017, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS. For the purpose of comparatives, financial statements for the year ended March 31, 2017 and opening balance sheet as at April 01, 2016 are also prepared as per Ind AS.

As these are the Company's first Standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 34

The financial statements for the year ended March 31, 2018 were authorized and approved for issue by the Board of Directors on May 17, 2018,

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

The Company had closed production in its sole manufacturing facility during the preceding financial year and during the current financial year following a definitive plan the management of the Company decided to monetise all the assets, except certain assets at head office, of the Company to pay off the liabilities, not only to remain solvent but also to explore some other business opportunities. Accordingly, these financial statements have been prepared on a going concern basis.

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

## **iii) Current versus non-current classification**

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

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

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

All other assets are classified as non-current.

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

- It is expected to be settled in normal operating cycle of the Company
- It is held primarily for the purposes of trading
- It is due to be settled within twelve months from the reporting period, or



- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

#### iv) Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities	Fair value

#### v) Use of estimates and judgements

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

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

##### *Judgments*

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

##### *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2018 is included in the following notes:

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

## 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.



## HINDUSTAN EVEREST TOOLS LTD.

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

### *De-recognition of financial assets*

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

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

#### *Subsequent measurement*

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

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

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

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### **C) Foreign currency transaction**

#### ***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.

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### **D) Property, plant and equipment**

#### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 34).

#### *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 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*

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

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

<b>Assets Category</b>	<b>Estimated useful life (in years)</b>
Buildings	60
Vehicles	8 to 10
Plant and machinery*	15 to 20
Furniture and fixtures*	5 to 15
Office equipment's*	3 to 20

\*Refer note 31 on discontinued operations

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

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

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

## **E) Intangible assets**

### *i) Initial recognition*

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

### *ii. Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific



## HINDUSTAN EVEREST TOOLS LTD.

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. *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 01, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

### iv. *Others*

Intangible assets are amortised on a straight line 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.

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## **F) Employee benefits**

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### *Short-term employee benefits*

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

### *Long-term employee benefits*

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

#### i. *Defined contribution plans*

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

#### ii. *Defined benefit plans*

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

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

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## **G) Revenue**

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Revenue is 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.

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## H) Leases

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

### ii. Operating lease

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet. Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives (*if any*) received are recognised as an integral part of the total lease expense over the term of the lease.

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## I) Income tax

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

### i. Current tax

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

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

### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also



recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

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

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

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

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

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

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## **J) Earnings per share**

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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.

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## **K) Provisions and contingent liabilities**

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

Contingent liability is disclosed for:

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

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



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## **L) Impairment**

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### *Impairment of non-financial assets*

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

### *Impairment of financial assets*

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

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

### *Trade receivables*

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

### *Other financial assets*

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

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

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

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## **N) Cash flow statement**

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

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## **O) Segment Reporting**

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In accordance with IND AS- 108, the Company had only one segment i.e. business of hand tools. However, the Company has discontinued its operations as explained in note 31.

Note to the financial statements for the year ended March 31, 2018

**NOTE-4: PROPERTY PLANT AND EQUIPMENT\***

**PARTICULARS**

	Freehold Land	Building	Plants and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
	₹	₹	₹	₹	₹	₹	₹
Gross Block (Deemed cost)							
Original Cost as at April 1, 2016	18,71,600	1,04,40,966	2,75,20,946	24,63,337	1,63,78,492	68,54,771	6,55,30,112
Additions during the year	-	-	-	-	-	83,293	83,293
Sales/Adjustments	-	12,72,799	13,98,650	-	3,46,980	-	30,18,429
<b>Original Cost as at March 31, 2017</b>	<b>18,71,600</b>	<b>91,68,167</b>	<b>2,61,22,296</b>	<b>24,63,337</b>	<b>1,60,31,512</b>	<b>69,38,064</b>	<b>6,25,94,976</b>
Accumulated Depreciation							
As at April 1, 2016	-	-	-	-	-	-	-
Charge for the year	-	3,10,369	24,12,719	2,39,948	21,23,348	7,95,007	58,81,391
Sales/Adjustments	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>-</b>	<b>3,10,369</b>	<b>24,12,719</b>	<b>2,39,948</b>	<b>21,23,348</b>	<b>7,95,007</b>	<b>58,81,391</b>
<b>Net Block</b>							
As at March 31, 2017	18,71,600	88,57,798	2,37,09,577	22,23,389	1,39,08,164	61,43,057	5,67,13,585
As at March 31, 2016	18,71,600	1,04,40,966	2,75,20,946	24,63,337	1,63,78,492	68,54,771	6,55,30,112
Gross Block							
Original Cost as at April 1, 2017	18,71,600	91,68,167	2,61,22,296	24,63,337	1,60,31,512	69,38,064	6,25,94,976
Additions during the year	-	-	-	-	25,71,609	-	25,71,609
Sales/Adjustments	18,71,600	63,70,395	2,33,10,938	21,64,646	38,16,905	59,54,696	4,34,89,180
<b>Original Cost as at March 31, 2018</b>	<b>-</b>	<b>27,97,772</b>	<b>28,11,358</b>	<b>2,98,691</b>	<b>1,47,86,216</b>	<b>9,83,368</b>	<b>2,16,77,405</b>
Accumulated Depreciation							
As at April 1, 2017	-	3,10,369	24,12,719	2,39,948	21,23,348	7,95,007	58,81,391
Charge for the year	-	1,07,904	3,98,639	58,743	18,31,084	1,88,361	25,84,731
Sales/Adjustments	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>-</b>	<b>4,18,273</b>	<b>28,11,358</b>	<b>2,98,691</b>	<b>39,54,432</b>	<b>9,83,368</b>	<b>84,66,122</b>
<b>Net Block</b>							
As at March 31, 2018	-	23,79,499	-	-	1,08,31,784	-	1,32,11,283
As at March 31, 2017	18,71,600	88,57,798	2,37,09,577	22,23,389	1,39,08,164	61,43,057	5,67,13,585

\* Refer note 31 discontinued operations



# HINDUSTAN EVEREST TOOLS LTD.



## NOTES OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
<b>NON CURRENT ASSETS</b>			
<b>5 Financial assets</b>			
<b>i) Investments</b>			
<b>In equity instruments (Quoted)</b>			
3,508 (March 31, 2017 - 3,508 shares; March 31, 2016 - 3,508 shares) equity shares of Jay Shree Tea and Industries Limited of Rs.5 each, fully paid up	1,51,090	1,91,712	1,50,099
6,000 (March 31, 2017 - 6,000 shares; March 31, 2016 - 6,000 shares) equity shares of Hindalco Industries Limited of Re. 1 each, fully paid up	12,85,200	11,70,600	5,32,550
<b>in equity instruments (Un-quoted)</b>			
4,000 (March 31, 2017 - 4,000 shares; March 31, 2016 - 4,000 shares) equity shares of Bharat Commerce and Industries Limited of Rs.10 each, fully paid up	-	-	-
Total (equity instruments)	<u>14,36,290</u>	<u>13,62,312</u>	<u>6,82,649</u>
<b>Aggregate value of</b>			
Quoted	14,36,290	13,62,312	6,82,649
Unquoted	-	-	-
Provision for diminution In value of long term investment (un-quoted)	1,21,404	1,21,404	1,21,404
<b>ii) Other financial assets</b>			
Deposit with Government Department	-	-	40,25,856
Deposit with others	-	-	6,61,187
	<u>-</u>	<u>-</u>	<u>46,87,043</u>
<b>6 Deferred tax assets</b>			
Minimum alternate tax (credit entitlement)	10,89,75,685	-	-
	<u><b>10,89,75,685</b></u>	<u>-</u>	<u>-</u>
<b>7 Income tax assets (net)</b>			
Advance tax and tax deducted at source	19,64,052	1,04,188	53,650
	<u><b>19,64,052</b></u>	<u><b>1,04,188</b></u>	<u><b>53,650</b></u>



# HINDUSTAN EVEREST TOOLS LTD.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	₹	₹	₹
<b>CURRENT ASSETS</b>			
8 <b>Inventories*</b> (valued at lower of cost and net realisable value)			
Raw materials	-	5,10,015	38,83,077
Work-in-Progress	-	-	1,32,95,985
Finished goods	-	75,00,000	6,03,36,576
Stock-in-trade	-	25,00,000	1,47,06,488
Stores and spares	-	26,49,557	2,82,84,836
Scrap	-	-	1,80,349
	-	<b>1,31,59,572</b>	<b>12,06,87,311</b>

\*(As valued and certified by the management)

In view of closure of its operations (refer note 31), during the year the Company has scrapped the entire inventory of Rs. 1,31,59,572 as at March 31, 2017 and consequently, the Company has recognised a gain on sale of such scrap of inventory amounting Rs. 9,92,324. During the previous year, in view of closure of its operations the management had devalued/written-off/the inventory which was non moving or slow moving valuing Rs.6,71,66,153.

As at the end of the previous year, owing to closure of operations records of inventories were not available and carrying value of inventories was derived from financial books. In view of the management, was no material variances between the reported amounts and the one as per inventory records.

## 9 Financial assets

### i) Investments

#### in Mutual fund (Quoted)\*

31,084.22 units of kotak low duration fund of Rs. 2,075 each (face value Rs.1000/-)	6,59,95,710	-	-
1,14,609.53 units of Birla sunlife cash manager of Rs. 410.09 each	4,78,55,732	-	-
1,35,177.04 units of ICICI prudential savings fund of Rs. 255.22 each	3,52,01,785	-	-
13,83,137.02 units of HDFC cash management fund of Rs. 35.79 each	5,06,04,435	-	-
38,43,772.8 units of L and T Floating rate fund of Rs. 16.78 each	6,60,74,794	-	-
	<b>26,57,32,455</b>	-	-
Aggregate value of Quoted	26,57,32,455	-	-

\*Face value of Rs. 10 per unit, unless otherwise stated

### ii) Trade receivables\*

Unsecured			
Considered good	-	41,61,219	3,16,92,596
Considered Doubtful	1,13,00,458	1,06,37,373	98,37,268
Less: Allowance for expected credit loss	(1,13,00,458)	(1,06,37,373)	(98,37,268)
	-	<b>41,61,219</b>	<b>3,16,92,596</b>

\*refer note 16.1, receivables were under pledge against the short terms borrowings of the Company.





	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	₹	₹	₹
<b>iii) Cash and cash equivalents</b>			
Balances with banks			
-in current accounts	59,73,259	2,32,788	6,56,317
Cash on hand	118	14,443	98,994
Cheques on hand	6,25,378	-	-
	<b>65,98,755</b>	<b>2,47,231</b>	<b>7,55,311</b>
<b>iv) Bank balance other than (ii) above</b>			
Fixed Deposit (Maturity beyond 90 Days from deposit date)	-	-	1,90,000
Balance with banks in Saving Account	-	-	8,000
Balances with bank to the extent held as margin money	-	-	12,75,000
	-	-	<b>14,73,000</b>
<b>v) Other financial assets</b>			
<b>Unsecured, considered good unless otherwise stated</b>			
Amount receivable against sale of property, plant and equipment and Intangible asset	2,01,00,000	-	-
Interest accrued on fixed deposit	-	-	28,946
Deposit with Government Department	14,75,251	27,84,200	3,49,456
Deposit with Others	22,500	22,500	-
	<b>2,15,97,751</b>	<b>28,06,700</b>	<b>3,78,402</b>
<b>10 Other current assets</b>			
<b>(Unsecured, considered good unless otherwise stated)</b>			
<b>Advances other than capital advances:</b>			
Export incentive receivables	-	7,75,073	38,91,808
Prepaid expenses	2,56,365	-	8,73,492
Advance to suppliers	1,05,804	13,45,537	23,75,222
Advance to employees	4,49,872	86,333	15,29,492
	<b>8,12,041</b>	<b>22,06,943</b>	<b>86,70,014</b>



# HINDUSTAN EVEREST TOOLS LTD.

	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at April 1, 2016 ₹
<b>11 Equity share capital</b>			
<b>Authorised Share Capital</b>			
23,00,000 (Previous year 23,00,000) Equity Share of Rs. 10/- each	2,30,00,000	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	20,00,000
	<u>2,50,00,000</u>	<u>2,50,00,000</u>	<u>2,50,00,000</u>
<b>Issued, subscribed and Paid up capital</b>			
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
	<u>1,60,72,000</u>	<u>1,60,72,000</u>	<u>1,60,72,000</u>

## (i) Movements in equity share capital

	Number of shares	Equity share capital (par value) ₹	Number of shares	Equity share capital (par value) ₹
As at April 1, 2016	16,07,200	1,60,72,000	16,07,200	1,60,72,000
Add: Issued during the year	-	-	-	-
<b>Balance as at March 31, 2017</b>	<u>16,07,200</u>	<u>1,60,72,000</u>	<u>16,07,200</u>	<u>1,60,72,000</u>
As at April 1, 2017	16,07,200	1,60,72,000	16,07,200	1,60,72,000
Add: Issued during the year	-	-	-	-
As at March 31, 2018	<u>16,07,200</u>	<u>1,60,72,000</u>	<u>16,07,200</u>	<u>1,60,72,000</u>

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

The Company has one class of equity shares having a par value of Re. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	March 31, 2018		March 31, 2017	
	Number of shares	% holding	Number of share	% 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.

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
	(₹)	(₹)
<b>12 Other equity</b>		
<b>i) Retained earnings</b>		
Balance as at the beginning of the year	(22,13,96,727)	(7,82,60,163)
Profit/(loss) for the year	51,76,89,281	(14,31,36,564)
<b>Balance as at the end of the year</b>	<b>29,62,92,554</b>	<b>(22,13,96,727)</b>
<b>ii) Reserves</b>		
Other reserves		
Capital reserve	7,52,400	7,52,400
Securities premium account	73,28,000	73,28,000
Balance as at the end of the year	80,80,400	80,80,400
<b>iii) Revaluation reserve</b>	-	14,71,751
<b>Total reserves and surplus</b>	<b>30,43,72,954</b>	<b>(21,18,44,576)</b>

- 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.
- d) Revaluation Reserve: Revaluation reserve is a reserve created on the revaluation of assets or net assets of an enterprise represented by the surplus of the estimated replacement cost or estimated market values over the book values thereof.

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
	₹	₹	₹
<b>NON- CURRENT LIABILITIES</b>			
<b>13 Financial liabilities</b>			
<b>i) Borrowings</b>			
<b>Secured</b>			
Vehicle Loan from Bank <sup>^</sup>	-	-	26,24,184
<b>Total (i)</b>	<b>-</b>	<b>-</b>	<b>26,24,184</b>



# HINDUSTAN EVEREST TOOLS LTD.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
	₹	₹	₹
<b>Unsecured</b>			
Loan from Managing Directors and Joint Managing Directors and their associates (Interest Free Loan)	-	4,49,24,605	4,03,84,547
<b>Total (ii)</b>	-	<b>4,49,24,605</b>	<b>4,03,84,547</b>
<b>Total (i)+(ii)</b>	-	<b>4,49,24,605</b>	<b>4,30,08,731</b>
^Vehicle loan was secured by hypothecation of the vehicle @ 11.97% and was repayable in 36 equal monthly instalments.			
<b>14 Provisions</b>			
Provision for defined benefit obligations (gratuity)	-	-	43,90,912
Accrued leave	-	-	8,65,907
	-	-	<b>52,56,819</b>
<b>15 Other non-current liabilities</b>			
Trade deposits	-	-	42,00,000
	-	-	<b>42,00,000</b>
<b>CURRENT LIABILITIES</b>			
<b>16 Financial liabilities</b>			
<b>i) Borrowings</b>			
<b>Secured (refer note 16.1)</b>			
Export packing credit	-	6,26,25,584	10,31,66,910
	-	<b>6,26,25,584</b>	<b>10,31,66,910</b>
<b>16.1 Nature of security</b>			
Packing/ cash credit limits from Bank secured by hypothecation of raw material, stores, tools and dies (not forming part of property, plant and equipment) finished goods, work-in-progress, bill of lading and goods in course of clearance or in transit and first charge on movable/ immovable assets of the Company other than those having exclusive charge. These loans were further secured by personal guarantees of Chairman and Managing Director of the Company. The rate of interest was 10.5% per annum.			
These packing credit/cash credit facilities have been closed during the year after payment of outstanding dues to the banks (refer note 31 (a) discontinued operations).			
<b>ii) Trade payables (refer note 32)</b>			
-to micro, small and medium enterprises	-	-	-
-to Others	43,19,417	7,96,45,358	7,77,29,433
	<b>43,19,417</b>	<b>7,96,45,358</b>	<b>7,77,29,433</b>



	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)	As at April 1, 2016 (₹)
<b>iii) Other financial liabilities</b>			
Vehicle loan from Bank (current maturities)	-	26,16,702	19,64,104
Trade deposits	36,88,569	87,04,445	50,85,820
Loan from a Body Corporate	-	50,00,000	50,00,000
Interest accrued	-	37,80,000	32,40,000
Dues payable to Bombay Stock Exchange	15,92,170	-	-
Employee emoluments	48,26,120	4,95,21,923	1,57,39,080
	<b>1,01,06,859</b>	<b>6,96,23,070</b>	<b>3,10,29,004</b>
<b>17 Other current liabilities</b>			
Advances from customers	11,25,992	77,05,663	34,10,096
Statutory dues (including interest thereon)	40,31,239	66,56,314	51,32,231
	<b>51,57,231</b>	<b>1,43,61,977</b>	<b>85,42,327</b>
<b>18 Provisions</b>			
<b>Provision for employee benefits:</b>			
Provision for gratuity (refer note 18.1)	53,53,643	53,53,734	1,34,94,520
Accrued leave	-	-	9,01,452
	<b>53,53,643</b>	<b>53,53,734</b>	<b>1,43,95,972</b>
<b>18.1</b> Some of the workers of the Company have filed claim against the Company for gratuity in labour court Chandigarh/Panipat. The amount can not be ascertained at this stage of the litigation. However, on a prudence basis management is carrying a provision of Rs.53,53,643 (previous year Rs.53,53,734). The management believes the likelihood of higher liability is low.			
<b>19 Current tax liabilities (net)</b>			
Provision for income tax	7,49,46,208	-	-
	<b>7,49,46,208</b>	-	-
<b>[net of advance tax Rs. 3,40,00,000 (previous year Rs. nil) and tax deducted at source Rs. 53,32,653 (previous year Rs. nil)]</b>			
	<b>For the year ended March 31, 2018</b>	<b>For the year ended March 31, 2017</b>	
	₹	₹	
<b>20 Revenue from operations</b>			
Sale of products (net of Goods and services tax)			
-Export sales	-	3,23,37,187	
-Domestic sales	-	2,97,01,107	
Other operating revenue			
Export Incentive	-	15,84,963	
Scrap sale	-	46,37,715	
	<b>-</b>	<b>6,82,60,972</b>	



# HINDUSTAN EVEREST TOOLS LTD.

	For the year ended March 31, 2018 (₹)	For the year ended March 31, 2017 (₹)
<b>21 Other income</b>		
Interest income from financial assets	-	2,16,350
Gain on fair valuation of financial assets	58,06,434	6,79,663
Dividend Received	1,754	9,508
Unclaimed balances and excess provision	6,79,420	12,35,198
Gain on sale of scrap of inventories	9,92,324	-
Miscellaneous income	1,26,503	4,240
	<b>76,06,435</b>	<b>21,44,959</b>
<b>22 Cost of material consumed</b>		
Steel	-	33,31,679
Components	-	27,31,878
Nickel	-	1,42,866
Others	-	1,33,124
	<b>-</b>	<b>63,39,547</b>
<b>23 Excise duty</b>		
Excise duty on sale of goods (refer note 23.1)	-	6,98,178
	<b>-</b>	<b>6,98,178</b>
<b>23.1</b>	<p>The Government of India has implemented Goods and Services Tax (GST) with effect from July 01, 2017 which replaces excise duty and various other indirect taxes. Sales for the period up to June 30, 2018 are inclusive of excise duty which is now subsumed in GST. As per Ind AS 18, the revenue for the period July 01, 2017 to March 31, 2018 has been reported net of GST. Accordingly, the revenue figures for the year ended March 31, 2018 are not strictly comparable to the revenue figures for the year ended March 31, 2017.</p>	
<b>24 Change in inventories of finished goods, stock-in-trade and work-in-progress</b>		
Opening balance		
-Finished goods	75,00,000	6,03,36,576
-Trading Goods	25,00,000	1,47,06,488
-Work-in-Progress (Hand Tools)	-	1,32,95,985
-Others (Steel Scrap)	-	1,80,349
<b>Total opening balance</b>	<b>1,00,00,000</b>	<b>8,85,19,398</b>
<b>Less: Transferred to scrap</b>	<b>1,00,00,000</b>	<b>-</b>
	<b>-</b>	<b>8,85,19,398</b>
Closing balance		
-Finished goods	-	75,00,000
-Trading Goods	-	25,00,000
-Work-in-Progress (Hand Tools)	-	-
-Others (Steel Scrap)	-	-
<b>Total closing balance</b>	<b>-</b>	<b>1,00,00,000</b>
	<b>-</b>	<b>(7,85,19,398)</b>



	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹	₹
<b>25 Employee benefits expense</b>		
Salaries, wages and bonus	2,24,45,708	4,60,67,148
Contribution to provident and other funds	9,08,247	20,42,456
Staff welfare	11,09,044	23,74,991
	<b>2,44,62,999</b>	<b>5,04,84,595</b>
<b>26 Finance costs</b>		
Interest on financial liabilities	39,15,956	1,13,66,299
Interest on delayed payment of statutory dues	41,50,000	-
Interest others	8,82,899	11,00,233
	<b>89,48,855</b>	<b>1,24,66,532</b>
<b>27 Depreciation expense</b>		
Depreciation on property, plant and equipment	25,84,749	58,81,389
	<b>25,84,749</b>	<b>58,81,389</b>
<b>28 Other expenses</b>		
Consumption of stores and spares	-	23,17,213
Repairs and maintenance	33,50,018	26,49,244
Packing material consumed	-	19,72,758
Power and fuel	3,25,426	45,00,935
Increase/(decrease) in excise duty on finished goods stocks	-	(12,67,830)
Rent	32,24,391	23,41,904
Rates and taxes	16,41,417	85,955
Insurance	2,96,289	13,12,549
Cash discount	15,664	6,95,939
Travelling and conveyance	8,80,332	24,57,200
Vehicle running and maintenance	17,05,796	21,40,189
Bad debts and advances written-off	6,01,121	27,55,229
Impairment of trade receivables	29,30,864	-
Devaluation of stock	-	2,30,69,024
Selling and distribution expenses (net of freight recoveries)	6,26,425	26,37,041
Printing and stationery	4,12,149	4,82,595
Postage telegram and telephone	11,16,063	15,76,822
Bank charges	29,128	7,59,214
Legal and professional	1,08,13,202	16,40,093
Foreign exchange fluctuation loss	-	3,66,696
Freight	-	17,17,821
Directors fee	1,15,000	1,49,000
Payment to Auditors' (refer note 28.1)		
Audit Fee	1,65,000	2,70,000
Tax Audit Fee	80,000	40,000
For Expenses	22,870	24,565
Miscellaneous expenses	66,36,969	52,80,195
	<b>3,49,88,124</b>	<b>5,99,74,351</b>



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28.1 The fees for the year ended March 31, 2017 was paid to the erstwhile Auditors. The fees does not include government taxes for which credit has been taken by the Company.

	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹	₹
<b>29 Income tax expense</b>		
<b>Current tax</b>		
- Current tax for the year (MAT)	10,89,75,685	18,02,210
	<b>10,89,75,685</b>	<b>18,02,210</b>
<b>Deferred tax</b>		
- Deferred tax (MAT credit)	(10,89,75,685)	-
	(10,89,75,685)	-
	-	<b>18,02,210</b>
<b>29.1 Effective tax reconciliation</b>		
<b>Profit/ (loss) before tax</b>	<b>51,76,89,281</b>	<b>(14,13,34,354)</b>
Tax using domestic tax rate @ 25.85% (previous year 30.90%)	13,38,22,679	(4,36,72,315)
Impact of indexation benefit on sale of land	(11,84,37,913)	-
Deferred taxes not recognised on unabsorbed losses and depreciation	-	4,36,72,315
Impact of adjustment of brought forward unabsorbed losses and depreciation (previous unrecognised)	(1,53,84,766)	-
<b>Expected tax after adjustment</b>	<b>-</b>	<b>-</b>
<b>29.2 Note on non- recognition of deferred tax</b>		
Deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which carried forward tax losses and unabsorbed depreciation can be utilised. The cumulative unabsorbed depreciation and business losses amount to Rs. 164674314 (previous year Rs.24,50,23,505 ) and on which no deferred tax asset has been recognised in accordance with accounting principles laid under Ind AS for recognition of deferred tax assets. Further, these losses are available to offset for maximum period of eight years from the date of incurrence of loss. Unabsorbed depreciation can be set off any time in future years.		
<b>30 Earning/(loss) per equity share from discontinued operations (basic and diluted)</b>		
Profit/(loss) before OCI attributable to equity shareholders' (for basic and diluted earning)	51,76,89,282	(14,31,36,564)
Total equity shares outstanding during the year	16,07,200	16,07,200
Weighted average number of equity shares for basic and diluted earnings per share ( face value of Rs. 10 per share)	16,07,200	16,07,200
	<b>322.11</b>	<b>(89.06)</b>

## 31 Discontinued operations and Going concern

### a) Discontinued operations

The Company had closed production in its sole manufacturing facility during the preceding financial year and





during the current financial year following a definitive plan the management of the Company decided to monetise all the assets, except certain assets at head office, of the Company to pay off the liabilities, not only to remain solvent but also to explore some other business opportunities. Consequently, the Company entered into a binding agreement to dispose off the entire land of its sole manufacturing facility located at Sonipat on Jun 09, 2017. Subsequently, the Company has also disposed off other assets (other than land) as a part of definitive plan and has paid off all borrowings from bank and others and has paid a significant portion of its the liabilities like trade and other payables, statutory dues, employee's related dues. Accordingly, these financial statements disclose the results of the discontinued operations of its only business segments i.e. hand tools. All assets and liabilities pertain to the discontinued business.

The Company has sold its property plant and equipment and intangible assets at a profit of Rs.58,10,67,555 and scrap of inventory has been sold at a net gain of Rs. 9,92,324. Pending finalisation of business plan the management has invested their funds mutual funds.

**b) Going concern**

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

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

**32 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.

**33 Related party disclosures**

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



# HINDUSTAN EVEREST TOOLS LTD.

	For the year ended March 31, 2018	For the year ended March 31, 2017
	₹	₹
<b>Transaction with related Parties</b>		
<b>Remuneration Paid</b>		
Shravan Kumar Mandelia	7,37,359	5,91,620
Bal Gopal Mandelia	8,00,856	6,40,294
Vinod Kumar Khanna	-	8,71,000
Anant Vijay Mandelia	11,24,833	14,15,800
	<b>26,63,048</b>	<b>35,18,714</b>
<b>Loan Received during the year</b>		
Bal Gopal Mandelia	-	45,40,058
	<b>-</b>	<b>45,40,058</b>
<b>Loan paid during the year</b>		
Shravan Kumar Mandelia	2,75,04,294	3,03,706
Bal Gopal Mandelia	1,74,20,253	38,06,754
	<b>4,49,24,547</b>	<b>41,10,460</b>
<b>Rent paid (net of recovery)</b>		
Shravan Kumar Mandelia	1,44,000	1,44,000
Bal Gopal Mandelia	1,44,000	1,44,000
	<b>2,88,000</b>	<b>2,88,000</b>
<b>Loans as at the year end</b>		
Outstanding during the year		
Shravan Kumar Mandelia	-	2,75,04,294
Bal Gopal Mandelia	-	1,74,20,311
	<b>-</b>	<b>4,49,24,605</b>

## 34 First time adoption of Ind-AS:

### A. Explanation of transition to Ind-AS

These are the Company's first financial statements prepared in accordance with Ind-AS.

The accounting policies have been applied consistently in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind-AS balance sheet at April 01, 2016 (the Company's date of transition). An explanation of how the transition from financial statements prepared in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) to Ind-AS has affected the Company's financial position, financial performance and cash flows is set-out in the following tables and notes:

### Reconciliations between previous GAAP and Ind-AS

Ind-AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for periods before reporting period. The following tables represent the reconciliations from previous GAAP to Ind-AS.

# HINDUSTAN EVEREST TOOLS LTD.



## 1 Reconciliation of total equity as at March 31, 2017 and April 01, 2016

Particulars	Notes	Previous	March 31, 2017	Ind-AS	Previous	April 01, 2016	Ind-AS
		GAAP	Effect of transition to Ind-AS		GAAP	Effect of transition to Ind-AS	
		₹	₹	₹	₹	₹	₹
<b>ASSETS</b>							
Non-current assets							
Property, plant and equipment	4	5,67,13,587	-	5,67,13,587	6,55,30,112	-	6,55,30,112
Capital work-in-progress		-	-	-	83,096	-	83,096
Financial assets	5	6,82,649	6,79,663	13,62,312	6,82,649	-	6,82,649
- Investments		-	-	-	46,87,043	-	46,87,043
- Other financial assets		-	-	-	-	-	-
Deferred tax assets	6	-	-	-	-	-	-
Income tax assets (net)	7	1,04,188	-	1,04,188	53,650	-	53,650
<b>Total non-current assets</b>		<b>5,75,00,424</b>	<b>6,79,663</b>	<b>5,81,80,087</b>	<b>7,10,36,550</b>	<b>-</b>	<b>7,10,36,550</b>
<b>Current assets</b>							
Inventories	8	1,31,59,572	-	1,31,59,572	12,06,87,311	-	12,06,87,311
Financial assets	9	-	-	-	-	-	-
- Investments		-	-	-	-	-	-
- Trade receivables		41,61,219	-	41,61,219	3,16,92,596	-	3,16,92,596
- Cash and cash equivalents		2,47,231	-	2,47,231	7,55,311	-	7,55,311
- Bank balances other than (ii) above		-	-	-	14,73,000	-	14,73,000
- Other financial assets		28,06,700	-	28,06,700	3,78,402	-	3,78,402
Other current assets	10	22,06,943	-	22,06,943	86,70,014	-	86,70,014
<b>Total current assets</b>		<b>2,25,81,665</b>	<b>-</b>	<b>2,25,81,665</b>	<b>16,36,56,634</b>	<b>-</b>	<b>16,36,56,634</b>
<b>TOTAL ASSETS</b>		<b>8,00,82,089</b>	<b>6,79,663</b>	<b>8,07,61,752</b>	<b>23,46,93,184</b>	<b>-</b>	<b>23,46,93,184</b>
<b>EQUITY AND LIABILITIES</b>							
Equity							
Equity share capital	11	1,60,72,000	-	1,60,72,000	1,60,72,000	-	1,60,72,000
Other equity	12	(21,25,24,239)	6,79,663	(21,18,44,576)	(6,87,08,012)	-	(6,87,08,012)
<b>Total equity</b>		<b>(19,64,52,239)</b>	<b>6,79,663</b>	<b>(19,57,72,576)</b>	<b>(5,26,36,012)</b>	<b>-</b>	<b>(5,26,36,012)</b>
Liabilities							
Non-current liabilities							
Financial liabilities	13	4,49,24,605	-	4,49,24,605	4,30,08,731	-	4,30,08,731
- Borrowings		-	-	-	52,56,819	-	52,56,819
Provisions	14	-	-	-	42,00,000	-	42,00,000
Other non-current liabilities	15	-	-	-	-	-	-
<b>Total non-current liabilities</b>		<b>4,49,24,605</b>	<b>-</b>	<b>4,49,24,605</b>	<b>5,24,65,550</b>	<b>-</b>	<b>5,24,65,550</b>
Current liabilities							
Financial liabilities	16	6,26,25,584	-	6,26,25,584	10,31,66,910	-	10,31,66,910
- Borrowings		-	-	-	-	-	-
- Trade payables		-	-	-	-	-	-
- to micro, small and medium enterprises		7,96,45,358	-	7,96,45,358	7,77,29,433	-	7,77,29,433
- to others		6,96,23,070	-	6,96,23,070	3,10,29,004	-	3,10,29,004
- Other financial liabilities		1,43,61,977	-	1,43,61,977	85,42,327	-	85,42,327
Other current liabilities	17	53,53,734	-	53,53,734	1,43,95,972	-	1,43,95,972
Provisions	18	-	-	-	-	-	-
Current tax liabilities (net)	19	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>23,16,09,723</b>	<b>-</b>	<b>23,16,09,723</b>	<b>23,48,63,646</b>	<b>-</b>	<b>23,48,63,646</b>
<b>Total liabilities</b>		<b>27,65,34,328</b>	<b>-</b>	<b>27,65,34,328</b>	<b>28,73,29,196</b>	<b>-</b>	<b>28,73,29,196</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,00,82,089</b>	<b>6,79,663</b>	<b>8,07,61,752</b>	<b>23,46,93,184</b>	<b>-</b>	<b>23,46,93,184</b>



# HINDUSTAN EVEREST TOOLS LTD.

## 2 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Notes	Previous GAAP	Effect of transition of Ind-AS	Ind-AS
		₹	₹	₹
Revenue from discontinued operations				
Revenue from operations	20	6,82,60,972	-	6,82,60,972
Other income	21	14,65,296	6,79,663	21,44,959
Gain on sale of property, plant and equipment and intangible assets		71,47,134	-	71,47,134
<b>Total revenue from discontinued operations</b>		<b>7,68,73,402</b>	<b>6,79,663</b>	<b>7,75,53,065</b>
<b>Expenses from discontinued operations</b>				
Cost of material consumed	22	63,39,547	-	63,39,547
Excise duty	23	6,98,178	-	6,98,178
Purchase of Stock-in-trade		45,23,429	-	45,23,429
Change in inventories of finished goods, stock-in-trade and work-in-progress	24	7,85,19,398	-	7,85,19,398
Employee benefits expense	25	5,04,84,595	-	5,04,84,595
Finance costs	26	1,24,66,532	-	1,24,66,532
Depreciation expense	27	58,81,389	-	58,81,389
Other expenses	28	5,99,74,351	-	5,99,74,351
<b>Total expenses from discontinued operations</b>		<b>21,88,87,419</b>	<b>-</b>	<b>21,88,87,419</b>
<b>Profit/(loss) before tax from discontinued operations</b>		<b>(14,20,14,017)</b>	<b>6,79,663</b>	<b>(14,13,34,354)</b>
Income tax expense				
Current tax		18,02,210	-	18,02,210
Deferred tax (MAT credit)		-	-	-
<b>Profit/(loss) for the year from discontinued operations</b>		<b>(14,38,16,227)</b>	<b>6,79,663</b>	<b>(14,31,36,564)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year from discontinued operations</b>		<b>(14,38,16,227)</b>	<b>6,79,663</b>	<b>(14,31,36,564)</b>

\* The previous GAAP figures have been reclassified to confirm to Ind-AS presentation requirements for the purpose of this note.

## 3 Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	Year ended March 31, 2017
	₹
<b>Net profit after tax as reported under IGAAP</b>	<b>(14,38,16,227)</b>
<b>Ind-AS adjustment</b>	<b>-</b>
Other comprehensive income	6,79,663
<b>Total comprehensive income</b>	<b>6,79,663</b>

## 4 Reconciliation of statement of cash flow for the year ended March 31, 2017

Particulars	Previous GAAP*	Effect of transition to Ind- AS	Ind-AS
	₹	₹	₹
Net cash flow from operating activities	3,82,06,745	6,79,663	3,75,27,082
Net cash flow from investing activities	1,18,64,224	-	1,18,64,224
Net cash used in financing activities	(4,98,99,386)	-	(4,98,99,386)
<b>Net increase in cash and cash equivalents</b>	<b>1,71,583</b>	<b>6,79,663</b>	<b>(5,08,080)</b>
Cash and cash equivalents as at April 01, 2016	7,55,311	-	7,55,311
<b>Cash and cash equivalents as at March 31, 2017</b>	<b>2,47,231</b>	<b>-</b>	<b>2,47,231</b>

\* The previous GAAP figures have been reclassified to confirm to Ind-AS presentation requirements for the purpose of this note.



## **B. Ind AS optional exemptions**

### **1 Deemed cost for property, plant and equipment and intangible assets:**

Ind-AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind-AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind-AS 38 Intangible Assets and investment property covered by Ind-AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets property at their previous GAAP carrying value.

## **C. Investment adjustment**

Investments have been adjusted subsequent to the fair valuation upon Ind-AS transition adjustments and corresponding impact has been shown in the statement of profit and loss.

### **Note–1 Other comprehensive income**

Under Ind-AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' like re-measurements of defined benefit plans, and their corresponding income tax effects. The concept of other comprehensive income did not exist under previous GAAP. However, the Company has recognised defined benefit plans as per actual cost in view of closure of its only manufacturing facility.

### **Note–2 Tax impact on adjustments**

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind-AS transition adjustment owing to fair valuation of financial assets (investments in equity shares). However, the Company has not recognised deferred tax in view of recognition standards under Ind-AS.



## 35 Financial instruments by category

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	FVTPL	Amortised cost*	FVTPL	Amortised cost	FVTPL	Amortised cost
	₹	₹	₹	₹	₹	₹
<b>Financial assets</b>						
Other financial assets (non current)	-	-	-	-	-	46,87,043
Trade receivables	-	-	-	41,61,219	-	3,16,92,596
Cash and cash equivalents	-	65,98,755	-	2,47,231	-	7,55,311
Bank balance other than above	-	-	-	-	-	14,73,000
Other financial assets (current)	-	2,15,97,751	-	28,06,700	-	3,78,402
<b>Total financial assets</b>	-	<b>2,81,96,506</b>	-	<b>72,15,150</b>	-	<b>3,89,86,352</b>
<b>Financial liabilities</b>						
Trade payables	-	43,19,416	-	7,96,45,358	-	7,77,29,433
Other financial liabilities	-	1,01,06,860	-	6,96,23,070	-	3,10,29,004
<b>Total financial liabilities</b>	-	<b>1,44,26,275</b>	-	<b>14,92,68,428</b>	-	<b>10,87,58,437</b>

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

## 36 Credit Risks

### (A) Credit risk

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

#### a) Credit risk management

##### i) Credit risk rating

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

A: Low credit risk

B: High credit risk

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

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

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

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



Assets under credit risk -

Credit rating	Particulars	March 31, 2018	March 31, 2017
A: Low credit risk	Trade receivables, cash and cash equivalents and loans	65,98,755	44,08,450
B: Moderate credit risk	Not applicable		
C: High credit risk	Not applicable		

### 37 Liquidity Risk

The Company's current assets aggregate to Rs.29,47,41,002 (2017- Rs.2,25,81,665 ; 2016- Rs.16,36,56,634) including current investments, cash and cash equivalents and other bank balances of Rs. nil (2017- Rs. nil; 2016- Rs.14,73,000) against an aggregate current liability of Rs.9,98,83,358 (2017- Rs.23,16,09,723 ; 2016- Rs.23,48,63,646 ); Non-current liabilities amounting to Rs.nil (2017- Rs.4,49,24,605; 2016- Rs.5,24,65,550).

Further, while the Company's total equity stands at Rs.320,444,954 (2017- Rs.(195,772,576) ; 2016- Rs.(52,636,012)), Non- current borrowings- Rs. nil (2017- Rs.44,924,605 ; 2016- Rs.43,008,731), current borrowings- Rs.nil (2017- Rs.62,625,584; 2016- Rs.103,166,910). 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.

### 38 Market Risks

The Company is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Profit and Loss. The value of investments in such equity instruments as at March 31, 2018 is Rs.14,36,290 (2017- Rs.13,62,312; 2016- Rs.6,82,649). Accordingly, fair value fluctuations arising from market volatility is recognised in Profit and Loss.

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

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

### 39 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.

### 40 Fair value hierarchy

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

**Level 1:** Quoted prices (unadjusted) in active market for financial instruments.

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

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



# HINDUSTAN EVEREST TOOLS LTD.

## 41 Financial instruments and cash deposits

March 31, 2018

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount
	₹	₹	₹
Other financial assets (non current)	-	-	-
Trade receivables	1,13,00,458	(1,13,00,458)	-
Cash and cash equivalents	65,98,755	-	65,98,755
Bank balance other than above	-	-	-
Other financial assets (current)	2,15,97,751	-	2,15,97,751

March 31, 2017

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount
	₹	₹	₹
Other financial assets (non current)	-	-	-
Trade receivables	1,47,98,592	(1,06,37,373)	41,61,219
Cash and cash equivalents	2,47,231	-	2,47,231
Bank balance other than above	-	-	-
Other financial assets (current)	28,06,700	-	28,06,700

April 01, 2016

Particulars	Estimated gross carrying amount	Expected credit losses	Carrying amount
	₹	₹	₹
Other financial assets (non current)	46,87,043	-	46,87,043
Trade receivables	4,15,29,864	(98,37,268)	3,16,92,596
Cash and cash equivalents	7,55,311	-	7,55,311
Bank balance other than above	14,73,000	-	14,73,000
Other financial assets (current)	3,78,402	-	3,78,402

- 42 After the closure of its sole manufacturing plant, the Chief financial officer and Company Secretary of the Company had resigned. The management of the Company has issued appointment letter to Ms. Sonam Gupta, Company Secretary on May 17, 2018 after receiving her consent on May 16, 2018 to act as compliance officer of the Company.

### For SSRA & Co.

Chartered Accountants  
Firm Registration No. 014266N

### Gaurav Singla

Partner  
Membership.No. 520292

Place: New Delhi  
Dated: May 17, 2018

### For and on the behalf of the Board of Directors

BAL GOPAL MANDELIA  
Managing Director  
(DIN 00040592)

AMBARISH RAJ  
Director  
(DIN 01423870)

SHRAVAN KUMAR MANDELIA  
Managing Director  
DIN 00040532

SAURABH PARASRAMKA  
Director  
(DIN 00935199)



# HINDUSTAN EVEREST TOOLS LTD.



## HINDUSTAN EVEREST TOOLS LIMITED

CIN: L74899DL1962PLC003634

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

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

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

DP. Id*		Folio No.	
Client Id*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **55th ANNUAL GENERAL MEETING** of the Company held on **Saturday, the 29th Setember, 2018**, at 10.00 a.m. at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi 110016

\*Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

### PROXY FORM

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

## HINDUSTAN EVEREST TOOLS LIMITED

CIN: L74899DL1962PLC003634

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

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

I/We, being the member(s) of \_\_\_\_\_ shares of Hindustan Everest Tools Ltd., hereby appoint:

- \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **55th ANNUAL GENERAL MEETING** of the Company held on **Saturday 29th Setember, 2018**, at 10.00 a.m. at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Resolutions	Optional*	
	For	Against
1. Consider and adopt Audited Financial Statement of the Company for the financial year ended on 31st March, 2018 along with the Report of the Board of Directors and Auditors		
2. Reappointment of Mr. Saurabh Kumar Parasramka (DIN: 00935199), who retires by rotation, and being eligible, offers himself for re-appointment.		

\* Applicable for investors holding shares in electronic form

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

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



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) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) 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.



**HINDUSTAN EVEREST TOOLS LTD.**





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