



# HINDUSTAN EVEREST TOOLS LTD.

## 53RD ANNUAL REPORT 2015-16

### **Board of Directors**

Shri Balgopal Mandelia, Chairman & Mg. Director  
Shri Shravan Kumar Mandelia, Managing Director

Shri Pradeep Jain

Shri Ambarish Raj

Shri Lokesh Sood

Shri Saurabh Parasramka

### **Chief Finance Officer**

Shri V.K Khanna

### **Company Secretary**

Shri Govind Deora

### **AUDITORS**

Singhi & Co,  
Chartered Accountants,  
402-403, Pragati House  
44-45, Nehru Place  
New Delhi - 110 019

### **BANKERS**

UCO Bank,  
Punjab National Bank  
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>

### **WORKS**

Village Jatheri,  
Distt. Sonapat,  
Haryana

### **SHARES LISTED AT**

Bombay Stock Exchange

### **REGISTAR & 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 FIFTY THIRD ANNUAL GENERAL MEETING OF HINDUSTAN EVEREST TOOLS LIMITED** will be held at "PHD House" opposite Asian Games Village, Siri Fort Road, New Delhi 110016 on Thursday, 29th September, 2016 at 11:00 A.M. to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet for the year ended 31st March, 2016 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shravan Kumar Mandelia (Din 00040532), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-  
"RESOLVED THAT pursuant to the provisions of section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s Singhi & Company Chartered Accountants, (Firm Registration No. 302049E) for continuance as Auditors for financial year 2016-17 be and hereby ratified by the members of the Company at such remuneration including Service Tax and out of pocket expenses to be fixed by the Board of Directors of the Company in consultation with the Auditors."

#### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Saurabh Parasramka (holding DIN 00935199) who was appointed as an additional Director (non-executive) of the Company w.e.f 19/08/2016 by the Board of Directors on the recommendation of Nomination and Remuneration committee and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member signifying his attention to propose Mr. Saurabh Parasramka as a candidate for the office of Director of the Company and Mr. Saurabh Parasramka as recommended by the Nomination and Remuneration Committee of the Board and Board of Directors be and is hereby appointed as a Director of the Company subject to retire by rotation."

By Order of the Board

Date : 19th August, 2016

Place : New Delhi

sd/-

Govind Deora

Company Secretary

Membership No. F8585

#### **IMPORTANT NOTES:**

1. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, 21st September, 2016 to Thursday, 29th September, 2016 (both days inclusive) for annual closing.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.



3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. 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.  
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 form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
5. 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 for the financial year 1999-2000 onwards.
6.
  - (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, 2nd Floor, Naraina Industrial area, Phase-II, Near PVR Naraina, New Delhi-110028, Phone No. 41410592, Fax : 41410591, E-Mail : delhi@linkintime.Co.in and Company's E-mail: admin@everesttools.com
  - (b) Members holding shares in the dematerialized form are requested to notify all changes with respect to their address, mandate and bank details to their Depository Participant.
  - (c) Shareholders are also requested to quote their Folio No./DP ID-Client Id and details of shares held in physical/demat mode, E-mail ids and Telephone/Fax numbers for prompt reply to their communications.
  - (d) All corporate members are requested to communicate their Corporate Identification number to either company or RTA of the company.
7. Members may also note that the Notice of the 53rd Annual General Meeting and the Annual Report will also be available on the Company's website :-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.
8. **Voting through electronic means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 53rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). Shareholders of the company holding shares either physical form or dematerialized form, as on record date, i.e. 22nd September, 2016, are eligible to cast their vote.  
**The instructions for e-voting are as under:**
    - (i) The Notice of 53rd 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)



## HINDUSTAN EVEREST TOOLS LTD.

for members who have not registered their email address can use the details as provided above.

- (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - (iv) 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 password 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 voted on 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 [schughpcs@gmail.com](mailto:schughpcs@gmail.com) or [admin@everesttools.com](mailto:admin@everesttools.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- II. 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)
- III. 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.
- IV. 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).
- V. The e-voting period commences on 26th September, 2016 (9:00 am) and ends on 28th September 2016 (5:00 pm). 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 22nd september,2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. 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 22nd September, 2016.
- VII. Mr. Sanjay Chugh , Practicing Company Secretary (CP No. 3073) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith 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.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.



## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

Mr. Saurabh Parasramka was appointed as a Additional Director of the Company w.e.f 19/08/2016 by the Board of Directors of the Company. Now he is being appointed as Non Executive Director liable to retire by rotation on the recommendation of the Nomination and Remuneration Committee .

The Company has also received notices in writing from members proposing the candidature of the said Director of the Company at the ensuing Annual General Meeting. In the opinion of the Board he is person of integrity and possess the relevant expertise and experience.

The Directors recommend adoption of the resolution at item Nos. 4 of the Notice by the members.

None of the Directors or their relatives and key managerial personnel or their relatives, except Mr. Saurabh Parasramka is concerned with or interested in the Resolution set out at the Item No 4 of the Notice.

In compliance with the provisions of Section 149 read with the Schedule IV of the Act, the appointment of Mr. Saurabh Parasramka as Director is now being placed before the Members for their approval.

By Order of the Board

Sd/-  
Govind Deora  
Company Secretary  
Membership No.FCS 8585

Date : 19th, August 2016

Place : New Delhi



# HINDUSTAN EVEREST TOOLS LTD.

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 53rd Annual Report together with Audited Annual Accounts of the Company for the year ended 31st March, 2016.

### I. FINANCIAL PERFORMANCE

Rs. In Lakhs

FINANCIAL RESULTS	2015- 2016	2014-2015
Profit/(Loss) before Finance Cost	(393.58)	78.65
Less: Finance Cost	139.99	154.80
Cash Profit/(Loss)	<u>(533.57)</u>	<u>(76.15)</u>
Depreciation	59.90	60.17
Net Profit/(Loss)	<u>(593.47)</u>	<u>(136.32)</u>
Provisions for Deferred Tax	<u>(46.90)</u>	<u>8.17</u>
Profit/(loss) for the period	<u>(640.37)</u>	<u>(144.49)</u>
<b>APPROPRIATION</b>		
Transfer from General Reserve	-	-
Carried over to next year	<u>(640.37)</u>	<u>(144.49)</u>

### DIVIDEND

In view of the Company having exorbitant losses during the year, and negative net worth, the Directors hereby express their inability to recommend any dividend for the year ended 31st March, 2016.

### AMOUNTS PROPOSED TO BE CARRIED TO RESERVES

In view of the negative net worth and exorbitant losses question of transferring any amount to reserves does not arise.

### 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**

The Company was set up in 1962 for manufacturing hand tools in collaboration with Dowidat Werke Tools Ltd., Germany since then a lot of changes has taken place in hand tools industry and so many small small companies have grown due to which your company faces a lot of competition which affects the financial position adversely. Although, there are opportunities in the industry but threats of more competition along with cost overrun is also there.

The company has only single segment of operation i.e. hand tools and no other product are being manufactured or traded. As 40% of your company's sales comprises of export, the foreign currency fluctuation always remain a risk. The internal control system is adequate looking to the size and nature of business. Due to facts stated above, the financial position of the company remains critical and we expect subdued performance in the current year also.

We would further like to mention here that due to heavy losses being incurred by the company during current year the company has gone sick and due to the same reason the wages and salary are delayed. We are thankful to the employees for their cooperation with the Management.

As company's net worth has been completely eroded, promoter directors have confirmed and resolved to arrange infusion of sufficient additional funds into the company to keep is going concern by sale of surplus assets.

The Total no. of employees as on 31.3.2016 was 230.

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

Mrs Pooja Mehra Saigal (DIN 07249183) who was appointed as additional director on 30/07/2015 had also resigned on 24/09/2015 before her formal appointment by the shareholders in the last Annual General Meeting held on 29/09/2015.

Ms Chhavi Sharma (DIN 07384953) who was appointed as additional woman directors by the Board on 31/03/2016 also resigned on 12/08/2016.

Mr. Vinod Kumar Khanna, Executive Directors (Finance) and CFO have also tenders his unwillingness to continue as directors after expiry of his current term on 16/08/2016. However he will continue as Chief Financial Officer of the company.

The Board places on record their appreciation of their valuable contribution and guidance as member of the Board.

Mr. Shrahan Kumar Mandelia retires by rotation and being eligible, offers himself for reappointment.

Mr Saurabh Parasramka (DIN 00935199) has been appointed as an additional director of the company w.e.f.19/08/2016 under provisions of sections 149, 152 and any other applicable provisions of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and have submitted required declarations and is eligible for appointment as a non executive director liable to retire by rotation. His appointment was recommended by the nomination and remuneration committee. In the opinion of the Board she is person of integrity and possess the relevant expertise and experience. The Board recommends his appointment.

Necessary resolution for appointment of aforesaid Director has been included in the Notice in ensuing AGM for the approval of the Shareholders.

### DIRECTORS' RESPONSIBILITY STATEMENTS

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

- That in the preparation of the accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Directors have selected such accounting policies



and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

- 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, 2015 on a "going concern" basis.
- v. That the Directors had laid down proper internal Financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **INTERNAL FINANCIAL CONTROLS**

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

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

## **RISK MANAGEMENT POLICY**

A risk management policy duly approved by the Board in place as required under section 134(3)(n) of the Companies Act 2013

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 are annexed herewith as Annexure "A".

## **NUMBER OF MEETING OF THE BOARD**

During the financial year 2015-16 seven Meeting of Board of directors were convened and held on 3/06/15,30/07/15,14/08/16,18/09/15,17/11/15,23/02/16 and 31/03/2106. The meetings of Audit Committee were convened and held four times during the year. The meeting of Nomination and Remuneration Committee was convened and held twice during the year.

## **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 .

## **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 "B".

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 listing agreements with the Stock Exchange.

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

There are no qualifications, reservations or adverse remarks or disclaimer made by the statutory auditors in their audit report.

However, the qualifications made by Secretarial Auditors in his report regarding non filling of certain documents with Registrar of Companies, the company shall comply the same in due course if applicable and regarding another qualification please note that transaction/business taken by the Board which was not in the agenda was approved by all directors including independent directors except one non independent directors. Further it may also be noted that said business was non financial and pertained to authorization for signing of Listing Agreement with Bombay Stock Exchange

The other observations made in the Auditors' Reports are self explanatory and needs no further explanation.

## **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. Hence, no particulars are being provided in Form AOC-2.

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

There are no adverse material changes or commitments occurring after 31st March, 2015 which may affect the financial position of the Company or may require disclosure.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act,2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as



Annexure- "C".

## 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, Jt 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, JOINTVENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.

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

## DEPOSITS

The Company has not accepted deposits under Chapter V of the Companies Act, 2013.

## SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S 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.

## GENERAL

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 Director

The composition, role, functions and powers of the Audit Committee are in accordance with the Provisions of the Companies Act 2013 and the listing agreements with the Stock Exchange.

## AUDITORS

M/S Singhi & Company, Chartered Accountants , shall continue as Statutory Auditors of the for Financial Year 2016 -17 pursuant to approval given by the shareholders in last AGM appointing them as Statutory Auditors' of the company for three years. However as required under the provisions of Companies Act 2013, said appointment is being ratified in the ensuing AGM.

## SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Act the Companies(Appointment and Remuneration of Managerial Personnel ) rules ,2014, the of Directors has appointed Mr. Pradip Kumar Muduli, practicing Company Secretary for conducting secretarial audit of the company for the financial year 2015-16.

The Secretarial Audit Report is annexed herewith as Annexure D The secretarial Audit Report contained few qualifications which has been duly explained.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of remuneration paid to the employees as required to be disclosed under section 197(12) of the Act read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, are set out in ANNEXURE -E attached hereto and form part of this Report.

## 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. Accordingly we are not required to comply with mandatory compliance of corporate governance code.

## 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 19, 2016

BALGOPAL MANDELIA  
CHAIRMAN  
DIN00040592



Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i. CIN	L74899DL1962PLC003634
ii. Registration Date	25.01.1962
iii. Name of the Company	HINDUSTAN EVEREST TOOLS LTD.
iv. Category/Sub-Category of the Company	Company limited by Shares/Indian
v. Address of the Registered office and contact details	Dohil Chambers, 46, Nehru Place, New Delhi 110 019. Tel.No. 11-46692600 Fax No. 011-41606788 Email: ho@everesttools.com Website: <a href="http://www.everesttools.com">http://www.everesttools.com</a>
vi. Whether listed company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi-110028 Tel.No. 011-41410592 Fax No. 011-41410591 E-mail: <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Hand Tools	8203,8204,8205	98.75%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	Mandelia Investments pvt.Ltd.	U67120DL1983PTC099224	Holding Company	51.92	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	817	-	817	0.05	817	-	817	0.05	-
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp	834470	-	834470	51.82	834470	-	834470	51.92	-



# HINDUSTAN EVEREST TOOLS LTD.

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-	<b>835287</b>	<b>-</b>	<b>835287</b>	<b>51.87</b>	<b>835287</b>	<b>-</b>	<b>835287</b>	<b>51.97</b>	<b>-</b>
<b>2) Foreign</b>									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-									
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	<b>32738</b>	<b>907</b>	<b>33645</b>	<b>2.09</b>	<b>32738</b>	<b>907</b>	<b>33645</b>	<b>2.09</b>	<b>-</b>
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1)	<b>32738</b>	<b>907</b>	<b>33645</b>	<b>2.09</b>	<b>32738</b>	<b>907</b>	<b>33645</b>	<b>2.09</b>	<b>-</b>
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	<b>141536</b>	<b>55766</b>	<b>197302</b>	<b>12.28</b>	<b>133438</b>	<b>55766</b>	<b>189204</b>	<b>11.77</b>	<b>0.51</b>
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	<b>215592</b>	<b>173437</b>	<b>389029</b>	<b>24.21</b>	<b>198471</b>	<b>171556</b>	<b>370027</b>	<b>23.02</b>	<b>1.19</b>
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	<b>116943</b>	<b>31360</b>	<b>148303</b>	<b>9.23</b>	<b>136418</b>	<b>31360</b>	<b>167772</b>	<b>10.44</b>	<b>1.21</b>
c) Clearing Member	<b>26</b>	<b>-</b>	<b>26</b>	<b>0.00</b>	<b>162</b>	<b>-</b>	<b>162</b>	<b>0.00</b>	<b>0.00</b>
d) Non Resident Indian	<b>3608</b>		<b>3608</b>	<b>0.22</b>	<b>4041</b>		<b>4041</b>	<b>0.25</b>	<b>0.03</b>
e) HUF	<b>-</b>		<b>-</b>		<b>7062</b>		<b>7062</b>	<b>0.44</b>	<b>0.44</b>
Sub-total(B)(2)	<b>477705</b>	<b>260563</b>	<b>738268</b>	<b>45.94</b>	<b>479592</b>	<b>258682</b>	<b>738274</b>	<b>45.93</b>	<b>0.89</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>510443</b>	<b>261470</b>	<b>771913</b>	<b>48.03</b>	<b>512330</b>	<b>259589</b>	<b>771913</b>	<b>48.03</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>1345730</b>	<b>261470</b>	<b>1607200</b>	<b>100</b>	<b>1347611</b>	<b>259589</b>	<b>1607200</b>	<b>100</b>	<b>-</b>



## Share holding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mandelia Investments Pvt. Ltd.	834470	51.92	-	834470	51.92	-	-
2.	Shravan Kumar Mandelia	405	0.02	-	405	0.02	-	-
3.	Balgopal Mandelia	406	0.03	-	406	0.03	-	-
4.	V.K.Khanna	6	0.00	-	6	0.00	-	-
	<b>Total</b>	<b>835287</b>	<b>51.97</b>	<b>-</b>	<b>835287</b>	<b>51.97</b>	<b>-</b>	<b>-</b>

## ii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding During the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	835287	51.97	835287	51.97
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	<b>835287</b>	<b>51.97</b>	<b>835287</b>	<b>51.97</b>

## Share holding Pattern of top ten Shareholders (Other than Directors & Promoters)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Transparent Agro Pvt. Ltd.	89990	5.599	-	89990	5.599	-	-
2.	Brijesh Sahu	60000	3.733	-	60000	3.733	-	-
3.	Pilani Investment Corn. Ltd.	52292	3.253	-	52292	3.253	-	-
4.	Raju Bandari	52875	3.290	-	48889	3.042	-	<b>-0.248</b>
5.	Life Insurance Corporation India	32392	2.015	-	32392	2.015	-	-
6.	Taramani Mandelia	31360	1.951	-	31360	1.951	-	-
7.	Secure Traders Pvt. Ltd.	30000	1.866	-	30000	1.866	-	-
8.	Rajiv Mehta	0	0	-	17475	1.087	-	<b>1.087</b>
9.	Meenakshi Joglekar	4760	0.295	-	10054	0.626	-	<b>0.329</b>
10.	Shifali Mehta	0	0	-	7500	0.466	-	<b>0.466</b>
	<b>Total</b>	<b>353669</b>	<b>22.002</b>	<b>-</b>	<b>379952</b>	<b>23.638</b>	<b>-</b>	<b>0.110</b>



# HINDUSTAN EVEREST TOOLS LTD.

## Shareholding of Key Managerial Personnel

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Sh.Shravan Kumar Mandelia	405	0.02	-	405	0.02	-	-
2.	Sh.Balgopal Mandelia	406	0.03	-	406	0.03	-	-
3.	Sh. V.K.khanna	6	0.00	-	6	0.00	-	-
4.	Sh. Govind Deora	17	0.00	-	17	0.00	-	-
	<b>Total</b>	<b>834</b>	<b>0.05</b>		<b>834</b>	<b>0.05</b>		

## V. INDEBTEDNESS

Indebtedness of the Company including interest out standing/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 1.4.2015				
i) Principal Amount	119447118	38045343	-	157492461
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	2700000	-	2700000
<b>Total(i+ii+iii)</b>	<b>119447118</b>	<b>40745343</b>	<b>-</b>	<b>160192461</b>
Change in Indebtedness during the financial year				
- Addition	-	7879204	-	7879204
- Reduction	11691920	-	-	11691920
<b>Net Change</b>	<b>11691920</b>	<b>7879204</b>		<b>3812716</b>
Indebtedness at the end of the financial year 31.3.2016				
i) Principal Amount	107755198	45384547	-	153139745
ii) Interest due but not paid	-	3240000	-	3240000
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>107755198</b>	<b>48624547</b>	<b>-</b>	<b>156379745</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri S. K. Mandelia	Shri B. G. Mandelia	Shri V. K. Khanna	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	252000	240000	828000	1320000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	169440	134511	69720	373671
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-



Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri S. K. Mandelia	Shri B. G. Mandelia	Shri V. K. Khanna	
4.	Commission - as%ofprofit - others, specify...				
5.	Others, please specify				
6.	Total (A)	421440	374511	897720	1693671
	Ceiling as per the Act				3000000

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Smt. Pooja Mehra Saigal	Shri Pradeep Jain	Shri Ambarish Raj	Shri Lokesh Sood	
	<u>Independent Directors</u> •Fee for attending board committee meetings •Commission •Others,pleasespecify		36000	41000	39000	116000
	Total(1)		36000	41000	39000	116000
	<u>Other Non-Executive Directors</u> •Fee for attending board committee meetings •Commission •Others,pleasespecify	2000	-	-	-	2000
	Total(2)	2000	-	-	-	2000
	Total(B)=(1+2)	2000	36000	41000	39000	118000
	Total Managerial Remuneration		-	-	-	-
	Overall Ceiling as per the Act	NA	NA	NA	NA	N.A.

**C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	953400	828000	1781400
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961	-	31680	69720	101400
	(c) Profits in lieu of salary under section 17(3)Income-tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as%of profit -others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total	-	985080	897720	1882800



## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any (give details)
<b>A.Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B.Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding					
<b>C. Other Officers In Default</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



## 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.



## 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 time 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.

### **ANNEXURE "C"**

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and outgo required under the Companies(Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2016.

### **A. CONSERVATION OF ENERGY**

#### (a) Energy Conservation measures taken:

Energy conservation is an on-going activity in the Company and depending upon the average energy consumption per unit of each department, Internal Checking, necessary corrective measures are being taken to reduce the energy consumption per unit of Production.

#### (b) Additional Investments and Proposals:

With the help of equipment like Automatic Power Factor Correction Meter, Ammeter in each phase, the Company is monitoring the consumption of plant as well various equipment's as and where required. Installation of additional equipment is done to improve efficiency.

#### (c) Impact of measures:

With the implementation of various measures taken, total energy consumption and the energy consumption per unit of production should be considered satisfactory due to emphasis on production of high value added products and processes, which consume more specific energy.

#### (d) Total energy consumption and Energy

Consumption per Unit of production:

	Current Year	Previous Year
<b>1. Power &amp; Fuel Consumption</b>		
(a) Electricity		
i. Purchased Units	<b>1331580</b>	2059600
Amount Rs.	<b>14573941</b>	18513462
Rate/Unit (average) Rs.	<b>10.94</b>	8.99
ii. Own generation DG Sets		
Units Generated	<b>26320</b>	72590
Units per Ltr. of Diesel	<b>3.90</b>	2.89
Rate per Ltr. of Fuel Rs.	<b>50.63</b>	58.67
Cost/Unit (average) Rs.	<b>12.98</b>	20.30
(b) PNG		
Quantity( SCM)	<b>156224</b>	256729
Amount Rs.	<b>6202062</b>	11230279
Average Rate Rs	<b>39.70</b>	43.74
<b>2. Consumption per Unit of Production</b>		
Product – Hand Tools		
Electricity Units/MT	<b>3337</b>	3620
PNG	<b>384</b>	436



## B) TECHNOLOGY ABSORPTION

Research & Development :

- (i) The Research & Development Center of the Company continuously endeavors to upgrade the existing product process and venture in new product development and process improvement. This has lead to enhance progress and efficiency throughout the plant. The benefits derived can be summed-up as under:-
- a) Extension of Product Range & introduction of new product.
  - b) Upgradation of process leading to better quality, performance and efficiency.
  - c) Upgradation of existing product for better quality and performance.
  - d) Extensive study of process, product function vis-à-vis customer requirement and its modification.

(ii) Benefits derived as a result of the in-house R & D:

- a) Improving productivity by designing better accuracy & aromatic production Tools & Fixtures.
- b) Better and product with better performance.
- c) Effective and better controls of process thereby increasing the consistency of quality.

(iii) Expenditure on R & D:

	(Rs. in Lakhs)
a) Capital	-
b) Recurring	<b>4.67</b>
c) Total	<b>4.67</b>
d) Total R & D expenditure of total turnover	<b>0.17%</b>

(iv) Technology Imports:

No technology was imported during last five years.

## C. FOREIGN EXCHANGE EARNING AND OUTGO:

Total Foreign Exchange used and earned:

	(Rs. in Lakhs)
Total Foreign Exchange used	<b>30.52</b>
Total Foreign Exchange Earned	<b>1489.23</b>



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016  
[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, 2016 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 2016 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 made effective from 1st July 2015.

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) *during the year the Company passed two resolutions by Circulation for making borrowings which was not in accordance with the provisions of Section 179(3) and executed relevant documents with the Banks but yet to file form CHG-1 for creation/modification of Charge with Registrar of Companies; to the passing of one resolution by circulation for the said borrowing was objected by two directors and it was again approved in a duly convened Board meeting but the second resolution for borrowing passed by Circulation was ratified by majority directors but opposed by two directors.*



# HINDUSTAN EVEREST TOOLS LTD.

*The Company has also not filed MGT 14 for resolution passed for borrowings with Registrar of Companies.*

- b) *Ratification by Independent Director or majority of Directors, as the case may be, of transacting any item other than those included in the Agenda has not been mentioned in the minutes as required under clause 7.2.2.1(n) of SS-1.*

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) One director objected to non receipt of detailed agenda along with notice for Board meeting held on 18th September 2015.  
b) Two minutes of Board Meetings held during the were not confirmed by two directors in the Board Meeting.

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 been served a notice on 28/12/2015 along with copy of petition filed with CLB, New Delhi by Mr. S. K. Mandelia, Managing director of the Company, Hindustan Everest Tools Limited (HETL) together with S.K. Mandelia (HUF) against M/S Mandelia Investment Pvt. Ltd., New Delhi (MIPL) holding Company of HETL and HETL, nine other respondents comprising Mr. B.G. Mandelia, Chairman & Managing Director of HETL, its company secretary, all other directors of HETL and MIPL and main banker of the company m/s Uco Bank, New Delhi. His petition is under 397, 398 section of the Companies Act 1956 for oppression against him and mismanagement by present management of HETL excluding himself.*

*The Board of Directors in its meeting held on 18th May 2016 approved the implementation of a scheme of restructuring / internal reorganization by way of splitting the Company into two independent entities in terms of the settlement agreed vide MOU dated March 03, 2016 filed thorough joint application by the promoters before Company law Board, New Delhi in Company Petition No. 131(ND) 2015 with a view to end the dispute arisen between the promoter directors of the Company.*

- b) *A winding up petition under section 433 /434 of the Companies Act 1956 has been filed in the High Court of Delhi by M/s. Rampur International limited, New Delhi, for recovery of debt amounting to Rs. 81 Lacs (approx.).*  
c) *The Company has not made payment of wages as per provisions of Payment of Wages Act 1936 and there has been substantial delay in payment of wages,*  
d) *The Company has not approved/filed/ published quarterly results and other documents relating to it as per listing agreement/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 requirement within stipulated period and accordingly Bombay Stock Exchange has imposed penalty for non compliance.*  
e) *The Company has 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.*  
f) *The Company's net worth has been completely eroded and the statutory auditor in their report has expressed concern about going concern status of the Company.*

Pradip Kumar Muduli  
(Practising Company Secretary)

FCS No.6170

C P No.:5730

Place : New Delhi

Date : 17/08/2016

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



'ANNEXURE A'

To The Members  
Hindustan Everest Tools Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company 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.

Pradip Kumar Muduli  
(Practising Company Secretary)

FCS No.6170  
C P No.:5730

Place : New Delhi  
Date : 17/08/2016



# HINDUSTAN EVEREST TOOLS LTD.

Annexure "E"

Particulars of Employees as on 31.03.2016

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

S.No.	Requirements of Rule 5(1)	Details		
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. S.KMandelia Mr. B.G. Mandeia Mr. V.K.Khanna	2.76 : 1 2.45: 1 5.87 : 1	
(ii)	The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive or Manager, if any, in the Financial year;	As per Payout Mr S.K. Mandelia. Mr B.G. Mandelia Mr. V.K. Khanna	NIL NIL NIL	As per terms NIL
		Difference in remuneration as compared to last year is due variation in amount of perquisites.		
(iii)	The percentage increase in the median remuneration; of employees in the financial year	Increments were very few and were done on selected basis.		
(iv)	The number of permanent employees on the rolls of company;	230 employees as on 31.03.2016		
(v)	The explanation on the relationship between average increase	As company's performance and financial condition has been extremely poor as such there is no common relation between increments and performance.		
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration of the Key managerial personnel is in line with the performance of the company and individual.		
(vii)	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies the variations in the net worth of the Company as at the close of the current financial year and previous financial year.	Details Market Capitalization Share Price-BSE EPS Net worth	31.03.2016 Rs. 9.85 Cr Rs. 61.30 Rs. (-) 39.84 Rs.(-) 5.26 Cr	31.03.2015 Rs. 8.26 Cr Rs. 51.40 Rs (-)8.99 Rs. 1.14 Cr
		Company has come out with right issue @ Rs 45/- per share in 1995		
(viii)	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		
(ix)	Comparison of each remuneration of the Key Managerial personnel.	There is no variable component so far given to any managerial remuneration in view of the losses being incurred by the company		
(x)	The parameters for any variable component of remuneration availed by the directors;	No increase been given to any such employee in view of the losses being incurred.		
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	1: 2.11		
(xii)	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.		



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF HINDUSTAN EVEREST TOOLS LIMITED

#### Report on the Financial Statements

We have audited the accompanying standalone financial statements of Hindustan Everest Tools Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

#### Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these 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 there under. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 the 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 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 financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

#### Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a. The company has incurred a net loss of Rs 6,40,37,565 during the year ended 31st March, 2016, thereby completely eroding net worth of the company as on 31st March, 2016. The Company's total liabilities exceeded its total assets. These conditions along with other matters as set forth in note 27.10 to the financial statements indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in the opinion of the management, with the proposed induction of funds on disposal of certain surplus assets, the Company shall be able to discharge its liability in the normal course of business and therefore, going concern assumption has not been vitiated and accordingly financial statements have been prepared on going concern assumption.
- b. Trade and other Receivables are subject to reconciliation and confirmation. Adjustments in carrying amount, if any, shall be made on completion of reconciliation and confirmation thereof. In the opinion of the management, there shall not be any material impact on carrying amount of these accounts.



- c. Inventories except work in progress have not been physically verified during the year and same has been considered as per quantity appearing in the books of accounts. Adjustments for variances, if any, shall be made on completion of physical verification of the inventories. In the opinion of the management, there shall not be any material impact on carrying value of Inventories. (Refer note 13 to the financial statements)

Our opinion is not modified in respect of these matters.

## 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 Companies Act, 2013 we give in the Annexure A, 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) The matter about erosion of net worth as on 31st March, 2016 and preparation of accounts on going concern basis, pending reconciliation and confirmation of Trade Receivables and Trade Payables and consideration of inventories as per quantity appearing in books of account as described in sub-paragraph (a), (b) and (c) under the emphasis of matters paragraph above, in our opinion, may have adverse effect on the functioning of the Company.
  - f) On the basis of the written representation received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
  - h) With respect to the other matters to be included in the Auditors' 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 no pending litigation having material impact on its financial position.
    - ii. There is no long term contract including derivative contract having material foreseeable losses.
    - iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the company.

**For Singhi & Co.**  
Chartered Accountants  
Firm Reg. No. 302049E

**B. K. Sipani**  
Partner  
Membership No. 088926

Place: New Delhi  
Date: 19th August 2016



## **Annexure A referred to in paragraph 1 of our report of even date on the other legal and regulatory requirements (Re: HINDUSTAN EVEREST TOOLS LIMITED)**

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, however same is under updation.  
b. Fixed Assets have not been physically verified by the management at reasonable intervals. .  
c. According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) Inventories except work in progress were not physically verified at reasonable intervals .No material discrepancies were noticed on physical verification of work in progress.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loan or investment made or guarantees provided as covered under Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not received any deposits covered under section 76 of the Companies' Act,2013. Therefore, the provisions of clause 3 (v) of the Order are not applicable.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013. Therefore, the provisions of clause 3 (vi) of the Order are not applicable.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs , duty of excise, value added tax, cess and other statutory dues deducted/ accrued in the books of accounts, with the appropriate authorities though there have been some delays. There was no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.  
b. According to the records of the Company, there are no dues outstanding of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding loan from any financial institution or from Government and dues to debenture holders.
- (ix) The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) or through term loan. Therefore, the provisions of the clause 3 (ix) of the Order are not applicable.
- (x) Based upon the audit procedures performed in accordance with generally accepted auditing practice in India for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company by its officers and employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and the details for the same have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotments or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3 (xvi) of the Order are not applicable.

**For Singhi & Co.**  
Chartered Accountants  
Firm Reg. No. 302049E

B. K. Sipani  
Partner  
Membership No. 088926

Place: New Delhi  
Date: 19th August , 2016



## ANNEXURE B

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

We have audited the internal financial controls over financial reporting of Hindustan Everest Tools Ltd. ("the Company") as of March 31, 2016 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 Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal; financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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. However, same need to be further strengthened.

**For Singhi & Co.**  
Chartered Accountants  
Firm Reg. No. 302049E

**B. K. Sipani**  
Partner  
Membership No. 088926

Place: New Delhi  
Date: 19th August, 2016

# HINDUSTAN EVEREST TOOLS LTD.



## BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	As at 31st March, 2016 (Rs.)	As at 31st March, 2015 (Rs.)
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	1,60,72,000	1,60,72,000
(b) Reserve & Surplus	2	(6,87,08,012)	(46,70,447)
		<u>(5,26,36,012)</u>	<u>1,14,01,553</u>
<b>(2) Non Current Liabilities</b>			
(a) Long Term Borrowings	3	4,30,08,731	3,94,14,369
(b) Long Term Provisions	4	52,56,819	1,15,49,854
(c) Other Non Current Liabilities	5	42,00,000	94,79,761
		<u>5,24,65,550</u>	<u>6,04,43,984</u>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	6	10,31,66,910	11,49,81,040
(b) Trade Payables	7	7,77,29,433	7,17,84,436
(c) Other Current Liabilities	8	3,95,71,331	2,64,99,081
(d) Short Term Provisions	4	1,43,95,972	68,23,447
		<u>23,48,63,646</u>	<u>22,00,88,004</u>
Total		<u>23,46,93,184</u>	<u>29,19,33,541</u>
<b>II ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	6,55,30,112	6,43,24,187
(ii) Capital Work-in-progress		83,096	22,669
(b) Non Current Investments	10	6,82,649	6,82,649
(c) Deferred Tax Assets (Net)	11	-	46,90,065
(d) Long Term Loan & Advances	12	46,87,043	52,35,860
(e) Other Non Current Assets		-	-
		<u>7,09,82,900</u>	<u>7,49,55,430</u>
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	13	12,06,87,311	14,44,29,018
(c) Trade Receivables	14	3,16,92,596	5,17,65,295
(d) Cash & Bank Balance	15	22,28,311	66,40,796
(e) Short Term Loan & Advances	16	51,81,312	61,09,965
(f) Other Current Assets	17	39,20,754	80,33,037
		<u>16,37,10,284</u>	<u>21,69,78,111</u>
Total		<u>23,46,93,184</u>	<u>29,19,33,541</u>
Commitments and Contingent Liabilities	18		
Significant accounting policies and other notes on accounts	27		

The notes referred to above form an integral part of the Balance Sheet.

As per our report even date attached

For and on the behalf of the Board of Directors

For **SINGHI & CO.**

Chartered Accountants

Firm Reg. No. 302049E

PRADEEP JAIN

Director

(DIN 00108240)

LOKESH SOOD

Director

(DIN 01680602)

B.G MANDELIA

Chairman &

Managing Director

(DIN 00040592)

B.K.SIPANI

Partner

Membership No. 088926

Place: New Delhi

Dated: 19th August 2016

Govind Deora  
Company Secretary

V.K.KHANNA  
Chief Finance Officer



# HINDUSTAN EVEREST TOOLS LTD.

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

			For the Year ended 31st March, 2016 (Rs.)	For the Year ended 31st March, 2015 (Rs.)
<b>I</b>	<b>Revenue</b>	<b>Note No.</b>		
	Revenue from operations	19	<b>28,36,58,103</b>	45,29,17,043
	Excise Duty		<b>(1,24,26,750)</b>	(1,64,94,597)
	Net Revenue from operations		<b>27,12,31,353</b>	43,64,22,446
<b>II</b>	Other Income	20	<b>89,37,059</b>	7,99,866
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>28,01,68,412</b>	43,72,22,312
<b>IV</b>	<b>Expenses</b>			
	Raw Material Consumed	21	<b>4,10,95,260</b>	5,89,43,245
	Purchase of Stock in Trade		<b>6,22,31,320</b>	11,06,84,865
	Change in Inventories of Finished Goods, work-in-progress and Stock-in-Trade	22	<b>1,59,98,747</b>	1,56,44,853
	Employees Benefits Expenses	23	<b>8,90,65,318</b>	9,66,49,571
	Other Expenses	24	<b>11,11,36,212</b>	14,74,33,386
	<b>Total Expenses</b>		<b>31,95,26,857</b>	42,93,55,920
<b>V</b>	<b>Profit/ (Loss) before Interest, Depreciation and Tax</b>		<b>(3,93,58,445)</b>	78,66,392
	Finance Cost	25	<b>1,39,98,942</b>	1,54,80,322
	Depreciation and amortization expenses	9	<b>59,90,113</b>	60,17,542
	<b>Profit/ (Loss) before Tax</b>		<b>(5,93,47,500)</b>	(1,36,31,472)
	Interunit Charge			
<b>VI</b>	<b>Profit/ (Loss) before Tax</b>		<b>(5,93,47,500)</b>	(1,36,31,472)
<b>VII</b>	<b>Tax expenses</b>			
	(1) Current tax		-	-
	(2) Deferred tax (charged)/Credited		<b>(46,90,065)</b>	(8,17,723)
<b>VIII</b>	<b>Profit/ (Loss) for the Year (VI-VII)</b>		<b>(6,40,37,565)</b>	(1,44,49,195)
	Earning Per Share (Equity share of Rs. 10 each)			
	Basic and Diluted	26	<b>(39.84)</b>	(8.99)
	<b>Significant accounting policies and other notes on accounts</b>	27		

The notes referred to above form an integral part of the Profit and Loss Statement.

As per our report even date attached

For **SINGHI & CO.**

Chartered Accountants

Firm Reg. No. 302049E

B.K.SIPANI

Partner

Membership No. 088926

Place: New Delhi

Dated: 19th August 2016

PRADEEP JAIN

Director

(DIN 00108240)

LOKESH SOOD

Director

(DIN 01680602)

Govind Deora

Company Secretary

For and on the behalf of the Board of Directors

B.G MANDELIA

Chairman &

Managing Director

(DIN 00040592)

V.K.KHANNA

Chief Finance Officer

# HINDUSTAN EVEREST TOOLS LTD.



Cash Flow Statement for the Year ended 31st March,2016

Particulars	Current Year (Rs.)	Previous Year (Rs.)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax	(5,93,47,500)	(1,36,31,472)
Add: Depreciation	59,90,113	60,17,542
Add: Finance Cost	1,39,98,942	1,54,80,322
Add: (Profit)/Loss on sale of fixed Assets	1,65,364	9,89,136
Less: Dividend Received	(9,508)	(27,048)
Less: Interest Received	(1,44,313)	(2,00,393)
<b>Operating profit before working capital change</b>	<b>(3,93,46,902)</b>	<b>86,28,087</b>
<b>Adjustment for :</b>		
Trade & Other Receivables	2,55,30,532	6,97,865
Inventories	2,37,41,707	2,09,89,155
Trade & Other Payables	1,06,09,924	(20,68,786)
<b>Cash Generated from Operations</b>	<b>2,05,35,261</b>	<b>2,82,46,321</b>
Less: Direct Tax (Paid)/Refund	1,02,974	16,369
<b>Net cash from/(used in) operating activities (A)</b>	<b>2,06,38,235</b>	<b>2,82,62,690</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(78,36,124)	(42,45,614)
Sale of Fixed Assets	4,14,295	4,38,798
Movement in Fixed Deposit	-	-
Movement in margin money	2,00,000	-
Dividend Received	9,508	27,048
Interest Received	1,73,259	53,077
<b>Net Cash Flow from investing activities (B)</b>	<b>(70,39,062)</b>	<b>(37,26,691)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	74,61,414	(1,30,21,657)
Proceeds from short Term borrowings (Net)	(1,18,14,130)	37,50,609
Finance Cost	(1,34,58,942)	(1,49,40,322)
<b>Net Cash from/(used in) Financing Activities (C)</b>	<b>(1,78,11,658)</b>	<b>(2,42,11,370)</b>
Net Cash increase/Decrease in cash & equivalents (A+B+C)	(42,12,485)	3,24,629
Cash & Cash Equivalents as at (Opening Balance)	49,67,796	46,43,167
<b>Cash &amp; Cash Equivalents as at (Closing Balance)</b>	<b>7,55,311</b>	<b>49,67,796</b>
<b>Cash &amp; Cash Equivalents includes</b>		
Cash & Cheques in Hand	98,994	72,800
Balance with schedule Banks	6,56,317	48,94,996
	<b>7,55,311</b>	<b>49,67,796</b>

Note: Previous Year figures have been regrouped, wherever found necessary

As per our report even date attached

For **SINGHI & CO.**

Chartered Accountants

Firm Reg. No. 302049E

PRADEEP JAIN

Director

(DIN 00108240)

B.K.SIPANI

Partner

Membership No. 088926

Place: New Delhi

Dated: 19th August 2016

LOKESH SOOD

Director

(DIN 01680602)

Govind Deora  
Company Secretary

For and on the behalf of the Board of Directors

B.G MANDELIA

Chairman &  
Managing Director  
(DIN 00040592)

V.K.KHANNA  
Chief Finance Officer



# HINDUSTAN EVEREST TOOLS LTD.

## NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016

	As at 31st March, 2016 (Rs)	As at 31st March, 2015 (Rs)
<b>NOTE 1: SHARE CAPITAL</b>		
<b>Authorised</b>		
23,00,000 (Previous year 23,00,000) Equity Share of Rs. 10/- each	2,30,00,000	2,30,00,000
20,000 (Previous Year 20,000) Redeemable Cumulative Preference Shares of Rs. 100/- each.	20,00,000	20,00,000
	<u>2,50,00,000</u>	<u>2,50,00,000</u>
<b>Issued Subscribed and paid-up:</b>		
16,07,200. (Previous Year 16,07,200) Equity Share of Rs. 10/- each fully paid up.	<u>1,60,72,000</u>	<u>1,60,72,000</u>
	<u>1,60,72,000</u>	<u>1,60,72,000</u>

Notes:

(a) Reconciliation of Shares Outstanding at the beginning and the end of the year are given below:

	As at 31st March, 2016		As at 31st March, 2015	
	Numbers	Rs.	Numbers	Rs.
Equity Shares Outstanding at the beginning of the Year	16,07,200	1,60,72,000	16,07,200	1,60,72,000
Add: Equity Share issued during the Year	-	-	-	-
Less: Equity Share bought back/redeemed during the year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity Shares Outstanding at the end of the Year	<u>16,07,200</u>	<u>1,60,72,000</u>	<u>16,07,200</u>	<u>1,60,72,000</u>

(b) Detail of Shareholding more than 5% of the company as on reporting date are given below:

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Percentage	No. of Shares	Percentage
M/S Mandelia Investment Pvt. Ltd.	8,34,470	51.92%	8,34,470	51.92%
M/S Transparent Agro Pvt. Ltd.	89,990	5.60%	89,990	5.60%

(c) Right attached to Equity Shares:

The Company has one class of equity shares having at par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. 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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion of their shareholding.

	As at 31st March, 2016 (Rs)	As at 31st March, 2015 (Rs)
<b>NOTE 2: RESERVE AND SURPLUS</b>		
(a) <b>Capital Reserve:</b>		
Opening Balance	7,52,400	7,52,400
(b) <b>Revaluation of Fixed Assets Reserve</b>		
Opening Balance	14,71,751	14,71,751
(c) <b>Share Premium Account</b>		
Opening Balance	73,28,000	73,28,000
(d) <b>General Reserve</b>		
Opening Balance	(1,42,22,598)	2,26,597
Less: Profit/(Loss) for the year as per Profit and Loss Statement	(6,40,37,565) (78,260,163)	(1,44,49,195) (14,222,598)
<b>Total (a+b+c+d)</b>	<u>(68,708,012)</u>	<u>(4,670,447)</u>



## NOTE 3: LONG TERM BORROWINGS

	Ref.	Non Current Portion		Current Portion	
		As at 31st March, 2016 (Rs)	As at 31st March, 2015 (Rs)	As at 31st March, 2016 (Rs.)	As at 31st March, 2015 (Rs.)
<b>(i) Secured</b>					
Term Loan from Bank	3.1	-	3,00,000	-	12,00,000
Vehicle Loan from Bank		<b>26,24,184</b>	10,69,026	<b>19,64,104</b>	18,97,052
<b>Total (i)</b>		<b>26,24,184</b>	<b>13,69,026</b>	<b>19,64,104</b>	<b>30,97,052</b>
<b>(ii) Unsecured</b>					
Loan from Managing Director & Joint Mananging Director & their associatesd. (Interest free loan)	27.9	<b>4,03,84,547</b>	3,30,45,343	-	-
Loan from a Body Corporate		-	50,00,000	<b>50,00,000</b>	-
<b>Total (ii)</b>		<b>4,03,84,547</b>	<b>3,80,45,343</b>	<b>50,00,000</b>	-
<b>Total (i) + (ii)</b>		<b>4,30,08,731</b>	<b>3,94,14,369</b>	<b>69,64,104</b>	<b>30,97,052</b>
<b>(iii) Amount disclosed under the head</b>					
Other Current Liabilities		-	-	<b>(69,64,104)</b>	<b>(30,97,052)</b>
<b>Total (iii)</b>		<b>4,30,08,731</b>	<b>3,94,14,369</b>	<b>-</b>	<b>-</b>

- 3.1 (a) Secured against Land, Building and Plant & Machinery and other immovable & movable Fixed Assets of the Company. These Loans further secured by personal gurantees of Chairman & Managing Director of the Company.
- (b) Term Loan from bank carrying interest rate 15.45% (Previous Year 15.45% p.a) and payable in quaterly installment of Rs.3,00,000/-
- (C) Vehicle Loan from Bank secured by hypothication of vehicles financed and carries interest rate of 10.50% to 12.50% (Previous Year 10.50% to 12.50%) per annum. Payable in monthly instalment in balance 21 months (Previous year 33 months)

## NOTE 4: PROVISIONS

	Ref.	Non Current Portion		Current Portion	
		As at 31st March, 2016 (Rs)	As at 31st March, 2015 (Rs)	As at 31st March, 2016 (Rs.)	As at 31st March, 2015 (Rs.)
<b>Provision for employees benefits</b>					
<b>Gratuity</b>	Note.27.8	<b>43,90,912</b>	1,04,51,029	<b>1,34,94,520</b>	60,50,163
<b>Accrued Leave</b>		<b>8,65,907</b>	10,98,825	<b>9,01,452</b>	7,73,284
<b>Total</b>		<b>52,56,819</b>	<b>1,15,49,854</b>	<b>1,43,95,972</b>	<b>68,23,447</b>

## NOTE-5: OTHER NON CURRENT LIABILITIES

	As at 31st March,2016 (Rs.)	As at 31st March,2015 (Rs.)
Trade Deposits	<b>42,00,000</b>	94,79,761
	<b>42,00,000</b>	<b>94,79,761</b>



# HINDUSTAN EVEREST TOOLS LTD.

## NOTE-6: SHORT TERM BORROWINGS

Short Term Loan from Banks (Repayable on demand):

Secured

Packing/ Cash credit facilities

	As at 31st March,2016 (Rs.)	As at 31st March,2015 (Rs.)
	<u>10,31,66,910</u>	<u>11,49,81,040</u>
	<u>10,31,66,910</u>	<u>11,49,81,040</u>

### Nature of security

Packing/Cash Credit Limits from Bank secured by hypothecation of Raw Material, Stores, Tools & Dies (not forming part of Plant & Machinery) Finished Goods, Work-in progress,Bill of lading and /or Goods in course of clearance or in transit & First charge on Movable/Immovable Assets of the Company other than those having exclusive charge. These loans further secured by personal guarantees of Chairman & Managing Director of the Company.

## NOTE-7: TRADE PAYABLE

Sundry Creditors for goods & services

7.1 & 7.2

	As at 31st March,2016 (Rs.)	As at 31st March,2015 (Rs.)
	<u>7,77,29,433</u>	<u>7,17,84,436</u>
	<u>7,77,29,433</u>	<u>7,17,84,436</u>

7.1 The Company has not received any intimation from any of its suppliers regarding their status under the Micro and Small Medium Enterprises Act and hence disclosures, relating to amounts unpaid as at the year end along with interest if any payable as required under the said Act have not been given.

7.2 Trade Payables are subject to reconciliation & confirmations.

## NOTE-8: OTHER CURRENT LIABILITIES

Trade Deposits\*

Loan from Body Corporate

Current maturities of long term debt

Interest accrued & due on Borrowings

Employee Emoluments

Statutory Dues Payable

Advance from & Credit balance of Customers\*

	<u>50,85,820</u>	-
	<u>50,00,000</u>	-
	<u>19,64,104</u>	30,97,052
	<u>32,40,000</u>	27,00,000
	<u>1,57,39,080</u>	96,64,335
	<u>51,32,231</u>	61,17,403
	<u>34,10,096</u>	49,20,291
	<u>3,95,71,331</u>	<u>2,64,99,081</u>



## NOTE-9: FIXED ASSETS -TANGIBLE ASSETS

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2015 (Rs.)	Additions (Rs.)	Less Sale/ Adjustments (Rs.)	Total Cost 31.03.2016 (Rs.)	Upto 01.04.2015 (Rs.)	Provided During the Year (Rs.)	Less Sale/ Adjustments (Rs.)	Total upto 31.03.2016 (Rs.)	As at 31.03.2016 (Rs.)	As at 31.03.2015 (Rs.)
-Tangible Assets										
Land (Free Hold)**	18,71,600			18,71,600					18,71,600	18,71,600
Building	2,28,73,504			2,28,73,504	1,21,12,737	3,19,801		1,24,32,538	1,04,40,966	1,07,60,767
Plant & Equipments	12,73,96,215	1,29,580	52,57,120	12,22,68,675	9,85,53,775	24,87,665	48,08,475	9,62,32,965	2,60,35,710	2,88,42,440
Laboratory Apparatus	2,31,939			2,31,939	2,26,595	432		2,27,027	4,912	5,344
Jigs & Fixture*	15,89,213			15,89,213	15,22,225	-		15,22,225	66,988	66,988
Motor Vehicle & Cycles	2,12,88,853	67,10,000	10,40,850	2,69,58,003	94,14,904	20,49,191	8,84,584	1,05,79,511	1,63,78,492	1,18,73,949
Electric Installations	67,96,945	38,902		68,35,847	56,17,547	75,785		56,93,332	11,42,515	11,79,398
Tubewell & Water Supply	-			-				-	-	-
Installation	6,74,084			6,74,084	4,05,072	13,276		4,18,348	2,55,736	2,69,012
Furniture & Fixture	60,94,545	1,39,907		62,34,452	35,35,865	2,37,711		37,73,576	24,60,876	25,58,680
Air Conditioner	41,74,811			41,74,811	22,40,869	1,47,877		23,88,746	17,86,065	19,33,942
Computers	70,13,392	65,525	35,175	70,43,742	58,49,937	2,84,739		61,34,676	9,09,066	11,63,455
Other Office Equipments	1,08,21,919	7,52,210		1,15,74,129	70,70,830	3,69,073		74,39,903	41,34,226	37,51,089
Fire Extinguisher	1,88,759			1,88,759	1,57,859	3,025		1,60,884	27,875	30,900
Weigh Bridge	3,36,238			3,36,238	3,19,615	1,538		3,21,153	15,085	16,623
Total	21,13,52,017	78,36,124	63,33,145	21,28,54,996	14,70,27,830	59,90,113	56,93,059	14,73,24,884	6,55,30,112	6,43,24,187
Previous Year	21,08,12,879	42,22,945	36,83,807	21,13,52,017	14,32,66,161	60,17,542	22,55,873	14,70,27,830	6,43,24,187	6,75,46,818

\*As certified and valued by the Management.

\*\*includes Rs. 14,71,751/- added on account of revaluation done in one of the previous years.



# HINDUSTAN EVEREST TOOLS LTD.

	As at 31st March,2016 (Rs.)	As at 31st March,2015 (Rs.)
<b>NOTE-10: NON CURRENT INVESTMENTS</b>		
(Valued at cost) (Other than trade.)		
Fully paid up Equity Shares		
<b>Quoted (At Cost)</b>		
3508 (Previous Year 3508 shares) of Rs. 5/- each M/S Jay Shree Tea & Industries Ltd	10.1	1,50,099
6000 (Previous Year 6000 shares) of Rs. 1 each M/S Hindalco Industries Ltd		5,32,550
<b>Unquoted (At Cost)</b>		
4000 ( Previous Year 4000 shares) of Rs. 10 each M/S Bharat Commerce & Industries Ltd		1,21,404
		<u>8,04,053</u>
Less: Provision for diminution In value of long Term Investment		<u>1,21,404</u>
		<u>6,82,649</u>
Aggregate Book Value of Quoted investment		6,82,649
Aggregate amount of Unquoted investment		1,21,044
Aggregate Market Value of Quoted investment		8,14,128
		10,25,523

10.1 877 equity shares of `10/- each received as bonus shares in earlier year

## NOTE 11: Deferred Tax Assets

On Unabsorbed Depreciation	11.1	-	83,19,039
On Retirement Benefits		-	46,90,065
		-	<u>1,30,09,104</u>
Less Deferred Tax Liabilities			
On Depreciation		-	83,19,039
Net Deferred Tax Assets		-	<u>46,90,065</u>

11.1 Deferred tax assets on unabsorbed depreciation has been recognised in the previous year to the extent deferred tax liability on timing difference of depreciation provided, the reversal of which will result in sufficient income. In view of Losses of Deferred Tax Assets has been charged off during the year.

	As at 31st March,2016 (Rs.)	As at 31st March,2015 (Rs.)
<b>NOTE-12: LONG TERM LOANS &amp; ADVANCES</b>		
<u>Unsecured, Considered Good</u>		
Deposit with Govt. Department & Others.	40,25,856	40,22,892
Deposit with others	6,61,187	12,12,968
	<u>46,87,043</u>	<u>52,35,860</u>
* Long Term Loans & Advances are Subject to confirmation		



	Ref.	As at 31st March,2016 (Rs.)	As at 31st March,2015 (Rs.)
<b>NOTE-13: INVENTORIES *</b>	27.1(viii)		
(As taken. Valued and certified by the management)			
Raw Materials		38,83,077	65,89,323
Work-in-Progress (Hand Tools)		1,32,95,985	1,85,72,413
Finished Goods		6,03,36,576	6,49,63,726
Stock in trade		1,47,06,488	2,00,38,646
Stores,Spare Parts, Tools & Accessories etc. (includes dies 7178097/-(previous Year 8282477/-)		2,71,36,756	3,03,52,992
Others (Steel Scrap)		1,80,349	9,43,360
Others (Packing)		11,48,080	29,68,558
		-	-
		<b>12,06,87,311</b>	<b>14,44,29,018</b>

\* Note:- Inventories except work-in-progress has not been physically verified during the year and same has been considered as per quantity appearing in the books of accounts. Adjustments for variances, if any, shall be made on completion of physical verification of inventories. In the opinion of the management there shall not be any material impact on carrying value of inventories.

		As at 31st March,2016 (Rs.)	As at 31st March,2015 (Rs.)
<b>NOTE-14: TRADE RECEIVABLE</b>	14.1		
(Considered good unless otherwise stated)			
<u>Debts exceeding six months from due date:</u>			
Considered good		21,35,903	2,29,22,770
Considered Doubtful		1,02,37,268	23,93,762
Less:- Provision for doubtful debts		(1,02,37,268)	(23,93,762)
		<b>21,35,903</b>	<b>2,29,22,770</b>
Other Debts less than six month			
Considered good		2,95,56,693	2,88,42,525
		<b>3,16,92,596</b>	<b>5,17,65,295</b>

- 14.1 (a) Trade Receivables become due on the date of Invoice.  
 (b) Export Debts are not covered by any hedge instrument or otherwise Rs. 1,68,35,690/-(previous year Rs.1,72,71,128/-)  
 (c) Trade Receivables are subject to reconciliation & confirmation.

#### NOTE-15: CASH & BANK BALANCES

Cash & Cash Equivalent			
Cash & Cheques in hand ( As certified)		98,994	72,800
in Current Account ( Including balance Rs. 19274 is un-confirmed)		6,56,317	48,94,996
<b>Total (A)</b>		<b>7,55,311</b>	<b>49,67,796</b>
<b>Earmarked balances with banks</b>	15.1		
Fixed Deposit (Maturity Beyond 90 Days from deposit date)		1,90,000	1,90,000
Balances with bank to the extent held as margin money in Saving Account		12,75,000	14,75,000
		<b>8,000</b>	<b>8,000</b>
<b>Total (B)</b>		<b>14,73,000</b>	<b>16,73,000</b>
<b>Total (A+B)</b>		<b>22,28,311</b>	<b>66,40,796</b>

15.1 Pledge with Central Excise Authorities & subject to confirmation)



# HINDUSTAN EVEREST TOOLS LTD.

	As at 31st March,2016 (Rs.)	As at 31st March,2015 (Rs.)
<b>NOTE-16: SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured, Considered Good unless otherwise stated)		
<b>Considered Good</b>		
Pre-paid Expenses	8,73,492	14,30,915
Advances to Suppliers 16.1	23,75,222	26,22,857
Advances to Employees	15,29,492	15,06,634
Advance Tax /Tax deducted at source	53,650	1,56,624
Balance with Excise Authorities	3,49,456	3,92,935
<b>Total (a)</b>	<b>51,81,312</b>	<b>61,09,965</b>
<b>Considered doubtful</b>		
Advances to Suppliers	-	3,85,203
Less:Provision for doubtful	-	3,85,203
<b>Total (b)</b>	<b>-</b>	<b>-</b>
<b>Total (a) + (b)</b>	<b>51,81,312</b>	<b>61,09,965</b>

16.1 Advance to suppliers are subject to reconciliation and confirmation.

## NOTE-17: OTHER CURRENT ASSETS

Export Incentive Receivable	38,91,808	55,43,445
Insurance claim Receivable	-	21,28,059
Interest accrued on Fixed Deposit etc.	28,946	3,61,533
	<b>39,20,754</b>	<b>80,33,037</b>

## NOTE-18: COMMITMENTS AND CONTINGENT LIABILITIES

### a) Commitments:

Estimated amount of contract remaining to be executed and not provided for  
(Advance paid Rs.Nil Previous year Rs.Nil) - -

### b) Contingent Liabilities

Bonds & Bank Guarantees outstanding (Margine Money paid Rs. 183000/-  
(Previous year Rs. 1,83,000/-) - -

<b>80,000</b>	80,000
<b>80,000</b>	80,000



## NOTES ANNEXED TO AND FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH'2016

	For the Year ended 31st March, 2016 (Rs.)	For the Year ended 31st March, 2015 (Rs.)
<b>NOTE-19 REVENUE FROM OPERATIONS</b>		
<u>Sales (Hand Tools)</u>		
Export Sales	14,89,23,020	25,35,09,738
Domestic Sales	12,02,49,808	17,31,47,416
Other Operating Revenue		
- Export Incentives	1,09,33,749	2,07,83,955
- Scrap Sale	35,51,526	54,75,934
Gross Revenue from Operations	<u>28,36,58,103</u>	<u>45,29,17,043</u>
<b>NOTE-20: OTHER INCOME</b>		
Miscellaneous Income	15,94,711	4,742
Interest Received	1,44,313	2,00,393
Dividend Received	9,508	27,048
Liability no longer required written back.	56,26,052	-
Exchange Rate Difference	15,62,475	5,67,683
	<u>89,37,059</u>	<u>7,99,866</u>
<b>NOTE-21: Raw Material Consumed</b>		
Steel	2,22,80,527	4,82,43,562
Components	1,53,86,497	29,41,104
Nickel	12,10,881	30,57,460
Others	22,17,355	47,01,119
	<u>4,10,95,260</u>	<u>5,89,43,245</u>
<b>NOTE-22: CHANGE IN INVENTORIES</b>		
Inventories at the end of the year		
Finished Goods	6,03,36,576	6,49,63,726
Stock in Trade	1,47,06,488	2,00,38,646
Work-in-Progress (Hand Tools)	1,32,95,985	1,85,72,413
Others (Steel Scrap)	1,80,349	9,43,360
	<u>8,85,19,398</u>	<u>10,45,18,145</u>
Inventories at the beginning of the year		
Finished Goods	6,49,63,726	7,33,21,380
Trading Goods	2,00,38,646	2,21,58,580
Work-in-Progress (Hand Tools)	1,85,72,413	2,41,21,678
Others (Steel Scrap)	9,43,360	5,61,360
	<u>10,45,18,145</u>	<u>12,01,62,998</u>
	<u>(1,59,98,747)</u>	<u>(1,56,44,853)</u>
<b>NOTE-23: EMPLOYEES BEBEFITS EXPENSES</b>		
Salaries,Wages,Bonus & Allowances	8,21,94,343	8,86,61,362
Contribution to Provident & other Fund	31,67,087	35,30,154
Workers & Staff welfare Expenses	37,03,888	44,58,055
	<u>8,90,65,318</u>	<u>9,66,49,571</u>



# HINDUSTAN EVEREST TOOLS LTD.

		For the Year ended 31st March, 2016 (Rs.)	For the Year ended 31st March, 2015 (Rs.)
<b>NOTE-24: OTHER EXPENSES</b>			
Stores dies Tools & Spare Parts Consumed	24.1	87,93,156	1,29,07,232
Packing Material Consumed		2,12,23,299	3,57,50,295
Power & Fuel		2,11,23,428	3,12,06,153
Increase/(Decrease) in Excise duty on Finished Goods Stocks		(3,28,217)	(8,29,140)
Repair Replacement& Renovation		-	-
Machinery		17,73,843	42,57,622
Buildings		8,93,597	20,47,341
Others		35,69,094	61,14,347
Forwarding & Freight etc.		72,35,943	1,06,45,624
Commission to other selling Agents		13,15,021	20,27,121
Publicity & Advertisement		10,02,528	7,65,078
Cash Discount		21,77,691	34,32,231
Insurance		17,21,575	20,10,008
Sale Promotion Expenses		16,65,543	16,25,397
Rent		34,83,850	32,34,798
Rates & Taxes		1,07,353	1,30,856
Travelling & Conveyance (including Directors Travelling Rs12,40,302/-( Previous year Rs. 43,85,722/-))		66,07,728	1,05,52,361
		-	-
Vehicle Running & Maintenance		35,37,675	42,64,200
Printing & Stationery		9,70,350	11,42,353
Postage Telegram & Telephone		24,62,872	28,71,729
Miscellaneous Expenses		66,34,255	77,78,116
Professional & Legal expenses		46,87,360	24,67,174
Directors Fee		1,18,000	14,928
Payment to Auditors		-	-
Audit Fee		1,50,000	1,00,000
Tax Audit Fee		50,000	40,000
For Limited Review.		90,000	75,000
For Company Law Matter		30,000	30,000
For Expenses		16,935	20,621
Sales Tax & Purchase Tax		1,95,049	1,09,827
Bad Debts/Sundry Debit Balances etc. written off.		4,72,657	70,486
Exchange Rate Flucuation.		-	-
Provision for bad & doubtful Debt/Advances		78,43,505	4,00,000
Loss on Sale of Fixed Assets/Discarded (Net)		1,65,364	9,89,136
Bank Charges		13,46,758	11,82,492
		<u>11,11,36,212</u>	<u>14,74,33,386</u>

24.1 Cost of own Manufactured Dies & Tools during the year as certified and valued by th Management  
Rs.4,76,643/-(Previous year Rs.7,10,145/-)



	For the Year ended 31st March, 2016 (Rs.)	For the Year ended 31st March, 2015 (Rs.)
<b>NOTE-25: FINANCE COST</b>		
(a) <u>Interest expenses</u>		
Interest Expenses	1,17,92,534	1,39,35,032
Other Borrowing Cost	<u>22,06,408</u>	<u>15,45,290</u>
	<u>1,39,98,942</u>	<u>1,54,80,322</u>
 <b>NOTE-26: EARNING PER SHARE (EPS)</b>		
Profit/(Loss) after Tax	<b>(6,40,37,565)</b>	<b>(1,44,49,195)</b>
No. of Equity share of Rs. 10 each	<b>16,07,200</b>	16,07,200
Basic & Diluted EPS	<b>(39.84)</b>	(8.99)



## Note- 27: Summary of significant accounting policies and other notes on accounts

### 27.1 Summary of significant Accounting Policies

#### (i) General Information

Hindustan Everest Tools Limited (hereinafter referred to as 'the Company' HETL) is a manufacturer of Hand Tools. The Company's manufacturing facilities are located at village Jatheri P.O. Rai, Sonipat.

#### (ii) Accounting Convention

The financial statements are prepared under the historical cost convention, on the accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified u/s 133 and the relevant provisions of Companies Act, 2013.

#### (iii) Use of Estimates

The Preparation of financial statement require estimates and assumptions to be made that effect the reported amount of Assets and Liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period which the results are known/ materialised.

#### (iv) Fixed Assets

- i) Freehold Land is at revalued amount.
- ii) Buildings, Plant and Machinery & Other Fixed Assets are stated at cost.

#### (v) Depreciation

Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner specified in Schedule II of the Companies Act, 2013 (as amended) except in case of the following assets.

Description	Usefull Life Considered	Justification for deviation
Plant & Machinery	20 Years	Based on past history of usage and supported by Technical Evaluation report
Jigs & Fixture	20 Years	
Electric Installation	20 Years	
Tubewell & Water Supply	20 Years	
Air Conditioner	20 Years	
Other Office Equipments	20 Years	
Fire Extinguisher	20 Years	
Weigh Bridge	20 Years	
Computer & Software	6 Years	
Motar Vechiles	10 Years	

#### (vi) Investments

Long term investments are stated at cost. The company provides diminution, Other than temporary, in the value of long term investments.

#### (vii) Impairment of Assets

Impairment of Assets are assessed at Balance Sheet date if any indication of impairment exist, the same is assessed and provide for.



(viii) **Inventories**

Inventories are valued at cost or net reliable value whichever is lower except dies, which is re-valued based on estimated useful life, Materials and other supplies held for the use in the production of inventories are not written down below cost of Finished products in which they will be incorporated are expected to be sold at or above cost. Cost is calculated on weighted average basis. cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present condition and location. Excise Duty on finished goods lying inside factory/ customs duty on goods lying at warehouse is also provided at the year end.

(ix) **Foreign Currencies**

Transaction in foreign currency are accounted at exchange rates prevailing on the date of transaction. Foreign currency monetary as on Balance Sheet date are reconverted at the rate prevailing at the year end and the resultant net gains or losses are adjusted in the Profit and Loss Statement.

(x) **Retirement Benefits**

Year end liabilities in respect of retirement benefits towards Gratuity & Leave encashment to the employees of the company has been provided as per actuarial valuation.

(xi) **Sales**

Sales is recognised on the transfer of significant risk and rewards of the ownership of the goods to the buyer and stated at net of sales returns (including related to earlier years). Discount & rebates.

(xii) **Recognition of Income and Expenditure**

All Income and expenditure are accounted on accrual basis except due to uncertainty in realisation, interest on overdues bills from customers is accounted for on receipt basis.

(xiii) **Deferred Taxation**

In accordance with Accounting standard-22 'Accounting for Taxes on Income' notified u/s 133 of the Companies Act 2013., the deferred tax for timing differences between the accounting income and taxable income for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as on balance sheet date. Deferred Tax Assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future and the same is reviewed at each Balance Sheet date.

(xiv) **Others**

Profit/Loss on sale of raw material, components and stores, not being material, is being adjusted in respective consumption account and are not shown separately.

(xv) **Contingent Liabilities**

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts on respect of those contingencies, which are likely to materialize into liabilities after the year end till the finalisation of accounts and have material effect on the the position stated in the Balance Sheet.

27.2 Trade Receivable and Trade Payable given are subject to reconciliation and confirmation. Adjustment in carrying amount, if any, shall be made on completion of reconciliation and confirmation thereof. In the opinion of the management, there shall not be any material impact on carrying amount of these accounts.

27.3 The company is engaged in the Hand tool business, which in the context of Accounting Standard-17 is considered the only primary business segment. However, Secondary segment reporting is performed on the basis of the location of the customer.

	<b>Current Year (Rs.)</b>	Previous Year (Rs.)
(i) Overseas Sale*	<b>15,98,56,769</b>	27,42,93,693
(ii) Domestic Sale**	<b>12,38,01,334</b>	17,86,23,350

\* Including export incentive Rs. 10933749/- (Previous year Rs. 20783955/-)

\*\* Including Scrap Sale Rs.3551526/- (Previous Year Rs. 5475934/-)

All the business assets of the company are situated in India except export debtors Rs16835689/- (Previous year Rs.17271128/-)



# HINDUSTAN EVEREST TOOLS LTD.

	Current Year (Rs.)		Previous Year (Rs.)	
<b>27.4 CIF VALUE OF IMPORTS</b>				
Stores & Spares		-		2,73,453
Finished Goods		<b>7,64,409</b>		<b>13,18,553</b>
		<b>7,64,409</b>		<b>15,92,006</b>
<b>27.5 EXPENSES IN FOREIGN CURRENCY</b>				
Travelling		<b>20,38,089</b>		36,68,007
Commission		<b>3,88,750</b>		5,07,699
Advertisement & Publicity		<b>6,25,418</b>		-
Miscellaneous Expenses		-		1,52,185
		<b>30,52,257</b>		<b>43,27,891</b>
<b>27.6 VALUE OF RAW MATERIAL, STORES AND SPARES PARTS CONSUMED</b>				
	Current Year		Previous Year	
	Amount (Rs.)	Percentage	Amount (Rs.)	Percentage
Raw Material & components				
Imported	-	-	-	-
Indigenous	<b>4,10,95,260</b>	<b>100</b>	5,89,43,245	100
	<b>4,10,95,260</b>	<b>100</b>	<b>5,89,43,245</b>	<b>100</b>
Stores, Dies, Tools & Spare Parts				
Imported	<b>67,131</b>		46,186	0
Indigenous	<b>87,26,025</b>		1,28,61,046	100
	<b>87,93,156</b>		<b>1,29,07,232</b>	<b>100</b>
<b>27.7 EARNING IN FOREIGN EXCHANGE</b>			Current Year	Previous Year
Export of Hand Tools (On FOB Bases)			<b>14,89,23,020</b>	25,34,57,260
<b>27.8 DISCLOSURE PURSUANT TO ACCOUNTING STANARD -15 ON EMPLOYEES BENEFITS</b>				
<b>1) Define Contribution Plan.</b>				
The Company has recognised the following amounts in the profit & loss Statement for the year Contribution to Employees Provident Fund Rs.2072029/- (Previous year Rs. 2235771/-)				
<b>II) Define Benefit Obligation (DBO)</b>				
The following table set out the status of unfunded gratuity plan as required under AS-15 (Revised -2005)				
<b>a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DOB)</b>				
<b>A) Opening DBO as on 1st April,2015</b>			<b>1,65,01,192</b>	1,53,26,614
Current Service Cost			<b>5,75,710</b>	9,72,487
Interest Cost			<b>12,78,842</b>	13,02,762
Actuarial (gain)/Loss			<b>(3,44,555)</b>	7,333
Benefit Paid			<b>(1,25,757)</b>	(11,08,004)
Past Service Cost				-
Closing DBO as on 31st March,2016			<b>1,78,85,432</b>	1,65,01,192
<b>B) Liability recognised in the Balance Sheet</b>				
Present value of the defined obligation at the end of the period			<b>1,78,85,432</b>	1,65,01,192
Fair value of the plan assets at the end of the year				
Liability recognised in the Balance Sheet			<b>1,78,85,432</b>	1,65,01,192
<b>C) The total expenses recosined in the Profit &amp; Loss Account</b>				
Current Service Cost			<b>5,75,710</b>	9,72,487
Interest cost			<b>12,78,842</b>	13,02,762
Past Service Cost				
Actuarial (gain)/Loss			<b>(3,44,555)</b>	7,333
Net Gratuity Cost			<b>15,09,997</b>	22,82,582



**D) Following are the Principal Actuarial Assumptions used as at the balance sheet date**

Discount rate	<b>8.00%</b>	7.75%
Expected rate of return on any plan assets		
Average salary escalation rate	<b>5.50%</b>	5.25%

The estimates of the future salary increase considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. Defined benefit obligation are not funded.

**27.9 RELATED PARTY DISCLOSURES**

- Association of persons having significant influence on Key management personnel  
S.K.Mandelia (HUF)  
B.G.Mandelia (HUF)
- Key Management Personnel  
Shri S.K.Mandelia (Chairman & Managing Director)  
Shri B.G.Mandelia (Vice Chairman & Jt. Managing Director)  
Shri V.K.Khanna ( Executive Director Finance)
- Relative of the Key Management.  
Mrs. Neeta Khanna-wife of Shri V.K.Khanna Excutive Director (Finance)  
Shri Anant Vijay Mandelia Marketing Executive son of Shri B.G.Mandelia.

<b>Transaction with related Parties</b>	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
<b><u>Remuneration Paid*</u></b>		
a) Sh. Shravan Kumar Mandelia	4,21,440	5,85,307
b) Sh. Bal Gopal Mandelia	3,74,511	5,78,815
c) Vinod Kumar Khanna	8,97,720	8,99,595
d) Sh. Anant Vijay Mandelia	15,54,960	12,22,000
<b><u>Loan Received During the year</u></b>		
Sh. Shravan Kumar Mandelia	-	2,69,00,000
Sh Bal Gopal Mandelia	1,14,49,664	49,49,343
<b><u>Loan Paid During the year</u></b>		
Sh. Shravan Kumar Mandelia (HUF)	-	2,69,00,000
Sh. Bal GopalMandelia (HUF)	0	1,54,17,704
Sh. Shravan Kumar Mandelia	3,03,706	-
Sh. Bal GopalMandelia	38,06,754	-
<b><u>Rent Paid/ Provided</u></b>		
Sh. Shravan Kumar Mandelia (HUF)	1,44,000	1,44,000
Sh. Bal GopalMandelia (HUF)	1,44,000	1,44,000
<b><u>Loan Outstanding at year end</u></b>		
a) Sh. Shravan Kumar Mandelia	2,75,04,294	2,78,08,000
b) Sh. Bal Gopal Mandelia	1,28,80,253	52,37,343
<b><u>Rent Payable at year end</u></b>		
a) Sh. S.K. Mandelia (HUF)	4,10,380	2,66,380
b) Sh B.G. Mandelia (HUF)	6,28,017	4,84,017

27.10 The Company has incurred a net loss of Rs 6,40,37,565 during the year ended 31st March,2016 ,thereby complete eroding net worth of the company as on 31st March,2016 .The Company's total liabilities excede its total assets . However, the management propose to induct additional funds on disposal of certain surplus assets. After proposed induction of the additional fund , the Company shall be able to discharge its liability in the normal course of business and therefore, going concern assumption shall not be vitiated and accordingly financial statements have been prepared on going concern assumption .

27.11 Previous year figures has been reclassified/regrouped to confirm current year figures.

As per our report even date attached

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

For **SINGHI & CO.**

Chartered Accountants  
Firm Reg. No. 302049E  
B.K.SIPANI  
Partner

PRADEEP JAIN  
Director  
(DIN 00108240)

LOKESH SOOD  
Director  
(DIN 01680602)

B.G MANDELIA  
Chairman &  
Managing Director  
(DIN 00040592)

Membership No. 088926  
Place: New Delhi  
Dated: 19th August 2016

Govind Deora  
Company Secretary

V.K.KHANNA  
Chief Finance Officer



**HINDUSTAN EVEREST TOOLS LTD.**

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