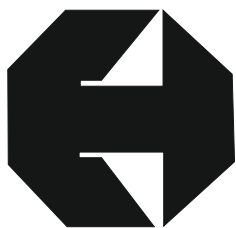


54th
Annual Report
2016 - 2017



**Hindustan
Everest
Tools Ltd.**

"The First ISO 9001 Hand Tools Company in India"



LATE SYT. D.P. MANDELIA



HINDUSTAN EVEREST TOOLS LTD.

54th ANNUAL REPORT 2016-17

Board of Directors

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

Compliance Officer

Shri Surender Singh Rauthan

AUDITORS

Singhi & Co,
Chartered Accountants,
Unit - 1704 -B World Trade Tower
Wing B, Noida (U.P.)

BANKERS

UCO 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 & TRANSFER 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



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 HERE BY GIVEN THAT THE FIFTY FOURTH 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, 30th November, 2017 at 11:00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements for the year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. Appointment of Mr. Balgopal Mandelia as director liable to retire by rotation Explanation: Both Managing directors of the company are subject to retirement by rotation based on the terms of their appointment. Last year, Shri Shravan Kumar Mandelia was subjected to retirement by rotation and was reappointed by shareholders. Shri Balgopal Mandelia was appointed as a Managing Director liable to retire by rotation on 1st January 2014 and was thereafter reappointed as at the AGM held on September 2015. To the extent that Shri Balgopal Mandelia is required to retire by rotation, he would need to be reappointed as a managing Director.

Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as ordinary resolution:

RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the reappointment of Shri Balgopal Mandelia (DIN : 0040592) as a managing director, to the extent that he is required to retire by rotation

3. Appointment of Auditors

Explanation:-The Companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made there under, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors, M/s Singhi & Co., Chartered Accountants have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuing 54th AGM.

The audit committee of the Company has proposed and on 23rd October, 2017 the Board has recommended the appointment of M/s SSRA & Co., Chartered Accountants (Firm registration number 014266N) as the statutory auditors of the Company. They will hold office for a period of five consecutive years from the conclusion of the 54th Annual General Meeting of the Company till the conclusion of the 59th Annual General Meeting to be held in 2022. The first year of audit will be of the financial statements for the year ending March 31, 2018, which will include the audit of the quarterly financial statements for the year. Therefore, shareholders are requested to consider and if thought fit, to pass the Following resolution as ordinary resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), M/s. SSRA & co., Chartered Accountants (Firm Registration No. 014266N), in place of M/s



Singhi & Company, Chartered Accountants, (Firm registration no. 302049E) be and are hereby appointed as statutory auditors of the Company for a period of five (5) years from the conclusion of this AGM till the conclusion of the AGM to be held in the calendar year 2022, subject to ratification of the appointment by the Members at every Annual General Meeting and the Board of Directors be and is hereby authorized to fix remuneration payable to them for the financial year ended March 31, 2018 in consultation with the Auditors.”

By Order of the Board

Shravan Kumar Mandelia
Managing Director
DIN 0040532

Date: 23rd October, 2017

Place: New Delhi

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, 24th November, 2017 to Thursday, 30th November, 2017 (both days inclusive) for annual closing.
2. **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 hold in the aggregate not more than ten percent of the total share capital of the Company.
3. 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.
3. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic format, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
4. 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.
5.
 - (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. LinkIntime 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.



HINDUSTAN EVEREST TOOLS LTD.

6. Members may also note that the Notice of the 54th 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.

7. **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 54th 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. 23rd November, 2017 are eligible to cast their vote. The instructions for e-voting are as under:

- (i) The Notice of 54th 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 send the USER ID and Password, to those Members who shareholding is in dematerialized format and whose email address are registered with the Company/Depository Participant(s) for members who have not registered their email address can use the details as provided above.
- (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (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 limited.
- (ix) Now you are ready for e-voting as Cast Vote page opens.
- (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (xi) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xii) Once you have vote done the resolution, you will not be allowed to modify your vote
- (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bskashtwal@gmail.com or admin@everesttools.com with a copy marked to evoting@nsdl.co.in
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Share holders and e-voting user manual for Share holders available at the Downloads section of 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 27th November, 2017 (9:00am) and ends on 29th November 2017 (5:00pm).

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd November, 2017 may cast their vote electronically. The 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 share holders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 23rd November, 2017.
 - VII. Mr. Baldev Singh Kashtwal, Practicing Company Secretary (CP No. 3169) has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
 - VIII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website: www.everesttools.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
8. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00am to 5.00 pm) on all working days except Saturdays, upto and including the date of the Annual General Meeting of the Company.

By the Order of the Board

Shravan Kumar Mandelia
Managing Director
DIN 0040532

Dated:-23rd October, 2017
Place: New Delhi



HINDUSTAN EVEREST TOOLS LTD.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 54rd Annual Report together with Audited Annual Accounts of the Company for the year ended 31st March, 2017.

I. FINANCIAL PERFORMANCE

	Rs. In Lakhs	
FINANCIAL RESULTS	2016- 2017	2015-2016
Profit/(Loss) before Finance Cost	(1236.66)	(393.58)
Less: Finance Cost	124.67	139.99
Cash Profit/(Loss)	(1361.33)	(533.57)
Depreciation	58.81	59.90
Net Profit/(Loss)	(1420.14)	(593.47)
Provisions for Deferred Tax	18.02	(46.90)
Profit/(loss) for the period	(1438.16)	(640.37)
APPROPRIATION		
Transfer from General Reserve	-	-
Carried over to next year	(1438.16)	(640.37)

DIVIDEND

In view of the Company having incurred losses during the year, and negative net worth, the Directors express their inability to recommend any dividend for the year ended 31st March, 2017.

AMOUNTS PROPOSED TO BE CARRIED TO RESERVES

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

MANAGEMENT DISCUSSION AND ANALYSIS/STATE OF AFFAIRS OF THE COMPANY

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

As reported in the previous annual report, the business outlook for the Company's products remained very bleak, and due to several adverse factors, the Board concluded that the on-going business is commercially unviable. Therefore the Company discontinued its operation at its sole manufacturing plant at Sonapat and finally declared closure of the plant w.e.f 15/12/2016.

During the current financial year, the Company was able to dispose off certain surplus assets and utilise the sale proceeds thereof to pay off its liabilities and as on date the Company has paid off its entire secured as well as majority of unsecured liabilities including all dues to its employees.

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

The Board is thankful to all stakeholders for standing with it in times of crisis.

The Total no. of employees as on 31.3.2017 was 83.

DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Vinod Kumar Khanna, Executive Directors (Finance) and also designated as CFO has tender his unwillingness to continue as director upon expiry of his current term on 16/08/2016. However he will continue as Chief Financial Officer of the company as on 31.03.2017.

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

Further, Mr. Govind Deora, Company Secretary of the Company has resigned from the Company w.e.f 30th August 2017, however Company is proposing to appoint new Company Secretary.

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). Appointment of Mr. Saurabh Parasramka was also regularized by the shareholders in the Annual General Meeting held on 29th September 2016.

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, 2017, 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.
- 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.
- That the Directors have prepared the accounts for the financial year ended 31st March, 2017 on a "going concern" basis.
- 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.
- 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 2016-17 Six(6).Meeting of Board of directors were convened and held on 18/05/2016, 19/08/2016, 12/10/2016, 04/11/2016, 12/12/2016, 20/02/2017. 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 one time during the year.

Requisite quorum was present in all the meetings.

Name of the Director	Number of Board meetings attended during the Financial year 2016-17
Shravan Kumar Mandelia	06
Balgopal Mandelia	06
Pradeep Jain	06
Ambarish Raj	06
Lokesh Sood	02
Saurabh Kumar Parasramka	04
Vinod Kumar Khanna	01
Chhavi Sharma	00

*Mr. Vinod Kumar Khanna has tenders his unwillingness to continue as directors after expiry of his current term on 16/08/2016

*Ms. Chhavi sharma has resigned from the board w.e.f 12/08/2016

*Mr. Saurabh Kumar Parasramka has appointed as additional director w.e.f 19/08/2017

Name of the Director	Number of meetings attended during the Financial year 2016-17
Shri Pradeep Jain	04
Shri Ambaruish Raj	04
Shri Lokesh Sood	02
Shri Saurabh Parasramka	03

Name of the Director	Number of meetings attended during the Financial year 2016-17
Shri Pradeep Jain	01
Shri Ambarish Raj	01
Shri Lokesh Sood	01

STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 ..

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 is adverse opinion by the Statutory Auditors, however according to management, the company is very much going concern and solvent post realization from sale of surplus assets. Further Management is actively exploring alternate avenues of the business.

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

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

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

RELATED PARTY TRANSACTIONS

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

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

As reported in the previous annual report, the business outlook for the Company's products remained very bleak, and due to several adverse factors, the Board concluded that the on-going business is commercially unviable. Therefore the Company discontinued its operation at its sole manufacturing plant at Sonapat and finally declared closure of the plant w.e.f 15/12/2016.

Besides above company has entered into agreements for sale its surplus assets including land at sonapat, old plant & machinery and Brand "EVEREST" which under process.



HINDUSTAN EVEREST TOOLS LTD.

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, Managing Director, Executive Director and Independent Directors.

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

The performance is evaluated by each director for themselves and for conduct and performance of Board from their point of view. Independent Directors evaluated the performance of Chairman and other non independent directors and Board as a whole in their separate meeting. The performance of Independent Director is evaluated by the Board.

CHANGE IN THE NATURE OF BUSINESS

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

NAME OF THE COMPANIES WHICH HAVE BECOME/CEASED TO SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.

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

PUBLIC DEPOSITS

During the financial year the Company has not accepted any deposits from the public under Section 73 and 74 of the Companies Act, 2013 along with the rules made there under during the year under review.

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.

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

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

WHISTLE BLOWER POLICY

The Board of Directors has adopted the Whistle Blower Policy. The Policy has provided a mechanism for Directors, Employees and other persons dealing with the Company to report to the Chairman of the Audit Committee, any instance of unethical behavior, actual or suspected fraud or violation of the Code of Conduct of the Company.

The details of the policy have been uploaded at the website of the Company.

COMPOSITION OF AUDIT COMMITTEE

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

Sh. Ambarish Raj	Independent Director
Sh. Pradeep Jain	Independent Director
Sh. Lokesh Sood	Independent Director
Sh. Saurabh Parasramka	Non Executive 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 (Firm Registration No. Firm Reg. No. 302049E) were appointed as the Statutory Auditors of the Company. The current tenure of M/s Singhi & Company, Chartered Accountants has expired.

M/s. SSRA & Co., Chartered Accountants (Firm Registration No. 014266N), in place of M/s ,Singhi & Company, Chartered Accountants (Firm Registration No. Firm Reg. No. 302049E) be and are hereby proposed to be appointed as statutory auditors of the Company for a period of five (5) years from the conclusion of this AGM till the conclusion of the AGM to be held in the calendar year 2022, subject to ratification of the appointment by the Members at every Annual General Meeting and the Board of Directors be and is hereby authorized to fix remuneration payable to them for the financial year ended March 31, 2018 in consultation with the Auditors."

The Company has received a certificate from the proposed auditors to the effect that their appointment, if made would be within the limits prescribed u/s 139 of the Companies Act, 2013, and they are not disqualified for such an appointment, under the provisions of the Companies Act, 2013. The Board recommends their appointment as Statutory Auditors of the Company and a resolution to the effect is placed for your consideration and approval in the Notice for ensuing annual general meeting.

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 2016-17.

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

HINDUSTAN EVEREST TOOLS LTD.



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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

CORPORATE GOVERNANCE

SEBI has exempted listed companies with equity share capital of

up to Rs 10 crore and net worth not exceeding of Rs 25 crores from the mandatory compliance of corporate governance code. 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 : October 23, 2017

Shravan Kumar Mandelia
Managing Director
(DIN 00040532)



HINDUSTAN EVEREST TOOLS LTD.

Annexure "A"

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

[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: http://www.everesttools.com
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: delhi@linkintime.co.in

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	93.20%

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	
A. Promoter									
1) Indian									
a) Individual/ HUF	817	-	817	0.05	811	-	811	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	
A. Promoter									
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-	835287	-	835287	51.87	835281	-	835281	51.97	-
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	32738	907	33645	2.09	32738	907	33645	2.09	-
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)	32738	907	33645	2.09	32738	907	33645	2.09	-
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	133438	55766	189204	11.77	133430	53521	186951	11.63	0.14
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	198471	171556	370027	23.02	189978	167209	357187	22.22	0.08
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	136418	31360	167778	10.44	150268	31360	181628	11.30	0.86
c) Clearing Member	162	-	162	0.00	667	-	667	0.00	
d) Non Resident Indian	4041		4041	0.25	4041		4041	0.25	
e) HUF	7662		7662		7800		7800	0.48	
Sub-total(B)(2)	479592	258682	738274	45.93	486184	252090	738274	45.93	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	512330	259589	771913	48.03	51892	252997	771919	48.03	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1347611	259589	1607200	100	1354203	252997	1607200	100	-



HINDUSTAN EVEREST TOOLS LTD.

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	0.05	-	405	0.05	-	-
3.	Balgopal Mandelia	406	0.03	-	406	0.03	-	-
4.	V.K.Khanna	6	0.00	-			-	-
	Total	835287	51.97	-	835281	51.97	-	-

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		
	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):			6	0.00
	At the End of the year			835281	51.97

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.	PIC Realcon Ltd.	52292	3.253	-	52292	3.253	-	-
4.	Raju Bandari	48889	3.042	-	69325	4.313	-	1.270
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	17475	1.087	-	20938	1.303	-	0.216
9.	Meenakshi Joglekar	10054	0.626	-	10054	0.626	-	
10.	Shifali Mehta	7500	0.466		7500	0.466		
	Total	379892	23.636	-	403761	25.122	-	1.486



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	-		0.00	-	-
4.	Sh. Govind Deora	17	0.00	-	17	0.00	-	-
	Total	834	0.05		828	0.05	-	-

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 1.4.2016				
i) Principal Amount	107755198	45384547	-	153139745
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	3240000	-	3240000
Total(i+ii+iii)	107755198	48624547	-	156379745
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	42512912	4540058	-	37972854
Net Change	42512912	4540058	-	37972854
Indebtedness at the end of the financial year 31.3.2016				
i) Principal Amount	65242286	49924605	-	115166891
ii) Interest due but not paid	-	3780000	-	3780000
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	65242286	53704605	-	118946891

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/WT/ 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 section17(1) of the Income-tax Act, 1961	252000	240000	746560	771960
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961	339620	400294	124440	864360
	(c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-



HINDUSTAN EVEREST TOOLS LTD.

Sl. No.	Particulars of Remuneration	Name of MD/WT/ 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)	591620	640294	871000	2102970
	Ceiling as per the Act	954000	930000	899595	2783595

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		Shri. Saurabh Kumar Parasramka	Shri Pradeep Jain	Shri Ambarish Raj	Shri Lokesh Sood	
	Independent Directors •Fee for attending board committee meetings •Commission •Others,pleasespecify		45000	55000	15000	115000
	Total(1)		45000	55000	15000	115000
	Other Non-Executive Directors •Fee for attending board committee meetings •Commission •Others,pleasespecify	34000	-	-	-	-
	Total(2)	34000	-	-	-	34000
	Total(B)=(1+2)	34000	45000	55000	15000	149000
	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	-	973400	746560	1440000
	(b) Value of perquisites u/s 17(2)Income-tax Act, 1961	-	31680	69720	1244400
	(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	-	973400	871000	1844400

HINDUSTAN EVEREST TOOLS LTD. _____



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)
A.Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B.Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding					
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



HINDUSTAN EVEREST TOOLS LTD.

Annexure “B”

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



HINDUSTAN EVEREST TOOLS LTD.

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"

ANNEXURE TO DIRECTORS' REPORT

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, 2017

During the year there was no activity in respect of energy conservation and technology absorption . Further there was no significant manufacturing activities and the plant was closed w.e.f 15/12/2016. The details of foreign earning and out go is mentioned here under:-

(Rs. in Lakhs)

Total Foreign Exchange used	4.28
Total Foreign Exchange Earned	336.02



Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017
[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, 2017 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 2017 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (There is no Foreign Direct Investment, Overseas Direct Investment or External Commercial Borrowings during the audit period);
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (c) The Securities and Exchange Board of India (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:



HINDUSTAN EVEREST TOOLS LTD.

- a) The Company have defaulted in publishing and submitting quarterly and year-to-date standalone financial results to the stock exchange (BSE) within prescribed time along with Limited Review Report or Audit Report as applicable as required under regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the Company also defaulted in paying the penalty imposed by BSE.
- b) The Company have defaulted in paying listing fee to the stock exchange (BSE) within prescribed time as required under regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. In view of above BSE suspended the trading of the shares of the Company.
- c) The Company have not published notice convening Board Meetings in news papers as required under listing agreement/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- d) The Company have not appointed internal auditor as required U/s.138 of the Companies Act 2013.
- e) The only Woman Director in the Company resigned w.e.f. 12/08/2016 on but the Company is yet to appoint a Woman Director in her place within 3 months from the date of resignation.
- f) The Company have defaulted in payment of wages and other workers dues including payment of related statutory dues like PF, ESI etc and also defaulted in filing of return in that respect.
- g) The Company have defaulted in payment of Excise Duty, VAT, and other indirect taxes payable by the Company and also defaulted in filing of return in that respect.

I further report that:

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

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

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

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

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

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

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

- a) The Company have closed its only plant at Sonapat (Haryana) w.e.f 15/12/2016 and it has already sold in June 2017 it's Land, Plant and Machinery including product brand as the board felt that the existing business activities were unviable. Accordingly the plant and relevant records for the reporting period were not accessible, in view of which I am unable to comment on Compliance by the Company of Laws applicable to the said Factory.
- b) 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 : 23/10/2017

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 : 23/10/2017



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.K Mandelia Mr. B.G. Mandeia Mr. V.K. Khanna	2.59 : 1 2.79: 1 3.86 : 1	
(ii)	The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive or Manager, if any, in the Financial year;	Mr S.K. Mandelia. Mr B.G. Mandelia Mr. V.K. Khanna	As per Payout NIL	As per terms NIL
		Difference in remuneration as compared to last year is due variation in amount of perquisites.		
(iii)	The percentage increase in the median remuneration; of employees in the financial year	Increments were very few and were done on selected basis.		
(iv)	The number of permanent employees on the rolls of company;	230 employees as on 31.03.2016		
(v)	The explanation on the relationship between average increase in remuneration and company performance;	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	31.03.2017 Rs. 6.61Cr Rs. 41.15 Rs.(-) 89.48 Rs.(-)	31.03.2016 Rs. 9.85Cr Rs. 61.63 Rs(-) 39.84 Rs. 5.25Cr
(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: 2.28		
(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.		

HINDUSTAN EVEREST TOOLS LTD.



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

TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AS ON:

S. No	Name	Age	Designation of Employee	Name of Employment (Whether Contractual or otherwise)	% of Equity Share held by employee	Remuneration (Rs)	Other Terms and conditions	Qualifications	Experience (in yrs)	Date of Commencement of employment	Particular of the last employment held such employee before joining the company	Whether such employee is a relative of any director or manager of the company
1	Shri Harish Kapur	70	Manager (outsources)	Regular	0.000	1909400		Dip(Mech)	11	01-08-2006	None	No
2	Shri P K Singh	66	Vice- Presi-	Regular	0.026	1732230		M.A	36	22-07-2019	None	No
3	Shri A.V. Mandelia	33	President	Regular	0.055	1435000	-	B.Sc.	9	01.02.2008	None	Yes
4	Shri S.K. Dalmia	44	Manager	(Factory)	Regular	1139000		B.Com	6	01.08.2011	None	No
5	Shri Govind Deora	55	Company Secretary	Regular	0.000	973400	-	C.S & ICWA	22	19.06.1995	None	No
6	Shri N.K.I Singha	67	Manager (Accounts)	Regular	0.079	963080		B.Com	13	01.11.2004	None	No
7	Shri P.K. Kumra	63	Manager (Personnel)	Regular	-	915332		B.A.	36	20.10.1980	None	No
8	Shri V.K. Khanna	58	CFO	Regular	0.000	871000		C.A.	39	21.11.1978	None	No
9	Shri. B.G. Mandelia	57	Managing Director	Regular	0.025	640294	-	B.Com	35	01.04.1982	None	Yes
10	Sjri S.K. Mandelia	59	Managing Director	Regular	0.025	591626	--	B.Com	35	01.04.1982	None	Yes

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

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



HINDUSTAN EVEREST TOOLS LTD.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HINDUSTAN EVEREST TOOLS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of HINDUSTAN EVEREST TOOLS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 judgements 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.

Auditor's 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 thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 adverse audit opinion on the financial statements.

Basis for Adverse Opinion

The net worth of the Company has been completely eroded as on 31st March, 2017 due to continuous losses incurred by the Company. The Company's total liabilities exceed its total assets appearing in Balance sheet as on 31st March, 2017. The Company has also declared closure of its only manufacturing unit. These conditions along with no future business plan indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements (and notes thereto) do not disclose this fact. These cause us to believe that the financial statements should not have been prepared on a going concern basis and many elements in the accompanying financial statements would have been materially affected. The effects on the financial statements due to above have not been determined.

Adverse Opinion

In our opinion, because of the omission of the information and significance of the matters discussed in the Basis for Adverse Opinion paragraph, the financial statements do not give the information required by the Companies Act, 2013 in the manner so required and also do not 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, 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms



of sub-section (11) of section 143 of the 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 except inventory records, which were not available due to closure of unit.
- (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) Due to possible effects of the matters described in the Basis for Adverse Opinion, In our opinion, the aforesaid financial statements do not 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, 2017 and preparation of accounts on going concern basis, as discussed in the Basis for Adverse Opinion, in our opinion, may have adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 control 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 17 to the financial statements
 - ii. The Company has no long-term contracts including derivative contracts having material foreseeable losses;
 - iii. The Company has no amount required to be transferred, to the Investor Education and Protection Fund.
 - iv. The Company has provided disclosures in Note No.37 to these financial statements as to holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

B. K. Sipani
Partner
Membership No 088926

Place: New Date
Date: 23rd October, 2017



HINDUSTAN EVEREST TOOLS LTD.

Annexure A

Annexure 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.
 - b. Fixed assets have not been physically verified by the management at regular interval.
 - 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 were not physically verified at reasonable interval. Due to closure of the unit, records related to inventories were not available.
- (iii) According to the information and explanations given to us, 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. Therefore, the provisions of clause 3(iii) of the order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loan, made investments, or provided guarantees and securities in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Therefore, the provisions of the clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not received any deposit during the year as covered under section 76 of the Companies Act, 2013. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (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 provision of clause 3 (vi) of the Order are not applicable.
- (vii) a. According to the records of the Company, the Company has delayed, in many cases, 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 material statutory dues deducted/accrued in the books, with the appropriate authorities, where applicable. However, there were 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 dues to banks. The Company did not have any outstanding loan from any financial institution and 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 where applicable and the details 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) In our opinion, 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: 23rd October, 2017



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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has discontinued its internal financial control over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company and the disclaimer does not affect our adverse opinion on the financial statements of the Company

For Singhi & Co.

Chartered Accountants

Firm Reg. No. 302049E

B. K. Sipani

Partner

Membership No. 088926

Place: New Delhi

Date: 23rd October, 2017



HINDUSTAN EVEREST TOOLS LTD.

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	As at 31st March, 2017 (Rs.)	As at 31st March, 2016 (Rs.)
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	1,60,72,000	1,60,72,000
(b) Reserve & Surplus	2	(21,25,24,239)	(6,87,08,012)
		<u>(19,64,52,239)</u>	<u>(5,26,36,012)</u>
(2) Non Current Liabilities			
(a) Long Term Borrowings	3	4,49,24,605	4,30,08,731
(b) Long Term Provisions	4	-	52,56,819
(c) Other Non Current Liabilities	5	-	42,00,000
		<u>4,49,24,605</u>	<u>5,24,65,550</u>
(3) Current Liabilities			
(a) Short Term Borrowings	6	6,26,25,584	10,31,66,910
(b) Trade Payables			
i) Total outstanding dues of MSME		-	-
ii) Total outstanding dues of others than MSME.	7	7,96,45,358	7,77,29,433
(c) Other Current Liabilities	8	8,39,85,047	3,95,71,331
(d) Short Term Provisions	4	53,53,734	1,43,95,972
		<u>23,16,09,723</u>	<u>23,48,63,646</u>
Total		<u><u>8,00,82,089</u></u>	<u><u>23,46,93,184</u></u>
II ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	5,67,13,587	6,55,30,112
(iii) Capital Work-in-progress		-	83,096
(b) Non Current Investments	10	6,82,649	6,82,649
(c) Long Term Loan & Advances	11	-	46,87,043
		<u>5,73,96,236</u>	<u>7,09,82,900</u>
(2) Current Assets			
(a) Inventories	12	1,31,59,572	12,06,87,311
(b) Trade Receivables	13	41,61,219	3,16,92,596
(c) Cash & Bank Balance	14	2,47,231	22,28,311
(d) Short Term Loan & Advances	15	22,79,287	51,81,312
(e) Other Current Assets	16	28,38,544	39,20,754
		<u>2,26,85,853</u>	<u>16,37,10,284</u>
Total		<u><u>8,00,82,089</u></u>	<u><u>23,46,93,184</u></u>
Contingent Liabilities and Commitments	17		
Significant Accounting Policies and Other Notes on Financial Statements	28-38		

The accompanying notes are an integral part on the Financial Statements

In terms of our report even date attached

For **SINGHI & CO.**

Chartered Accountants

Firm Reg. No. 302049E

B.K.SIPANI

Partner

M.No. 088926

Place: New Delhi

Dated: 23rd October, 2017

B.G MANDELIA
Managing Director
(DIN 00040592)

AMBARISH RAJ
Director
(DIN 01423870)

S. K. MANDELIA
Managing Director
(DIN 00040532)

SAURABH PARASRAMKA
Director
(DIN 07384953)

For and on the behalf of the Board of Directors

HINDUSTAN EVEREST TOOLS LTD.



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

			For the Year ended 31st March, 2017 (Rs.)	For the Year ended 31st March, 2016 (Rs.)
I	Revenue	Note No.		
	Revenue from operations	18	6,82,60,972	28,36,58,103
II	Other Income	19	86,12,430	89,37,059
III	Total Revenue (I+II)		<u>7,68,73,402</u>	<u>29,25,95,162</u>
IV	Expenses			
	Raw Material Consumed	20	63,39,547	4,10,95,260
	Purchase of Stock in Trade		45,23,429	6,22,31,320
	Change in Inventories of Finished Goods , work-in-progress and Stock-in-Trade.	21	7,85,19,398	1,59,98,747
	Employees Benefits Expenses	22	5,04,84,595	8,90,65,318
	Excise Duty		6,98,178	1,24,26,750
	Other Expenses	23	5,99,74,351	11,11,36,212
	Total Expenses		<u>20,05,39,498</u>	<u>33,19,53,607</u>
V	Profit before Interest, Depreciation and Tax (III-IV)		(12,36,66,096)	(3,93,58,445)
VI	Finance Cost	24	1,24,66,532	1,39,98,942
VII	Depreciation and amortization expenses	9	58,81,389	59,90,113
VIII	Profit/ (Loss) before Tax (V-VI-VII)		<u>(14,20,14,017)</u>	<u>(5,93,47,500)</u>
IX	Tax expenses			
	(1) Current tax	25	18,02,210	-
	(2) Deferred tax (charged)/Credited		-	46,90,065
X	Profit/ (Loss) for the period for the period (X-XI)		<u>(14,38,16,227)</u>	<u>(6,40,37,565)</u>
	Earning Per Share (Equity share of Rs. 10 each)			
	Basic and Diluted	26	(89.48)	(39.84)

Significant accounting policies and other notes on accounts 27-37

The accompanying notes are an integral part of the financial statements

In terms of our Report of even date attached

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

In terms of our report even date attached

For **SINGHI & CO.**
Chartered Accountants
Firm Reg. No. 302049E

B.K.SIPANI
Partner
M.No. 088926

Place: New Delhi

Dated: 23rd October, 2017

For and on the behalf of the Board of Directors

B.G MANDELIA
Managing Director
(DIN 00040592)
AMBARISH RAJ
Director
(DIN 01423870)

S. K. MANDELIA
Managing Director
DIN 00040532
SAURABH PARASRAMKA
Director
(DIN 07384953)



HINDUSTAN EVEREST TOOLS LTD.

Cash Flow Statement for the Year ended 31st March, 2017

I	Particulars	Note	Year ended 31st March, 2017 Current Year (Rs.)	Year ended 31st March, 2016 Previous Year (Rs.)
A	Cash Flow From Operating Activities			
	Profit before tax		(14,20,14,017)	(5,93,47,500)
	Adjustments for:			
	Depreciation and Amortization		58,81,389	59,90,113
	(Profit)/Loss on sale of fixed assets		(71,47,134)	1,65,364
	Dividend Received		(9,508)	(9,508)
	Finance costs		1,24,66,532	1,39,98,942
	Devaluation of Inventories		6,71,66,153	-
	Interest Received		(2,16,350)	(1,44,313)
	Operating Profit before Working Capital Changes		(6,38,72,935)	(3,93,46,902)
	(Increase) / Decrease in trade and other receivables		3,62,53,193	2,55,30,532
	Increase / (Decrease) in trade and other payables		2,66,37,986	1,06,09,924
	(Increase)/ Decrease in inventories		4,03,61,586	2,37,41,707
	Cash generated from Operations		3,93,79,830	2,05,35,261
	Direct Tax (Paid)/Received		(18,52,748)	1,02,974
	Net cash Inflow / (Outflow) from Operating Activities	A	3,75,27,082	2,06,38,235
B.	Cash Flow From Investing Activities			
	Purchase of Fixed Assets		(197)	(78,36,124)
	Sales of Fixed Assets		1,01,65,563	4,14,295
	Movement in Margin Money		14,73,000	2,00,000
	Dividend Received		9,508	9,508
	Interest Received		2,16,350	1,73,259
	Net Cash Inflow / (Outflow) from investing activities	B	1,18,64,224	(70,39,062)
C.	Cash Flow From Financing Activities			
	Proceeds from Long Term Borrowings (Net)		25,68,472	74,61,414
	Proceeds from Short Term Borrowings (Net)		(4,05,41,326)	(1,18,14,130)
	Finance costs paid		(1,19,26,532)	(1,34,58,942)
	Net Cash Inflow / (Outflow) from Financing Activities	C	(4,98,99,386)	(1,78,11,658)
	Net increase/(decrease) in Cash and Cash Equivalents	(A + B + C)	(5,08,080)	(42,12,485)
	Opening Balance of Cash and Cash Equivalents		7,55,311	49,67,796
	Closing Balance of Cash and Cash Equivalents		2,47,231	7,55,311
	Cash & Cash Equivalents Comprise			
	Cash in Hand		14,443	98,994
	Balance with scheduled Banks in Current Accounts		2,32,788	6,56,317
			2,47,231	7,55,311

(i) Figures in bracket represent outflows.

(ii) Previous year's figures have been regrouped/rearranged wherever necessary, to conform to this year's classification.

(iii) The above Cash flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard- 3 on "Cash Flow Statement"

In terms of our report even date attached

For **SINGHI & CO.**

Chartered Accountants

Firm Reg. No. 302049E

B.K.SIPANI

Partner

M.No. 088926

Place: New Delhi

Dated: 23rd October, 2017

For and on the behalf of the Board of Directors

B.G MANDELIA
Managing Director
(DIN 00040592)

AMBARISH RAJ
Director
(DIN 01423870)

S. K. MANDELIA
Managing Director
DIN 00040532
SAURABH PARASRAMKA
Director
(DIN 07384953)

HINDUSTAN EVEREST TOOLS LTD.



NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2017

	As at 31st March, 2017 (Rs)	As at 31st March, 2016 (Rs)
NOTE 1: SHARE CAPITAL		
Authorised		
23,00,000 (Previous year 2300000) 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>
Issued Subscribed and paid-up:		
16,07,200. (Previous Year 16,07,200) Equity Share of 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 number of Equity Shares Outstanding**

	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	No. of Shares	As at	No. of Shares	As at
		31st March, 2017 Percentage		31st March, 2016 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, 2017 (Rs)	As at 31st March, 2016 (Rs)
NOTE 2: RESERVE AND SURPLUS		
(a) Capital Reserve:		
Opening Balance	7,52,400	7,52,400
(b) Revaluation of Fixed Assets Reserve		
Opening Balance	14,71,751	14,71,751
(c) Share Premium Account		
Opening Balance	73,28,000	73,28,000
(d) General Reserve		
Opening Balance	(7,82,60,163)	(1,42,22,598)
Add: Loss for the year	<u>(14,38,16,227)</u>	<u>(6,40,37,565)</u>
Total (a+b+c+d)	<u>(21,25,24,239)</u>	<u>(6,87,08,012)</u>



HINDUSTAN EVEREST TOOLS LTD.

NOTE 3: LONG TERM BORROWINGS

	Ref.	Non Current Portion		Current Portion	
		As at 31st March, 2017 (Rs)	As at 31st March, 2016 (Rs)	As at 31st March, 2017 (Rs.)	As at 31st March, 2016 (Rs.)
(i) Secured					
Term Loan from Bank	-	-	-	-	-
Vehicle Loan from Bank	3.1	26,16,702	19,64,104	-	26,24,184
Total (i)		<u>26,16,702</u>	<u>19,64,104</u>	<u>-</u>	<u>26,24,184</u>
(ii) Unsecured					
Loan from Managing Director & Joint Managing Director (Interest Free Loan)	35	-	-	4,49,24,605	4,03,84,547
Total (ii)		<u>-</u>	<u>-</u>	<u>4,49,24,605</u>	<u>4,03,84,547</u>
Total (i) + (ii)		<u>26,16,702</u>	<u>19,64,104</u>	<u>4,49,24,605</u>	<u>4,30,08,731</u>
(iii) Amount disclosed under the head					
Other Current Liabilities		26,16,702	19,64,104	-	-
Total (iii)		<u>-</u>	<u>-</u>	<u>4,49,24,605</u>	<u>8,33,93,278</u>

3.1 Vehicle Loan from Bank secured by hypothecation of vehicles financed and carries interest rate of 10.50% to 12.50% (Previous year 10.50% to 12.50% p.a.). Previous year balance payable in 21 monthly instalment.

NOTE 4: PROVISIONS

	Ref.	Non Current Portion		Current Portion	
		As at 31st March, 2017 (Rs)	As at 31st March, 2016 (Rs)	As at 31st March, 2017 (Rs.)	As at 31st March, 2016 (Rs.)
Provision for employees benefits					
Gratuity	17	53,53,734	1,34,94,520	-	43,90,912
Accrued Leave		-	9,01,452	-	8,65,907
Total		<u>53,53,734</u>	<u>1,43,95,972</u>	<u>-</u>	<u>52,56,819</u>

Note	As at 31st March, 2017 (Rs.)	As at 31st March, 2016 (Rs.)
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NOTE-5: OTHER LONG TERM LIABILITIES

Trade Deposits	-	42,00,000
Total	<u>-</u>	<u>42,00,000</u>
	As at 31st March, 2017 (Rs.)	As at 31st March, 2016 (Rs.)

NOTE-6: SHORT TERM BORROWINGS

Secured			
Loans repayable on demand from Banks	6.1	6,26,25,584	10,31,66,910
Total		<u>6,26,25,584</u>	<u>10,31,66,910</u>

6.1 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	As at 31st March,2017 (Rs.)	As at 31st March,2016 (Rs.)
NOTE-7:TRADE PAYABLE			
For Goods & Services			
Total outstanding due to Micro and Small Enterprises		-	-
Total outstanding due to other than Micro and Small Enterprises	7.1 & 7.2	7,96,45,358	7,77,29,433
Total		7,96,45,358	7,77,29,433
7.1 The Company has not received any intimation from any if its suppliers regarding their status under the Micro 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 reconcelation & confirmations.			
8 Other Current Liabilities			
Current maturity of Vehicle Loan		26,16,702	19,64,104
Trade Deposits		87,04,445	50,85,820
Loan from a Body Corporate - Currently Payable		50,00,000	50,00,000
Interest accrued & due on Borrowings		37,80,000	32,40,000
Employee Emoluments including Gratutity and accrued leave	17	4,95,21,923	1,57,39,080
Statutory Dues Payable		66,56,314	51,32,231
Advance from & Credit balance of Customers		77,05,663	34,10,096
Total		8,39,85,047	3,95,71,331



HINDUSTAN EVEREST TOOLS LTD.

NOTE-9: FIXED ASSETS -TANGIBLE ASSETS

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2016 (Rs.)	Additions (Rs.)	Deduction/ Adjustments (Rs.)	As at 31.03.2017 (Rs.)	As at 01.04.2016 (Rs.)	For the Year (Rs.)	Deduction/ Adjustments (Rs.)	As at 31.03.2017 (Rs.)	As at 31.03.2017 (Rs.)	As at 31.03.2016 (Rs.)
-Tangible Assets										
Land (Free Hold) **	18,71,600	-	-	18,71,600	-	-	-	-	18,71,600	18,71,600
Building	2,28,73,504	-	15,12,278	2,13,61,226	1,24,32,538	3,10,369	2,39,479	1,25,03,428	88,57,798	1,04,40,966
Plant & Equipments	12,22,68,675	-	65,35,471	11,57,33,204	9,62,32,965	23,28,345	51,36,821	9,34,24,489	2,23,08,715	2,60,35,710
Laboratory Apparatus	2,31,939	-	-	2,31,939	2,27,027	432	-	2,27,459	4,480	4,912
Jigs & Fixture*	15,89,213	-	-	15,89,213	15,22,225	-	-	15,22,225	66,988	66,988
Motor Vehicle & Cycles	2,69,58,003	-	18,56,258	2,51,01,745	1,05,79,511	21,23,348	15,09,278	1,11,93,581	1,39,08,164	1,63,78,492
Electric Installations	68,35,847	-	-	68,35,847	56,93,332	70,965	-	57,64,297	10,71,550	11,42,515
Tubewell & Water Supply	-	-	-	-	-	-	-	-	-	-
Installation	6,74,084	-	-	6,74,084	4,18,348	11,439	-	4,29,787	2,44,297	2,55,736
Furniture & Fixture	62,34,451	-	-	62,34,451	37,71,114	2,39,948	-	40,11,062	22,23,389	24,63,337
Air Conditioner	41,74,811	-	-	41,74,811	23,88,746	1,41,646	-	25,30,392	16,44,419	17,86,065
Computers	74,03,267	83,293	-	74,86,560	61,34,676	2,78,425	-	64,13,101	10,73,459	12,68,591
Other Office Equipments	1,12,14,605	-	-	1,12,14,605	74,42,365	3,71,911	-	78,14,276	34,00,329	37,72,240
Fire Extinguisher	1,88,759	-	-	1,88,759	1,60,884	3,025	-	1,63,909	24,850	27,875
Weigh Bridge	3,36,238	-	-	3,36,238	3,21,153	1,538	-	3,22,691	13,547	15,085
Total	21,28,54,996	83,293	99,04,007	20,30,34,282	14,73,24,884	58,81,391	68,85,578	14,63,20,697	5,67,13,585	6,55,30,112
Previous Year	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

* 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.



	Note	As at 31st March,2017 (Rs.)	As at 31st March,2016 (Rs.)
NOTE-10: NON CURRENT INVESTMENTS			
(Valued at cost) (Other than trade.)			
Fully paid up Equity Shares			
Quoted (At Cost)			
1754* (Previous Year 1754 shares) of Rs. 10 each	10.1	1,50,099	1,50,099
M/S Jay Shree Tea & Industries Ltd			
6000 Previous Year 6000 shares)of Rs. 1 each		5,32,550	5,32,550
M/S Hindalco Industries Ltd			
Unquoted (At Cost)			
4000 (Previous Year 4000 shares) of Rs. 10 each		1,21,404	1,21,404
M/S Bharat Commerce & Industries Ltd		8,04,053	8,04,053
		(1,21,404)	(1,21,404)
Less: Provision for diminution In value of long Term Investment			
Total		6,82,649	6,82,649
Aggregate Book Value of Quoted investment		6,82,649	6,82,649
Aggregate amount of Unquoted investment		1,21,044	1,21,044
Aggregate Market Value of Quoted investment		13,61,186	8,14,128
10.1 877 equity shares of Rs.10/- each received as bonus shares in earlier year.			
11 Long Term Loans and Advances			
Unsecured, Considered Good		-	40,25,856
Deposit with Govt. Department		-	6,61,187
Deposit with others		-	46,87,043
Total		-	
12 Inventories			
(As taken. Valued and certified by the management)	12.1		
Raw Materials		5,10,015	38,83,077
Work-in-Progress (Hand Tools)		-	1,32,95,985
Finished Goods		75,00,000	6,03,36,576
Stock in trade		25,00,000	1,47,06,488
Stores,Spare Parts, Tools & Accessories etc.		26,49,557	2,82,84,836
Scrap.		-	1,80,349
Total		1,31,59,572	12,06,87,311
12.1 a) In view of the closureof the operation, the Management has devalued / written off non-saleable / non-useable inventory valuing Rs. 6,71,66,153.			
b) Due to closure of the Operation, records related to inventories were not available. Carrying value of inventories has been derived from the financial books. In the view of management, there shall not be material variances between the reported amount and inventory records.			
13 Trade Receivables			
(Considered good unless otherwise stated)	13.1		
Debts exceeding six months from due date:			
Considered good		41,61,219	21,35,903
Considered Doubtful		1,06,37,373	98,37,268
		1,47,98,592	1,19,73,171
Less: Provision for doubtful debts.		(1,06,37,373)	(98,37,268)
Other Debts		-	-
Considered Goods		-	2,95,56,693
Total		41,61,219	3,16,92,596



HINDUSTAN EVEREST TOOLS LTD.

13.1	Trade Receivables become due on the date of Invoice.		
13.2	Export Debts are not covered by any hedge instrument or otherwise Rs. Nil-(previous year Rs.1,68,35,690/-)		
13.3	Trade Receivables are subject to reconciliation & confirmation.		
	Note	As at 31st March,2017 (Rs.)	As at 31st March,2016 (Rs.)
14	CASH AND BANK BALANCES		
	Cash & Cash Equivalent		
	Cash & Cheques in hand (As certified)	14,443	98,994
	in Current Account	2,32,788	6,56,317
	Total	2,47,231	7,55,311
	Earmarked balances with banks		
	Fixed Deposit (Maturity Beyond 90 Days	14.1	-
	from deposit date)		1,90,000
	in Saving Account	14.1	-
	Balances with bank to the extent held as margin money		8,000
	Total	2,47,231	12,75,000
			22,28,311
14.1	Pledged with Central Excise Authorities..		
15	Short Term Loans and Advances (Unsecured, Considered Good unless otherwise stated)		
	Pre-paid Expenses	-	8,73,492
	Advances to Suppliers	15.1	13,45,537
	Advances to Employees		86,333
	Advance Tax /Tax deducted at source		1,04,188
	Balance with Excise Authorities		7,43,229
	Total	22,79,287	51,81,312
15.1	Advance to suppliers are subject to reconciliation and confirmation.		
16	Other Current Assets (Unsecured, Considered Good)		
	Export Incentive Receivable	7,75,073	38,91,808
	Interest accrued on Fixed Deposit etc.	-	28,946
	Deposit with Govt. Department	20,40,971	-
	Deposit with Others	22,500	-
	Total	28,38,544	39,20,754
17	Contingent Liabilities and Commitments:		
1	Some of the workers has filed claim against the company for gratuity etc. in the Labour Court, Chandigarh/ Panipat. The amount can not be ascertained at this stage. However, the company carries provision of Rs. 53,53,734 which in the opinion of the management is aducate.		
NOTE-18:	REVENUE FROM OPERATIONS		
	Sales (Hand Tools)		
	Export Sales	3,23,37,187	14,89,23,020
	Domestic Sales	2,97,01,107	12,02,49,808
	Other Operating Revenue		
	- Export Incentives	15,84,963	1,09,33,749
	- Scrap Sale	46,37,715	35,51,526
	Gross Revenue from Operations	6,82,60,972	28,36,58,103

HINDUSTAN EVEREST TOOLS LTD.



		Year ended 31st March, 2017 (Rs.)	Year ended 31st March, 2016 (Rs.)
NOTE-19: OTHER INCOME			
Miscellaneous Income		4,240	15,94,711
Interest Received		2,16,350	1,44,313
Dividend Received		9,508	9,508
Liability no longer required written back.		12,35,198	56,26,052
Exchange Rate Difference		-	15,62,475
Profit on Sale of Fixed Assets.		71,47,134	-
Total		86,12,430	89,37,059
NOTE-20: Raw Material Consumed			
Steel		33,31,679	2,22,80,527
Components		27,31,878	1,53,86,497
Nickel		1,42,866	12,10,881
Others		1,33,124	22,17,355
Total		63,39,547	4,10,95,260
NOTE-21: CHANGE IN INVENTORIES	12.1		
Inventories at the end of the year			
Finished Goods		75,00,000	6,03,36,576
Stock in Trade		25,00,000	1,47,06,488
Work-in-Progress (Hand Tools)		-	1,32,95,985
Others (Steel Scrap)		-	1,80,349
		1,00,00,000	8,85,19,398
Inventories at the beginning of the year			
Finished Goods		6,03,36,576	6,49,63,726
Trading Goods		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
		8,85,19,398	10,45,18,145
Total		(7,85,19,398)	(1,59,98,747)
22 Employees Benefit Expenses	17		
Salaries,Wages,Bonus & Allowances		4,60,67,148	8,21,94,343
Contribution to Provident & other Fund		20,42,456	31,67,087
Workers & Staff welfare Expenses		23,74,991	37,03,888
Total		5,04,84,595	8,90,65,318
		For the Year ended 31st March, 2017 (Rs.)	For the Year ended 31st March, 2016 (Rs.)
NOTE-23: OTHER EXPENSES			
Stores dies Tools & Spare Parts Consumed	23.1	23,17,213	87,93,156
Packing Material Consumed		19,72,758	2,12,23,299
Power & Fuel		45,00,935	2,11,23,428
Increase/(Decrease) in Excise duty on Finished Goods Stocks		(12,67,830)	(3,28,217)
Repair Replacement& Renovation			
Machinery		1,82,181	17,73,843
Buildings		2,107	8,93,597
Others		24,64,956	35,69,094
Forwarding & Freight etc.		17,17,821	72,35,943
Commission to other selling Agents		20,89,148	13,15,021
Publicity & Advertisement		10,206	10,02,528



HINDUSTAN EVEREST TOOLS LTD.

Cash Discount	6,95,939	21,77,691
Insurance	13,12,549	17,21,575
Sale Promotion Expenses	5,37,687	16,65,543
Rent	23,41,904	34,83,850
Rates & Taxes	16,280	1,07,353
Travelling & Conveyance (Including Directors Travelling Rs. 6,24,543/- (Previous year Rs. 12,40,302/-))	24,57,200	66,07,728
Vehicle Running & Maintenance	21,40,189	35,37,675
Printing & Stationery	4,82,595	9,70,350
Postage Telegram & Telephone	15,76,822	24,62,872
Miscellaneous Expenses	52,80,195	66,34,255
Professional & Legal expenses	16,40,093	46,87,360
Directors Fee	1,49,000	1,18,000
Payment to Auditors		
Audit Fee	1,50,000	1,50,000
For Limited Review	90,000	90,000
Tax Audit Fee	40,000	50,000
For Company Law Matter	30,000	30,000
For Expenses	24,565	16,935
Sales Tax & Purchase Tax	69,675	1,95,049
Bad Debts/Sundry Debit Balances etc. written off.	27,55,229	4,72,657
Devaluation of Stocks of Stores, Spare Parts, Tools & Accessories etc.	2,30,69,024	-
Exchange Rate Flucuation.	3,66,696	-
Provision for bad & doubtful Debt/Advances	-	78,43,505
Loss on Sale of Fixed Assets/Discarded (Net)	-	1,65,364
Bank Charges	7,59,214	13,46,758
Total	5,99,74,351	11,11,36,212

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

	For the Year ended 31st March, 2017 (Rs.)	For the Year ended 31st March, 2016 (Rs.)
NOTE-24: FINANCE COST		
(Interest Expenses	1,13,66,299	1,17,92,534
Other Borrowing Cost	11,00,233	22,06,408
Total	1,24,66,532	1,39,98,942
NOTE-25 Current Tax		
Provision for Income Tax Addi. Demand. 2013-14	18,02,210	-
Total	18,02,210	-
NOTE-26 Earning Per Share (EPS)		
Profit/(Loss) after Tax	(14,38,16,227)	(6,40,37,565)
No. of Shares of Rs. 10/-each.	16,07,200	16,07,200
Basic & Diluted EPS	(89)	(40)



Significant of Accounting Policies and other notes on Financial Statements

27. 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. The company has decided closure of its Operations w.e.f. 15th Dec, 2016.

28. Summary of significant Accounting Policies

a. 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 by The Companies (Accounting Standard) Rules, 2006 issued by the Central Government and the relevant provisions of Companies Act, 1956 of India.

b. 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.

c. Fixed Assets

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

d. Depreciation

Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 (as amended)

e. Investments

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

f. 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.

g. 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. (Refer Note 12.1)

h. 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.

i. Retirement Benefits

Year end liabilities in respect of retirement benefits towards Gratuity & Leave encashment to the employees of the company has been provided on actual basis in view of closure of the operation.



HINDUSTAN EVEREST TOOLS LTD.

j. 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.

k. 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.

l. Deferred Taxation

In accordance with Accounting standard-22 'Accounting for Taxes on Income' notified companies (Accounting Standard Rules 2006), 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.

m. 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.

n. 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 position stated in the Balance Sheet.

29. 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

	Current Year (Rs.)	Previous Year (Rs.)
(i) Overseas Sale*	3,39,22,150	15,98,56,769
(ii) Domestic Sale**	3,43,38,822	12,38,01,334

* Including export incentive Rs. 15,84,963/- (Previous year Rs. 1,09,33,749/-)

**Domestic sale include scrap sale Rs.46,37,715/-(Previous year Rs.35,51,526/-)

All the business assets of the company are situated in India except export debtors Rs. Nil (Previous year Rs.1,68,35,689/-)

	Current Year (Rs.)	Previous Year (Rs.)
30. CIF VALUE OF IMPORTS		
Stores & Spares	-	-
Finished Goods	-	7,64,409
	-	7,64,409
31. EXPENSES IN FOREIGN CURRENCY		
Travelling	4,28,642	20,38,089
Commission	-	3,88,750
Advertisement & Publicity	-	6,25,418
Miscellaneous Expenses	-	-
	4,28,642	30,52,257



32. VALUE OF RAW MATERIAL, STORES AND SPARES PARTS CONSUMED

	Current Year		Previous Year	
	Amount (Rs.)	Percentage	Amount (Rs.)	Percentage
Raw Material & components				
Imported	-	-	-	-
Indigenous	63,39,547	100	4,10,95,260	100
	63,39,547	100	4,10,95,260	100
Stores, Dies, Tools & Spare Parts				
Imported	-	0	67,131	0.76%
Indigenous	23,17,213	100	87,26,025	99.24%
	23,17,213	100	87,93,156	100.00%

33. EARNING IN FOREIGN EXCHANGE

	Current Year	Previous Year
Export of Hand Tools (On FOB Bases)	3,23,37,187	14,89,23,020

34. DISCLOSURE PURSUANT TO ACCOUNTING STANARD -15 ON EMPLOYEES BENEFITS

I) Define Contribution Plan.

The Company has recognised the following amounts in the profit & loss Statement for the year Contribution to Employees Provident Fund Rs.13,87,722/- (Previous year Rs. 20,72,729/-)

II) Define Benefit Obligation (DBO)

The following table set out the status of unfunded gratuity plan as required under AS-15 (Revised -2005)

a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DOB)

A) Opening DBO as on 1st April,2016	Refer Note(F)	1,65,01,192
Current Service Cost	-	5,75,710
Interest Cost	-	12,78,842
Actuarial (gain)/Loss	-	(3,44,555)
Benefit Paid	-	(1,25,757)
Past Service Cost	-	-
Closing DBO as on 31st March,2017	-	1,78,85,432

B) Liability recognised in the Balance Sheet

Present value of the defined obligation at the end of the period	-	1,78,85,432
Fair value of the plan assets at the end of the year	-	-
Liability recognised in the Balance Sheet	-	1,78,85,432

C) The total expenses recognised in the Profit & Loss Account

Current Service Cost	-	5,75,710
Interest cost	-	12,78,842
Past Service Cost	-	-
Actuarial (gain)/Loss	-	(3,44,555)
Net Gratuity Cost	-	15,09,997

D) Actual Return on plan assets

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

Discount rate	-	8.00%
Expected rate of return on any plan assets	-	-
Average salary escalation rate	-	5.50%

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.

F) In view of closure of the business, the company has provided gratuity liability on actual computation basis instead of on actuarial valuation basis.



HINDUSTAN EVEREST TOOLS LTD.

35. RELATED PARTY DISCLOSURES

- a) Association of persons having significant influence on Key management personnel
S.K.Mandelia (HUF)
B.G.Mandelia (HUF)
- b) 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)
- c) 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.

Transaction with related Parties

Remuneration Paid*

	Current Year (Rs.)	Previous Year (Rs.)
a) Sh. Shravan Kumar Mandelia	5,91,620	4,21,440
b) Sh. Bal Gopal Mandelia	6,40,294	3,74,511
c) Vinod Kumar Khanna	8,71,000	8,97,720
d) Sh. Anant Vijay Mandelia	14,15,800	15,54,960
	35,18,714	32,48,631

Loan Received During the year

Sh B.G. Mandelia	45,40,058	1,14,49,664
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Loan Paid During the year

Sh. S.K. Mandelia	-	3,03,706
Sh. B.G.Mandelia	-	38,06,754

Outstanding Payable During the year

a) Sh. Shravan Kumar Mandelia	2,75,04,294	2,75,04,294
b) Sh. Bal Gopal Mandelia	1,74,20,311	1,28,80,253
	4,49,24,605	4,03,84,547

Rent Paid (Net of Recovery)

a) Sh. Shravan Kumar Mandelia	1,44,000	1,44,000
b) Sh. Bal Gopal Mandelia	1,44,000	1,44,000
	2,88,000	2,88,000

* Including Rent Paid (net of recovery)

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

37. Details of Specified Bank Notes (SBN) and others is given hereunder:

Particulars	SBNs (in Rs.)	Other deno- mination notes (in Rs.)	Total (in Rs.)
Closing cash in hand as on November 8, 2016	-	68,601	68,601
+ Permitted receipts	-	3,87,728	3,87,728
- Permitted Payments	-	3,29,273	3,29,273
- Non Permitted Payments	-	-	-
- Amount deposited in banks	-	-	-
Closing cash in hand as on December 30, 2016	-	1,27,056	1,27,056

In terms of our report of even date attached

For **SINGHI & CO.**

Chartered Accountants
Firm Reg. No. 302049E

B.K.SIPANI
Partner
M.No. 088926

Place: New Delhi
Dated: 23rd October, 2017

B.G MANDELIA
Managing Director
(DIN 00040592)

AMBARISH RAJ
Director
(DIN 01423870)

S. K. MANDELIA
Managing Director
DIN 00040532

SAURABH PARASRAMKA
Director
(DIN 07384953)

For and on the behalf of the Board of Directors

HINDUSTAN EVEREST TOOLS LTD.



HINDUSTAN EVEREST TOOLS LIMITED

CIN: L74899DL1962PLC003634

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

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

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

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **54th ANNUAL GENERAL MEETING** of the Company held on Thursday, the 30th days of November, 2017, at 11.00 a.m. at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi 110016

*Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

PROXY FORM

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

HINDUSTAN EVEREST TOOLS LIMITED

CIN: L74899DL1962PLC003634

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

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

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

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **54th ANNUAL GENERAL MEETING** of the Company held on **Thursday the 30th days of November, 2017**, at 11.00 a.m. at PHD House, Opposite Asian Games Village, Siri Fort Road, New Delhi 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Resolutions	Optional*	
	For	Against
1. Consider and adopt Audited Financial Statement, Report of the Board of Directors and Auditors		
2. Reappointment of Mr. Balgopal Mandelia, who retires by rotation.		
3. Appointment of M/s SSRA & Co. Chartered Accountants as Auditors and fixing their remuneration		

* Applicable for investors holding shares in electronic form

Signed this _____ day of _____, 2017

Signature of Shareholder _____

Affix a
Revenue
stamp

Signature of first proxy holder _____ Signature of second proxy holder _____ Signature of third proxy holder _____

Notes:

- (1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- (2) **A Proxy need not be a member of the Company.**
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- ** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.



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HINDUSTAN EVEREST TOOLS LTD

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

