



HINDUSTAN EVEREST TOOLS LIMITED

CIN: L74800DL1962PLC003634

Regd. Office: Dohil Chambers, 46, Nehru Place, New Delhi -110 019

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POSTAL BALLOT NOTICE

Dear Members

Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of The Companies (Management and Administration) Rules, 2014

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of The Companies (Management and Administration) Rules, 2014, (including any modification(s) or re-enactment thereof for the time being in force) ("the Rules") and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements), 2015 ("the Listing Regulations") and all other applicable laws and regulations, to the Members of Hindustan Everest Tools Limited ("the Company"), to consider and if thought fit, to pass the resolutions set out below by way of Postal Ballot/ e-Voting.

The proposed resolutions and the explanatory statement(s) thereto, pursuant to Section 102 read with Section 110 of the Companies Act, 2013, stating all material facts and the reasons for the proposed resolutions appended hereto for your consideration, along-with a Postal Ballot Form ("Postal Ballot Form") and self-addressed postage pre-paid envelope.

The Board of Directors of the Company ("Board") at their meeting held on 20/02/2017 has appointed **Shri Baldev Singh Kashtwal**, (Holding Membership Number FCS 3616 and Certificate of Practice Number 3169), Practicing Company Secretary, as the scrutinizer ("Scrutinizer") for conducting the Postal Ballot process and electronic voting (e-voting) in a fair and transparent manner. The Scrutinizer's decision on the validity of Postal Ballot shall be final. The Board of directors of company has authorized Mr. Shravan Kumar Mandelia and Mr. Balgopal Mandelia, Managing Directors to jointly exercise the powers and obligations under the process of postal ballot.

You are requested to read carefully the instructions printed on the Postal Ballot Form and return the same (in original) duly completed and signed in the attached self-addressed postage pre- paid envelope so as to reach the Scrutinizer not later than the close of working hours at **5.00 PM** on **08/04/2017**. The Form received after this date will be strictly treated as if the reply from the concerned Member has not been received. Accordingly, the Members are requested to send duly completed Postal Ballot Form well before the above mentioned date so as to provide sufficient time for postal transit. Members may choose to vote using the e-voting facility, the details whereof are specified under the notes hereto

The Scrutinizer, after completion of the scrutiny of the Postal Ballot Forms and e-voting, will submit his Report to Mr. Shravan Kumar Mandelia, Chairman. The results of voting by Postal Ballot will be announced by Mr. Shravan Kumar Mandelia, Chairman on **11/04/2017 at 11.30 a.m. at the Registered Office of the Company at Dohil Chambers, 46, Nehru Place, New Delhi-110019**. Additionally, the result will also be posted on the Company's website, notice board and will also be published in at least one leading English and one leading vernacular language newspapers in the state of Delhi. The results will also be informed to the stock exchanges and published through press advertisements.

PROPOSED RESOLUTIONS

1. **Special Resolution under Section 180(1) (c) of the Companies Act, 2013 for borrowing in excess of paid-up shares capital and free reserves**

To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Section 180(1)© and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Meetings of Board and its Powers) Rules,

2014 and other Rules, Regulations, Notifications and Circulars issued including any statutory modification or re-enactment thereof for the time being in force the consent of shareholders be and hereby accorded to Board of Directors of the Company (here in after referred to as the "Board", which term shall include any committee thereof for the time being exercising the powers conferred on the Board) to borrow at any time any sum or sums of money which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, this is to say, reserves not set apart for any specific purposes provided, however, that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. 20,00,00,000/- (Rupees Twenty Crores only)."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorized to negotiate and decide from time to time, terms and conditions, execute necessary documents, papers, agreements etc. for borrowings to be made and to do all such acts, deeds and things and to give such directions as may be necessary or expedient as the Board in its absolute discretion, may deem fit and its decision shall be final and binding and to settle any question, difficulty that may arise in this regard and to delegate all or any of these powers to any Committee of Directors or Director or officer of the Company or any other person."

2. **Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charge and /or mortgage in respect of borrowing in excess of paid-up shares capital and free reserves**

To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the consent of shareholders be and hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee thereof for the time being exercising the powers conferred on the Board) subject to approval of UCO Bank, existing lender and charge holder of the company, if required, to create mortgages/ charges/ hypothecation and/ or other encumbrances on all or any part of the immovable and/ or movable properties, current and/ or fixed assets, tangible or intangible assets, book debts and/ or claims of the Company wheresoever situated, present and future and in case of immovable and/ or movable properties, current and/ or fixed assets, tangible or intangible assets, book debts and/ or claims of the Company on which such mortgages/ charges/ hypothecation and/ or other encumbrances has already being created pursuant to all previous shareholders approval, the Board be and hereby also authorised to create mortgages/ charges/ hypothecation and/ or other encumbrances on all above mentioned properties in addition to the existing mortgages, charges, hypothecation and other encumbrances, and such subsequent , charges, hypothecation and other encumbrances, to rank first, pari-passu with or second, subsequent, subservient and subordinate to all mortgages, charges, hypothecations and other encumbrances created/ to be created by the Company in favour of the Banks, Financial institutions any other lender to secure the amount borrowed by the company from time to time for the payments of Principal together with interest, charges, cost expenses and all other monies payable by the company in respect of such borrowings provided that maximum extent of the indebtedness(apart from temporary loans obtained or to be obtained from Company's bankers in the ordinary course of business) secured by the properties of the company does not exceed Rs 20,00,00,000/- (Rupees Twenty Crores only)

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and hereby authorized to do all such acts, deeds and things including obtaining No Objection Certificate (NOC), if required, from the existing charge holder and to give such directions as may be necessary or expedient as the Board in its absolute discretion, may deem fit and its decision shall be final and binding and to settle any question, difficulty that may arise in this regard and to delegate all or any of these powers to any Committee of Directors or Director or officer of the Company or any other person."

3. **Special Resolution under Section 180(1) (a) of the Companies Act 2013 for sale of substantial Assets of the company**

To consider and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT, pursuant to the provisions of Section 180(1)(a) and Section 110 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 entered into by the Company with the Stock Exchanges where the shares of the company are listed, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution) subject to approval or permission from UCO Bank, existing lender and charge holder of the company, if required, to sell/transfer/dispose off its manufacturing Unit situated at village Jatheri, Sonapat (Haryana) ("Undertaking"), together with all specified tangible and intangible assets, including land, building, plant and machinery and other assets in relation to the Undertaking as a going concern/on a slump sale basis on an "as is where is" basis or to sell/transfer/dispose off the assets of the company whether movable or immovable on stand along basis or in any other manner at such price payable in cash and/or securities and/or otherwise for such consideration as may be decided by the Board of Directors of the Company based on the report of an Independent Valuer, on such terms and conditions and with such modifications as may be required by any of the concerned authorities or as the Board of Directors (which shall include a Committee of Board of Directors that may be empowered or constituted for this purpose) of the Company may deem fit and appropriate in the interest of the Company to any prospective buyer on such an amount and terms and condition as may be deemed fit by the Board. **RESOLVED FURTHER THAT** the Board be and is hereby authorized and empowered to Analyze and execute necessary documents including but not limited to Agreements, deeds of assignment/conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/documents, arranging delivery and execution of contracts, deeds, agreements and instruments".

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business set-out as above, is annexed hereto.
2. Pursuant to the provisions of the Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the assent or dissent of the Members of the Company in respect of the resolutions contained in the Postal Ballot Notice dated **20/02/2017** shall be determined through Postal Ballot.
3. The Board of Directors has appointed Shri Baldev Singh Kashtwal, Practicing Company Secretary, (Membership No. FCS 3616 and CP No. 3169) as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The Postal Ballot form and the self-addressed reply envelope are enclosed for use of the Members.

4. Voting right shall be reckoned on the paid-up value of the equity shares registered in the name of the Members as on **24/02/2017** ('cut-off date'). Anyone who has become a shareholder on or before the cut-off date and has not received Postal Ballot form, may request for a duplicate/fresh Postal Ballot form from the Company and vote on the resolution by Postal Ballot. Voting rights shall be in proportion to the paid-up equity share capital of the Company.

The Shareholders who have received notice of the Postal Ballot by e-mail and who wish to vote through physical Postal Ballot Form can seek duplicate Postal Ballot Form from the registered office of the company.

If you are opting for e-voting, please do not vote by physical Postal Ballot Form and vice-versa. However, in case a shareholder casts his vote in both ways then voting done by e-voting will prevail.

5. The Scrutinizer will submit his report to Mr. Sharvan Kumar Mandelia, Chairman after completion of the scrutiny and the results of the Postal Ballot shall be announced on **11/04/2017** at the Registered Office of the Company at Dohil Chambers, 46, Nehru Place, New Delhi-110019. Additionally, the result will also be posted on the Company's website, notice board and will also be published in at least one leading English and one leading vernacular language newspapers in the state of Delhi. The results will also be informed to the stock exchanges and published through press advertisements. The Members, who wish to be present at the time of declaration of results, may do so at the above venue.
6. In case of shares held by companies, trusts, societies etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/ Authority.
7. The resolutions will be taken passed effectively on the last date of receipt of the Postal Ballot Form/e-voting i.e. **08/04/2017** if the results of the Postal Ballot indicates that the requisite majority of the shareholders of the company have been assented to the resolutions.
8. All the documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 11.00 a.m. to 2.00 p.m. on all working days up to **08/04/2017**
9. Mr. Shrawan Kumar Mandelia, Chairman and Mr. Govind Deora, company Secretary, are the officers authorized to ensure smooth conduct of the Postal Ballot process. The Members requiring any clarifications may contact anyone of them.
10. The Members are requested to carefully read the instructions printed on the backside of the Postal Ballot form before exercising their vote.

11. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014 and amendments thereof, the Company is pleased to provide members facility to exercise their right to vote by electronic means 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. **24/02/2017**, are eligible to cast their vote.

The instructions for e-voting are as under:

- (i) The Notice of Postal Ballot of the Company inter alia indicating the process and the manner of e-voting process have been dispatched to all the Members, Login Id and initial password is mentioned in the **Postal Ballot form** as below:-

EVEN (E Voting Event Number)	USER ID	PASSWORD
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- (ii) NSDL shall be sending the USER ID and Password, to those Members who shareholding is in dematerialized format and whose email address are registered with the Company/Depository Participant(s). For members who have not registered their email address can use the details as provided above.
- (iii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/> (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: Active Voting Cycles. (viii) Select "EVEN" of Hindustan Everest Tools Limited.
- (ix) Now you are ready for e-voting as Cast Vote page opens.
- (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xiii) I. 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 Shareholders and e-voting user manual for Shareholders 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 **Friday, 10th March, 2017 (9:00 am)** and ends on **Saturday, 8th April (5.00 p. m.)**. 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) **24th February, 2017**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on **the cut-off date (record date) of 24th February, 2017**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 AND 110 OF THE COMPANIES ACT, 2013

Resolution No. 1 to 3

The members of the company are aware that since last few years company is continuously incurring losses due to uneconomical production activities and its net worth has been completely eroded as reported in the Annual Report for Financial Year 2015-16 which has further worsened in current financial year. Therefore, the Board of Directors had unanimously resolved to discontinue the manufacturing activities and have declared closure of its manufacturing plant at Sonapat (Haryana).

However the company is required to pay off its existing liabilities/ outstanding towards legal/Govt. due, bankers secured debt, other creditors and employees due etc. Secondly, the board is also exploring and contemplating other sources for arranging/generating funds for paying off existing liabilities. Accordingly, the Company needs fund which can be arranged from fresh borrowings as secured by creation of charge on assets of company or unsecured or by way of disposing off its surplus assets including land & Building, Plant & Machinery and for the same your approval is sought under Section 180(1)(a) of the Companies Act, 2013, and rules made there under.

Now, it is necessary to obtain approval of the shareholders by means of a Special Resolution, for a sum of Rs. 20,00,00,000/- (Rupees Twenty Crores only), therefore, your Approval is sought under provisions of section 180(1)(c) of the Companies Act 2013, and rules made to enable the Board to borrow from Banks, financial Institutions or other lender such amount as may be required by the Company from time to time.

Similarly, approval is also sought to pledge/charge/mortgage properties of the company to secure the borrowing in favour of the lender.

As in accordance with the provisions of 180 (1) (a) of the Companies Act, 2013, the Company proposes to borrow further amount and therefore, it is proposed to pass this enabling resolution to authorize the Board of Directors to create mortgages/ charges/ hypothecation and/ or other encumbrances on all or any part of the immovable and/ or movable properties, current and/ or fixed assets, tangible or intangible assets, book debts and/ or claims of the Company wheresoever situated, present and future in respect of the borrowings already made or to be made by the Company.

Further, the consent of shareholders is required to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company. As stated above other option to arrange funds, is to dispose off whole or substantially whole of the undertaking or assets (including land & Building at its plant at Sonapat). For this purpose approval of the shareholder is sought under section 180(1)(a) of the Companies Act 2017.

The Board recommends the resolutions for approval of the shareholders of the company as Special Resolutions through Postal Ballot.

None of the Directors or Key Managerial Personnel of the company and their relatives are concerned or interested, financially or otherwise, in the said Special Resolutions.

By order of the Board
For **Hindustan Everest Tools limited**

Govind Deora
Company Secretary
Membership No. FCS 8585

February 20, 2017
Place : New Delhi
:
Regd. Office :
Dohil Chambers,
46, Nehru Place,
New Delhi-110019