



HMT (International) Limited

**An ISO 9001 - 2015 Company
(A Government of India Undertaking)**

47th

**ANNUAL REPORT
2020-21**

75
**Azadi Ka
Amrit Mahotsav**





Visit of Honourable minister of State for External Affairs Shri V. Muraleedharan to the Centre for Entrepreneurship Development and Technology (CEDT) in Dakar, Senegal, project implemented by HMT(I) with Gol's grant assistance.

Handing Over ceremony of Vehicles supplied by HMT(I) under the project "Upgradation of INDO-ZIM Technology Centres" in Zimbabwe by H.E. Vijay Khanduja, the Ambassador of India to Zimbabwe to the Minister of Higher & Tertiary Education, Govt. of Zimbabwe.



Inauguration of the project "Setting up of Workshops and laboratories in IMU Chennai & Vishakapattanam" by Honourable Union Minister for Ports, Shipping and Waterways Shri Sarbananda Sonowal.

HMT (INTERNATIONAL) LIMITED

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BOARD OF DIRECTORS (As on 08.10.2021)

Shri. A.K. Jain	Chairman & Managing Director (Addl. Charge) (w.e.f., 13.09.2021)
Shri. Jeetendra Singh	Director (w.e.f. 18.06.2021)
Dr. Srikar K Reddy	Director
Dr. S. Sathyanarayanan	Independent Director
Shri. S. Velpandiyam	Independent Director

STATUTORY AUDITORS

M/s. G P S V & Co.
Chartered Accountants
Bangalore

SECRETARIAL AUDITOR

G Haritha & Associates
Practicing Company Secretaries
Bangalore

BANKERS

Bank of Maharashtra
UCO Bank
Axis Bank

REGISTERED OFFICE

“HMT BHAVAN”
59, Bellary Road
Bangalore - 560 032

CORPORATE IDENTITY NUMBER

U33309KA1974GOI002707

PERFORMANCE HIGHLIGHTS

(Rs in Million)

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
OPERATING STATISTICS										
Sales	198.35	671.49	570.74	249.45	239.76	339.07	334.01	250.76	340.88	324.03
Other Income	18.52	2.65	2.39	5.32	8.12	4.33	14.97	34.52	74.15	46.41
Stock accretion	-	-	-	-	-	(0.35)	(1.25)	1.42	(3.98)	2.39
Interest Income	17.63	24.43	18.30	19.41	22.53	23.65	27.71	24.78	29.45	26.79
	234.50	698.57	591.43	274.18	270.41	366.70	375.44	311.48	440.50	399.62
Purchases	178.44	556.14	469.72	208.61	174.62	230.54	224.95	179.62	235.87	209.55
Employees Costs	29.50	28.12	31.04	27.89	38.49	55.60	64.81	77.27	45.62	48.67
Other Operating Costs	13.15	74.16	68.99	36.11	53.34	70.16	67.64	47.86	88.60	121.95
Depreciation	1.38	1.40	1.48	1.46	1.38	1.35	1.46	1.78	1.86	1.86
	222.47	659.82	571.24	274.07	267.83	357.65	358.86	306.53	371.95	382.03
Gross Profit	12.03	38.75	20.19	0.11	2.58	9.05	16.58	4.95	68.55	17.59
Interest	-	-	-	-	-	-	-	-	0.04	0.20
Net Profit Before Taxes (after prior period)	12.03	38.75	20.19	0.11	2.58	9.05	16.58	4.95	68.51	17.39
Taxes & Deferred Tax	2.33	11.64	5.09	(1.25)	1.94	3.22	11.39	3.92	23.65	3.91
Profit After Taxes	9.70	27.11	15.10	1.36	0.64	5.83	5.19	1.03	44.87	13.48
FINANCIAL POSITION										
Current Assets	548.12	771.83	767.90	417.79	488.92	425.24	473.91	385.77	467.08	488.79
Current Liabilities & Provision	216.57	449.94	472.27	132.56	207.06	143.40	201.43	118.36	201.80	258.61
Net Working Capital	331.56	321.90	295.63	285.23	281.86	281.84	272.48	267.41	265.27	230.18
Net Fixed Assets	44.79	45.77	47.15	48.53	49.99	50.83	52.14	54.89	56.63	48.39
Capital Employed	376.35	367.66	342.78	333.76	331.85	332.67	324.62	322.30	321.90	278.57
Deferred Tax Liability	4.63	4.38	4.91	7.77	8.57	7.51	12.14	11.92	11.70	11.55
Net Worth	371.72	363.28	337.87	325.99	323.28	325.16	312.48	310.38	310.20	267.02
DATA ON EQUITY CAPITAL										
Share Capital	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20
Reserves	363.55	328.96	315.56	317.43	315.43	306.52	304.52	302.87	302.88	259.79
Retained Earnings	0.97	27.12	15.11	1.36	0.64	3.82	0.76	0.31	0.12	0.03
Dividend - Normal	-	1.80	1.44	-	-	1.44	1.44	0.72	1.44	1.44
- Special	-	-	-	-	-	-	-	-	-	-
Dividend (%) - Normal	-	25	20	-	-	20	20	10	20	20
- Special	-	-	-	-	-	-	-	-	-	-
OTHER STATISTICS										
Cash Flow	11.08	28.51	16.58	2.82	2.02	7.18	6.65	2.81	46.73	15.34
Turnover / Working Capital Ratio	0.60	2.09	1.93	0.87	0.85	1.20	1.23	0.94	1.29	1.41
Return on Capital (%)	3.20	10.54	5.89	0.03	0.78	2.72	5.11	1.54	21.30	6.31
Number of Employees	23	22	25	27	28	33	40	52	59	60
Per Capita Sales	8.62	30.52	22.83	9.24	8.56	10.27	8.35	4.82	5.78	5.40

*Figures are re-grouped where ever required.

DIRECTORS' REPORT

**To
The Members,
HMT (INTERNATIONAL) LIMITED
Bangalore**

The Board of Directors have pleasure in presenting the 47th Annual Report on the business and operations of your Company and Annual Financial Statements of the Company for the financial year 2020-21 along with Auditors' Report thereon. The Comments of the Comptroller & Auditor General of India are attached to this Report.

1. Financial summary or highlights/ Performance of the Company

(Rs. Lakh)

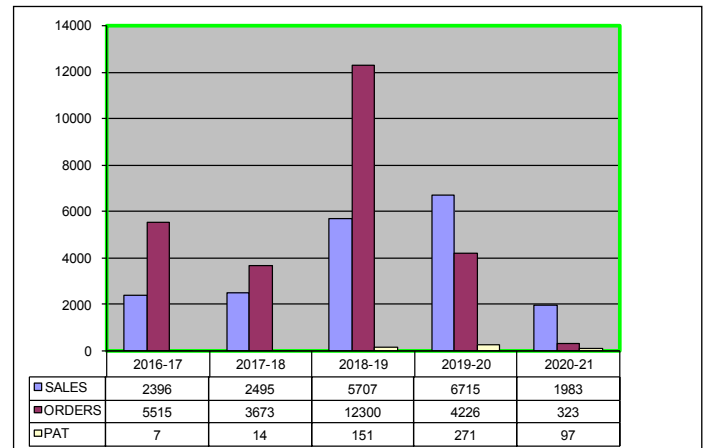
Particulars	2020-21	2019-20
Gross Income from Operations	1983	6715
Cost of Sales	1784	6076
Gross Profit	199	639
Provision for Depreciation	14	14
Net Profit Before Tax	120	388
Provision for Tax	23	116
Net Profit After Tax	97	271
Balance available for appropriation	97	271
Proposed Dividend on Equity Shares	-	18
Transfer to Other Equity	84	68
Surplus carried to Balance Sheet	79	253

2. Brief description of the Company's working during the year / state of Company's affair.

Performance of the Company during the year 2020-21 in terms of turnover at gross levels was Rs.1983 Lakh as against Rs.6715 Lakh achieved during the previous year,

i.e. 2019-20. The Order procurement during the year was Rs.323 Lakh as against Rs.4226 Lakh achieved in the previous year. With the Turnover of Rs. 1983 lakh, your Company was able to generate the Profit After Tax (PAT) at Rs.97 Lakh as against Rs.271 Lakh, thereby continuing the trend of profits.

(Rs. Lakh)



2.1 Product-wise Achievements

2.1.1 Machine Tools

During the year, the Company has supplied various HMT Machines to Bhutan, Singapore, Nigeria, Oman, and Saudi Arabia, etc. The details are furnished below in brief.

- HMT Conventional Lathe, Model: NH26/3000 & RD65 valued Rs. 102 Lakh were supplied to Bhutan.
- HMT Conventional Lathe, Model: NH32/2000 valued Rs. 29.37 Lakh, was supplied, to customer at Singapore and consignee at Nigeria.
- HMT Conventional Lathe, Model: NH32/2000 valued Rs. 35.15 lakh was supplied to Oman
- HMT Radial Drilling M/c valued Rs. 34.48 Lakh, was supplied to Oman.

Apart from above new orders for supply of HMT Conventional Lathe, Model: NH26/3000 & HMT Radial Drilling Machine, Model: RD65 for Bhutan were received.

Marketing Efforts

The Company has planned the following sales promotion / market development initiatives with an intent to increase its market presence:

- To pursue with the manufacturing units of HMT MTL to upgrade the niche products.
- To concentrate more on high value products such as large VTL, Floor Boring machine, 80/100 mm Radial Drilling machine, Oil country Lathes, etc.

2.1.2 Projects & Services

2.1.2.1 Agreements Signed with MEA:

- An addendum No.1 was signed with MEA on 14.07.2020 for the project “Gandhi-Mandela Centre of Specialisation for Artisan Skills” (GMCOS), Pretoria, South Africa at a total cost of Rs.255 lakh.

2.1.2.2 Update on Projects under Implementation:

- **Setting up of Common Facility Centre for Small & Medium Enterprises” at IDEB, Khulna, Bangladesh**
 - Erection & Commissioning at IDEB, Sirajganj (Dairy Processing Plant) was completed.
- **Setting up of Gandhi-Mandela Centre of Specialisation for Artisan Skills” (GMCOS), Pretoria, South Africa:**
 - PMC activities was completed on 24.03.2021. Training in India & OJT activities shall start once travel restriction due to corona virus is lifted.
 - Inauguration is planned in June 2021
- **Setting up of Indo-Belize Centre of Engineering, (IBCE), University of Belize, Belize**
 - Erection & Commissioning activities were successfully completed on 13.03.2020. OJT activities shall start once travel restriction due to corona virus is lifted.

- **Setting up of Indo-Myanmar Industrial Training Centre” (IMITC), Monywa, Myanmar.**
 - Major machines supplied till 8th shipments were commissioned successfully. Balance few left out supplies will be shipped in May 2021. E&C will be started once the COVID-19 pandemic is under control.
- **Setting up of Indo-Myanmar Industrial Training Centre” (IMITC), Thaton, Myanmar.**
 - Major machines / equipment were shipped. Balance supplies will be shipped in June 2021. E&C will be started once the COVID-19 pandemic is under control.
- **Upgradation of INDO-ZIM Technology Centres in Zimbabwe”**
 - E&C activities will be started for the remaining items once the Covid pandemic is under control.

2.2 Strategies

The Company will focus on high value orders for machine tools in the target markets, Middle East, African countries, etc. and continue to make aggressive marketing efforts. Besides, the Company will continue to follow different marketing strategies to improve the Order book position for which various product-wise strategies have been drawn up.

Another strategy being adopted by the Company is to pursue for Non-MEA (non-Government sponsored) Projects and also pursue for more share of the MEA projects by identifying new project opportunities in countries like Bangladesh, Belize, Equatorial Guinea, Eritrea, Liberia, Indonesia, Jamaica, Mongolia, Myanmar, Nepal, Palestine, Senegal, Sri Lanka, Sudan, South Sudan, Tajikistan, Turkmenistan, Zimbabwe, etc.

2.3 Marketing efforts

The Company has planned the following sales promotion / market development initiatives with an intent to increase its market presence:

- To pursue with the manufacturing Units of HMT MTL to upgrade the niche products.
- Pursue with MEA for more share in the grant-in-aid projects.
- Focus on high value machine tools in the target markets.
- Enter into tie-ups with machine tool manufacturers in India for exports.
- Pursue Non-MEA Projects.
- Identify fresh project opportunities in Bangladesh, Belize, Equatorial Guinea, Eritrea, Liberia, Indonesia, Jamaica, Mongolia, Myanmar, Nepal, Palestine, Senegal, Sri Lanka, Sudan, South Sudan, Tajikistan, Turkmenistan, Zimbabwe, etc.
- Participating in all global tenders of African & Asian countries like Ethiopia, Zimbabwe, Bhutan, etc.
- Tie-up with other Industrial Houses and Agencies to widen the basket for taking up of new projects and build on the expertise gained in the implementation of Vocational Training Center (VTC) projects.

2.4 Performance details

[Rs. Lakh]

Particulars	2020-21	2019-20
Sales Turnover		
HMT Products & Technical Services	216	250
Agency & Others	6	41
Projects & Services	1761	6150
High-sea sales	-	274
Total	1983	6715

3. Reserves

An amount of Rs. 78.94 lakh has been carried to Balance Sheet.

4. Share Capital

The Authorised Share Capital of the Company is Rs. 800 Lakh and the Paid-up capital is Rs.72 Lakh

5. Dividend

Keeping in view requirement of funds for operations, the Directors are not in a position to recommend any Dividend to Shareholders.

6. Fixed Deposits

The Company did not accept any fixed deposits during the year, and as such there was no outstanding Fixed Deposits at the beginning/end of the year.

7. Particulars of Employees

The total number of employees as on March 31, 2021 stood at 23 (including 1 Scheduled Caste and 1 Scheduled Tribe).

There were no employees of the Company who received remuneration in excess of the limits prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

8. Board Meetings and Change in Directors/ Key Managerial Personnel

During the year four Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Shri. Amit Varadan, Joint Secretary, Ministry of Heavy Industries was appointed as Part time Official Director on the Board of HMT (International) Limited with effect from 1st September 2020 until further orders vice Shri. Pravin Agrawal, Joint Secretary.

Ms. Sujata Sharma, Sr. Economic Adviser, Ministry of Heavy Industries was appointed as Part time Official Director on the Board of HMT (International) Limited with effect from 30th September 2020, until further orders vice Shri. Amit Varadan, Joint Secretary.

Except as stated above, there are no other changes to the composition of Board of Directors of the Company during the financial year.

Subsequent to the financial year, Shri. Jeetendra Singh, Joint Secretary, Ministry of Heavy Industries was appointed as Part time Official Director on the Board of HMT Limited with effect from 18th June 2021, until further orders vice Smt. Sujata Sharma, Sr. Economic Adviser, Ministry of Heavy Industries.

Shri. S. Girish Kumar ceases to be Chairman & Managing Director (Addl. Charge) of the Company w.e.f. 31.07.2021.

Ministry of Heavy Industries vide its order dated 09th September 2021 has conveyed the approval of the Competent Authority for entrusting the additional charge of the post of Chairman & Managing Director of HMT (International) Limited to Shri. A.K. Jain, Chairman & Managing Director (Addl. Charge), HMT Limited for a period from date of joining to 31.01.2022, or until further order, whichever is earlier. Shri. A.K. Jain, C&MD (Addl. Charge), HMT Limited assumed the additional charge of the posts of Chairman & Managing Director of HMT (International) Limited with effect from 13th September 2021.

Shri Jeetendra Singh (DIN:09207792) and Shri. A.K. Jain (DIN:09262984) are proposed for appointment as Directors in terms of the Article of Association of the Company read with Section 160 of the Companies Act, 2013 in the ensuing Annual General Meeting for which a notice has been received from the Member.

Dr. Srikar K Reddy, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment.

Shri. S Girish Kumar, Chairman and Managing Director is the KMP's as defined under Section 2 (51) of the Companies Act, 2013 as on 31.03.2021.

9. Auditors

M/s GPSV & Co., Chartered Accountants, Bangalore were appointed by the C&AG as Statutory Auditors of the Company for the financial year 2020-21.

10. Auditors' Report

The Statutory Auditors have submitted the Independent Auditor's Report for the year 2020-21. Comments by the Comptroller & Auditor General of India on the accounts for the year is enclosed.

11. Internal Audit & Controls

The Company has engaged M/s Vadiraj & Co, Chartered Accountants, as Internal Auditors for the Company for the Financial Year 2020-21. During the year the Company continued to implement their suggestions and recommendations for improvement of systems.

12. Implementation of Official Language

Your Company continued to pursue its efforts in the implementation of the Official Language Policy of the Government. Towards this end, cash awards have been given to employees on passing various Hindi examinations.

13. Conservation of energy, technology absorption.

Particulars with respect to 'conservation of energy and technology absorption' are not furnished since the Company is not engaged in any manufacturing activity.

14. Foreign Exchange Earnings and Outgo

The details of foreign exchange earned and the outgo thereof is detailed below:

[Rs. Lakh]

S. No.	Particulars	2020-21	2019-20
1.	Foreign Exchange earned		
	FOB value of Exports	101	259
	Technical Services	55	1260
	TOTAL	156	1519
2.	Outgo of Foreign Exchange		
	Expenditure in Foreign Exchange on professional, consultancy fees, travelling and other matters	123	171

15. Human Resources

The Company aims at continuous up-gradation of skills to ensure that employees at all levels are fully equipped to deliver a wide variety of services to the growing customer base of your Company. Your Company has undertaken a number of training initiatives during the year covering Junior and Middle-level Managers. The programmes for the employees were aimed to refresh the employees with the current business practices, financial matters, export management, and programmes on Corporate Social Responsibility and to promote creativity and innovation. Employees were also deputed for external training programmes.

16. Vigilance Activities

The Company has adopted a pro-active approach to bring vigilance awareness among employees, vendors and customers. A Vigilance Cell is functioning in the Company to keep a watchful eye from the vigilance angle on the overall activities of the Company. System improvement and intensive examination of high value contracts and purchases continued to be the thrust areas for the Vigilance Administration during the year. Important procedures were reviewed and wherever required further simplification has been undertaken for faster and transparent decision-making. Guidelines of the Central Vigilance Commission (CVC) are being complied with / followed by the Company.

17. Disclosure as per the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

During the Financial Year 2020-21, the company has not received any complaints of Sexual Harassment and no cases are pending.

18. Enterprise Risk Management

In order to have a better reporting system on various risk faced by company and to assess such risk for taking appropriate action in timely manner, the company has in place Guidelines on Risk management.

19. Whistle Blower Policy

The Company has in place a Vigil Mechanism / Whistle

Blower policy for Directors and employees to report genuine concerns.

20. Fraud Reporting

There was no incident of fraud reported during the year under review.

21. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended 31.03.2021, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are 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 statement of profit and loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken 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 annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and are adequate and were operating effectively;
- that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively;
- Since the overall performance of the Company is evaluated against the annual MoU targets set by the Department of Public Enterprises (DPE), no specific criteria is laid down for the evaluation of

Board and of its Committees and the individual Directors. Since your Company being a Central Public Sector Enterprise (CPSE), the personnel policies and guidelines issued by DPE are being adopted in line with other CPSEs. Accordingly, your Company has not formulated any separate policy in respect of appointment or evaluation of senior management and key managerial personnel.

22. Extract of Annual Return

In terms of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in the prescribed form are placed as annexure MGT-9 to this report.

23. Declaration from Independent Directors

As per Section 149(7) of the Companies Act, 2013, the company has received declaration form from Shri. S Sathyanarayanan and Shri. S. Velpandiyan, Independent Directors of the Company.

24. Events Subsequent to the Date of Financial Statements

There are no material changes and commitments affecting the financial position of the company which have occurred between 31st March 2021 and date of signing this report.

25. Related Party Transactions

The details of the related party transactions are given in the notes to the financial statements.

All related party transactions entered during the year were in ordinary course of the business and at Arm's length basis. No material related party transactions, i.e., transactions exceeding 10% of the consolidated turnover as per the last audited financial statement, were entered during the year by your company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the companies Act, 2013, in Form AOC-2 is not applicable.

26. Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under Section 186 of the companies Act, 2013 are given in the notes to the Financial Statements.

27. Subsidiary, Associates /Joint Venture Companies

The company is wholly owned (100%) subsidiary company of HMT Limited. Further, the company doesn't have any Subsidiary, Joint Venture or Associate Company.

28. Corporate Governance

A Report on the Corporate Governance is appended as annexure to this Report along with the Compliance Certificate from the Practicing Company Secretary.

29. Indian Accounting Standards

As required under Companies (Indian Accounting Standard) Rules, 2015 (Notification No. 111(E) dated 16.02.2015 issued by Ministry of Corporate Affairs) the Company has prepared the financial statements in accordance with Indian Accounting Standards (Ind AS) with effect from financial year 2016-17.

30. Secretarial Audit Report

In terms of Section 204 of the Companies Act 2013 and rules made thereunder, the Company has appointed M/s. G. Haritha & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the year 2020-21. The report of the Secretarial Auditor is appended as annexure to this report.

31. Code of Conduct

A declaration by the Chairman & Managing Director for having obtained affirmation of compliance of the Code of Conduct by the Board Member (s) and Senior Management for the year ended March 31, 2021 is appended to this report as annexure.

32. Details of Difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or financial institutions along with the reasons thereof

There are no instances of one-time settlement during the financial year 2020-21.

33. Status on Compliance with the Insolvency and Bankruptcy Code, 2016

There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2020-21.

34. Others

No significant and material orders have been passed by any Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status and Company's operations in future

Place: Bengaluru

Date: 08.10.2021

35. Acknowledgements

The Directors are thankful to HMT Limited, the Holding company and its Subsidiaries, various Ministries of the Government of India, especially the Ministry of Heavy Industries & Public Enterprises, Ministry of Commerce, Ministry of External Affairs and Comptroller & Auditor General of India, Principal Director, Commercial Audit, Statutory Auditors, Internal Auditors, Reserve Bank of India, the Company's Bankers, Agents and the valued Customers for their continued support and confidence in the Company.

The staff of the Company displayed a high level of commitment and dedication to the pursuit of business growth. The participative and professional work culture has consistently remained a source of strength for the Company. The Directors wish to place on record their appreciation of the contributions made by the employees at all levels for the operations of the Company during the year.

For and on behalf of the Board of Directors

(A.K. Jain)

Chairman & Managing Director

(Addl. Charge) DIN: 09262984

MANAGEMENT DISCUSSIONS & ANALYSIS

A. Export Sector & Strategies

The country's overall exports during the 2020-21 has exhibited a positive growth of 17.6 percent over the same period last year. Out of this, the engineering sector has registered a growth of 26.04 percent. India's economy is picking up and growth prospects looking bright consequent to the implementation of policies such as the nationwide goods and services tax. India is one of the world's fastest-growing economies accounting for about 15 percent of global growth. To sustain export growth, the industry requires a synergy that promotes manufacturing competitiveness and facilitates the production of goods of global quality standards at prices that are competitive.

The Indian engineering sector is of strategic importance for the growth of the country, being closely associated with the manufacturing and infrastructure sectors of the economy. In other words, growth of the engineering sector drives the growth of core sectors of Indian economy.

It is estimated that the opportunities to unleash the country's exports potential and achieve a three-fold increase in engineering exports by 2025. This target is achievable considering the increased trade flow of engineering products and provides India an opportunity to attain leadership across various product categories. The technology intensity of India's engineering export portfolio has not changed significantly over the decade, and India still exports low and medium-technology intensive engineering goods. The share of high-tech goods is slightly more than six percent of the overall engineering export basket. Historically, labour cost arbitrage has been the competitive advantage for India and this has resulted in limited exports in the high-end segment. However, technology trends across product categories and emergence of digital technologies in manufacturing are expected to significantly change the engineering exports landscape. The scale of operations and production volumes are significantly lower than that of China, the main competitor in the engineering export segment.

The major markets for Indian engineering products have been the Middle East and West Asia, Africa and Latin American nations. The Company's major thrust areas are the implementation of projects overseas on turnkey basis like Technical Training Centers, Vocational Training Centers, Information Technology Centers and export of products. All the projects have been implemented on turnkey basis without cost and time overrun that involved supply of machines and equipment, installation & commissioning, training in India in the reputed established institutions and on-the-job training at project site by HMT(I) experts besides technical assistance in management.

The Company has requisite experience and capabilities in the following areas, which are offered to developing and under-developed countries under MEA assisted programmes.

1. Entrepreneur & Technical Development Centre
2. Vocational Training Centers
3. Information Technology Centers
4. Small & Medium Enterprises Development Centre
5. Tool Rooms for Engineering manufacturing establishments
6. Common Facility Centre
7. Workshops / Laboratories for Engineering / Educational Institutions
8. Lamp chains

The company has over the years set up various Tool Rooms, common Facility Centers, Engineering Workshops, Vocational Training Centers, Advanced Training Centers, Entrepreneur Technical Development Centers and IT Training Centers geared to meet the technical skill and infrastructural needs of the Country and engineering industry complexes. In this area of Technical Training, the Company has carved a niche for itself.

Trading

HMT(I) offers a wide range of bearings, components, workshop equipment, Pumps & Compressors and Laboratory equipment.

B. Strengths And Constraints Strengths

Products

- Backed up by HMT's strong technological base and formidable resources over the years, the Company is recognized as a reliable source for Machine Tools.
- Wide experience in exports since four decades.
- Marketing network in many countries and exports to over 75 countries
- Products are based on technical know-how acquired from world leaders
- Executed major Agricultural Development Project
- Faster after-sales service and spares supply.

Projects & Services

- Proven experience in a spectrum of engineering fields, covering manufacturing, maintenance and execution of turnkey projects in the international market. The Company offers a comprehensive package of consultancy, technical and engineering services from concept to commissioning on turnkey basis.
- Backed by technical and skilled manpower from the Group Companies of HMT.
- Successfully executed projects in areas not entirely within HMT's domain (Fruit Processing, Dairy, Cashew nut processing, manufacture of Water Meter and Welding Rod).
- Core competence in execution of Training and Tool room Projects
- Technically qualified & experienced team for execution of projects

C. Constraints

Products

- Market reach is limited by resources
- Lack of competitive edge vis-à-vis low cost countries (China, Taiwan)
- Free access to international market directly by manufacturers and other traders increases competitive pressures due to technical advancements.
- More response time for enquiries & tenders due to complex purchase procedures.

Projects & Services

- Company's core strengths not known adequately abroad
- Company's network of high level Industrial/commercial contacts not adequate
- Mainly dependent upon MEA projects
- Lack of aggressive agents in many countries.

Opportunities

Products & Projects

- New opportunities in engineering and services exports have opened up through globalization
- Vast opportunity in Africa, South Africa, Belize, Senegal, Bangladesh, etc. for medium technology and medium-priced goods to replace high technology western goods
- Stress on industrialization in developing countries opens up market for export of Machinery and engineering and technical services

Threats

- Non-competitive prices and delivery slippages pose a threat to keeping customers abroad.
- Cumbersome procedures make decision making a difficult and time-consuming process.

- Emergence of China and East European manufacturers with aggressive marketing is a major threat to company's exports.
- Global tendering of projects by MEA.

D. Segment wise / Product wise performance

Product wise Performance: The product-wise sales for the year 2020-21 of the Company is as under -

Sector	Val in Lakh
Machine Tools	216
Projects & Services	
- (a) Products	1761
- (b) Tech Services	6
Total	1983

E. Outlook

Export of Machine Tools, Projects and Services are the major business for the Company. Presently the Company is exporting Machine Tools only to Middle East and African countries. It is necessary for the Company to explore new markets to increase its sales. Sri Lanka, Nepal, Bangladesh, South Africa, Senegal, Belize, Myanmar, etc. continue as key markets for engineering exports. South East Asian market is attractive in terms of export of Machine Tools. This market depends mainly on imports to meet its machine tools equipment demand. Marketing of Machine Tools manufactured by other Indian manufacturers will be considered wherever HMT Machine Tools Limited is not able to meet the technical or commercial requirements. The company would tie-up with export organizations and Companies to widen the basket for marketing project expertise.

F. Risks and Concerns

- Steep competition in the international market has adversely affected the market for Machine Tools which are extremely price sensitive and the Company's already slender margins are eroded.
- Delays in deliveries and non competitive prices of machine tools
- Non realization of major orders for projects due to non-compliance of commercial terms

- Elaborate purchase procedures delaying the processing of project procurements.
- Tendering by MEA instead of nomination in awarding projects.

G. Internal Control System and Their Adequacy

The company has adequate systems for internal control which are commensurate with its size and nature of its operations. The salient features of internal control system are:

- Clear delegation of power with authority limits for incurring capital and revenue expenditure.
- Well laid down corporate policies for accounting, reporting and Corporate Governance.
- Safeguarding assets against unauthorized use or disposition and ensuring that transactions are authorized and recorded.
- Process for formulating and reviewing annual/ aggregate and long term/ strategic business plans have been laid down.
- Detailed Annual budget with monthly break up of targets under various Heads.
- Compliance with Laws and Regulations
- Ten years' Road Map of the Company.

H. Financial Performance

The Turnover of the Company during the year 2020-21 is Rs.1983 Lakh as compared to Rs.6715 Lakh of the previous year. During the year, the Company has generated a profit (PAT) of Rs. 97 Lakh as against a profit of Rs. 271 Lakh during the previous year.

I. Human Resources

As on March 31, 2021, the Company has a manpower strength of 23 personnel. The standard force of the company is 40 and young professionals in the areas of Technical, Commercial and marketing areas were inducted recently. The Company aims at continuous upgradation of skills to ensure that employees at all levels are fully equipped to deliver a wide variety

of services to the growing customers base of your Company. The Company has undertaken a Number of training initiatives during the year covering Junior and Middle- level Managers. The programmes for the employees were aimed to refresh the employees with the current business practices, financial matters, export management, and programmes on Corporate Social Responsibility.

J. Corporate Social Responsibility

HMT Group has set up Hospitals, Schools and Playgrounds at various Manufacturing Units for the benefit of employees and the local community. The Company makes contributions towards maintenance of these services by HMT, the Holding Company.

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CORPORATE GOVERNANCE

In compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises framed by the Department of Public Enterprises, GOI as applicable to Government Companies and as per the applicable provisions of the Companies act, 2013, your Company hereby submit the report on Corporate Governance. The Company is committed to maintain the highest standards of Corporate Governance and initiated appropriate action for compliance of the Guidelines on Corporate Governance.

Board of Directors

As on March 31, 2021, the Board of Directors comprised of Chairman, Managing Director, Two part-time Official

Directors and Two part-time Non-Official (Independent) Director.

The day-to-day Management of the Company is conducted by the Managing Director and under the supervision and control of the Board of Directors.

During the year 2020-21, Four (4) Board Meetings were held on June 24, September 21, November 23 in the calendar year 2020 and on March 4 in the calendar year 2021.

The compositions of Directors and their attendance at the Board Meetings and at other Meetings during the year are:

Name	Category	Attendance particulars		No. of other Directorships and Committee Member /Chairmanship held		
		Board Meetings	AGM/ Meeting	Directorship	Committee	
					Membership	Chairmanship
S.Girish Kumar	ENI	4	Yes	8	3	1
Pravin Agrawal	NENI	0		4	-	-
Shri. Amit Varadan	NENI	1	-	-	-	-
Dr. Srikar K Reddy	NENI	3	-			
Smt. Sujata Sharma	NENI	2		5	-	-
Dr. S. Sathyanarayanan	NEI	4	-			
S. Velpandiyan	NEI	4				

C: Chairman & Managing Director, ENI: Executive & Non Independent, NENI: Non Executive & Non Independent, NEI: Non Executive & Independent, NA: Not Applicable

Brief Resume of Directors appointed during the year 2020-21

Shri S.Girish Kumar, the Managing Director of the company, assumed charge of the post of Chairman & Managing Director of HMT Limited on April 21, 2017.

Consequently, he has been assigned the additional charge of the post of Managing Director of HMT (International) Limited with effect from April 21, 2017.

Shri Amit Varadan, was inducted as Part-time Official Director on the Board of HMT (International) Ltd w.e.f.

01.09.2020. He is presently posted as Joint Secretary in the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India. Shri Amit Varadan holds a Bachelor Degree in Economics from St Stephen's College and a Master's Degree in Economics from Jawaharlal Nehru University. He is also an MBA from the Faculty of Management Studies, Delhi University. Prior to taking charge of Joint Secretary, he was Divisional Railway Manager, Secunderabad.

He joined Indian Railway Traffic Service in August 1990. During his tenure in Railway Services, he has worked in various wings of the Indian Railways viz., Operating, Commercial, Safety, Vigilance, Information Technology and Public Relations at various levels in the Divisional Units (cutting edge of Railway Operations), in Zonal Headquarters and Railway Board. He has also worked in the Centre for Railway Information Systems (CRIS). Prior to joining Indian Railway Traffic Service, he worked as Lecturer in Economics in Hindu College, Delhi University.

Smt. Sujata Sharma has been appointed as Part-time Official Director on the Board of HMT (International) Limited w.e.f. 30.09.2020. Ms. Sujata Sharma belongs to the Indian Economic Service (IES), 1986 batch. She is presently posted as Senior Economic Adviser in the Ministry of Heavy Industries and Public Enterprises, Department of Heavy Industry, Government of India. Prior to taking charge of Senior Economic Adviser in Department of Heavy Industry, she was Economic Adviser, Ministry of Panchayati Raj.

Ms. Sujata Sharma aged 59 years is a Post Graduate from Lucknow University and Post Graduate Diploma in Development Studies from the Institute of Developing Economies Advanced School, Tokyo, Japan. She has also participated in the Advanced Professional Programme in Public Administration (APPPA) from the Indian Institute of Public Administration for an M.Phil Degree.

Smt. Sujata Sharma had worked in erstwhile Planning Commission and some Ministries related to the social and rural development sectors. The experience included coordination with States with regard to assessment of Plan Schemes of the States and release of Central

Assistance, financial resources for States for the Plans, monitoring of the resources and schemes of the States, analysis of States budgets. She has a rich experience in the development issues relating to the inclusive growth, social justice and empowerment of the disadvantaged and marginalized sections of society. She also handled matters relating to policy intervention, capacity building, financial support for the strengthening of Panchayati Raj system in the country.

Dr. Srikar K. Reddy joined the Indian Foreign Service in 2001. He served in Germany from October 2003 to November 2008 at the Indian Embassy in Berlin and the Consulate General of India in Munich. He worked at Headquarters in the Ministry of External Affairs as Under Secretary/Deputy Secretary from November 2008 to July 2011 and handled bilateral relations with Pakistan. He was Regional Passport Officer for the period July 2011 to August 2014. He worked as Counsellor at the Permanent Mission of India to the World Trade Organization (WTO) from August 2014 to October 2017 and was Indian delegate to the TRIPS Council, Committee on the Regional Trade Agreements (CRTA), Negotiating Group on Rules (NGR), and the Committee on the Trade and Development (CTD) at the WTO. He served as Consul General of India in Ho Chi Minh City, Vietnam from October 2017 to March 2020. He was Joint Secretary in the Ministry of External Affairs responsible for India's relations with countries in East and Southern Africa (E & SA) for a brief period from March 2020 to June 2020.

He is currently in the Department of Commerce as Joint Secretary in-charge of the FT-Africa, FT-WANA and EP-Engineering divisions.

Dr. S. Sathyanarayanan has been appointed as the Non-official Independent Director with effect from 28th March 2019. He is a Vascular Surgeon and Laparoscopy Surgeon. He has served as Chief Medical Officer in Hindu Mission Health Services, Nanganallur, Chennai and as Associate Professor in Surgery in Sri Balaji Medical College, Chrompet.

Shri. S. Velpandiyan is a B.Sc graduate. He is president of 80 Puttalam Co-operative Societies in Kanyakumari Dist. Tamil Nadu.

Committees of the Board

The criteria for constitution of Audit and Remuneration Committee are not applicable for the Company.

General Body Meetings

The last three Annual General Meetings of the Company were held as under:

Financial year	Date	Time	Venue
2017-2018	20.08.2018	11.00 a.m	Registered Office of the Company
2018-2019	28.08.2019	12.30 p.m	
2019-2020	15.09.2020	02.00 p.m	

Special Resolution, if any

The Annual General Meeting for the current year is scheduled before November 30, 2021 at the Registered Office of the Company.

Disclosures

There were no transactions of material nature with its Promoters, the Directors or the Management or their relatives which may have the potential conflict with the interest of the Company at large. There are outstanding Statutory Dues payables by some of the units of the Group Companies which have approached /are approaching

the Provident Fund Authorities for settlement in monthly Installments.

There were no other instances of non-compliance by the Company, penalties, strictures imposed on the Company by statutory authority, or any matter related to any guidelines issued by Government, during the last three years.

Means of Communication

Being a wholly owned Subsidiary, Company submits financial results periodically to HMT Limited, the Holding Company. Annual results are also updated on the Company's website www.hmti.com.

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2021

[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 : U33309KA1974GOI002707
- ii. Registration Date : 13-12-1974
- iii. Name of the Company : HMT (INTERNATIONAL) LIMITED
- iv. Category/Sub-Category of the Company : Company Limited by Shares /Union Government Company
- v. Address of the registered office and Contact details : HMT Bhavan, 59, Bellary Road, Bangalore – 560 032
Ph. : 91- 80-23330333
Fax : 91-80- 23339111
- vi. Whether listed company : No
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any : N/A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main Products/ Services	NIC Code of the Product/ service	% total turnover of the company
1	Export/Trading of Goods & Services		100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding Subsidiary Joint Venture	% of shares held associate
1	HMT Limited	L29230KA1953GOI000748	Holding	100

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)
i) Category-wise Share Holding

Category Code	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	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual/ HUF	0	0	0	0	0	0	0	0	0
(b)	Central Government/ State Govt.	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(e)	Government Companies	0	7,20,000	7,20,000	100	0	7,20,000	7,20,000	100	0
	Sub-Total A(1) :	0	7,20,000	7,20,000	100	0	7,20,000	7,20,000	100	0
(2)	FOREIGN									
	Sub-Total A (2):	0	0	0	0	0	0	0	0	0
	Total A=A (1) + A(2)	0	0	0	0	0	0	0	0	0
(B)	PUBLIC SHAREHOLDING									
	Sub-Total B (1) :	0	0	0	0	0	0	0	0	0
(2)	NON INSTITUTIONS									
	Sub-Total B (2):	0	0	0	0	0	0	0	0	0
	Total B = B (1)+B(2)	0	0	0	0	0	0	0	0	0
	Total (A+B) :	0	0	0	0	0	0	0	0	0
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
(2)	Public	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	0	7,20,000	7,20,000	100	0	7,20,000	7,20,000	100	0

ii) Shareholding of Promoters

Sl. 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.	HMT Limited	7,20,000	100	NIL	7,20,000	100	NIL	NIL

iii) Change in Promoters' Shareholding (please specify, if there is no change) – NO CHANGE

Sl. 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	7,20,000	100	7,20,000	100
	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):	0	0	0	0
	At the End of the year	7,20,000	100	7,20,000	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs): NA

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the beginning of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Not Applicable				

v) Shareholding of Directors and Key Managerial Personnel:

For each of the Directors and KMP	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	-NIL-	-NA-	-NIL-	-NA-
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):	No change		No change	
At the End of the year	-NIL-	-NA-	-NIL-	-NA-

None of the Directors or Key Managerial Personnel is holding any shares in the company.

V. INDEBTEDNESS

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01.04.2020				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	NIL
- Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year 31.03.2021				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Whole-time Director:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A - -
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, specify	
5	Others Medical	-
	Total (A)	-
	Ceiling as per the Act	-

B. Remuneration to other Directors:

Particulars of Remuneration	Dr. S. Sathyanarayanan (Independent Director)	Shri. S. Velpandiyan (Independent Director)	Total Amount
1. Independent Directors			
- Fee for attending Board/Committee Meetings	20000	20000	40000
- Commission	0	0	0
- Others, please specify	0	0	0
Total (1)	20000	20000	40000
2. Other Non-Executive Directors	0	0	0
<i>Particulars of Remuneration</i>	0	0	0
Total (2)	0	0	0
Total (B)=(1+2)	20000	20000	40000
Total Managerial Remuneration	20000	20000	40000
Overall Ceiling as per the Act	-	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		NA	Total (Rs.)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(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	-	-
	TOTAL	-	-

VII: PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies	Brief Act Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment			None		
Compounding			None		
B. DIRECTORS					
Penalty			None		
Punishment			None		
Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

For and on behalf of the Board of Directors

(A.K. Jain)

Chairman & Managing Director
(Addl. Charge) DIN: 09262984

Place: Bengaluru
Date: 08.10.2021

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021**Form No. MR 3**

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

To,
The Members,
H.M.T. (INTERNATIONAL) LIMITED.
No.59 Bellary Road
Bengaluru 560032
KARNATAKA INDIA
CIN: U33309KA1974GOI002707

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **H.M.T. (INTERNATIONAL) LIMITED** (hereinafter called 'the Company' CIN: U33309KA1974GOI002707). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company'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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021 (hereinafter referred to as ("**the audit period**") 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2021 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made thereunder;

- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iii. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable, as reported to us there were no FDI, ODI or ECB transactions in the company during audit period under review).**
- iv. 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, as reported to us there were no such transactions in the Company during the audit period under review).**
- v. Other laws as applicable specifically to the Company, namely; As reported to us, the company being a 100% Export oriented Unit, complied with all the applicable laws during the period under review including Sexual Harassment of Women at Workplace (Prevention and Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable Secretarial Standards with regard to meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);

Accordingly, we state that during the period under review there were adequate systems and processes in place to monitor and ensure compliance with various applicable laws and that the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

Being an unlisted public company during the audit period, the following Acts, Rules, Guidelines and Regulations were not applicable:

- i. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- ii. 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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
 - h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have not examined compliance by the company with respect to:

- a) Applicable financial laws, like direct and indirect tax laws since the same have been subject to review by statutory financial audit and other designated professionals.

- b) Listing Agreement with the Stock Exchange(s), as the company is an Unlisted Public Company. (a wholly owned subsidiary of a Listed Government Company)

Observations/ Non Compliances / Adverse Remarks / Qualifications in respect of the Companies Act, 2013 and Rules made thereunder and Secretarial Standards are as follows:

- As informed to us filing of certain board actions/resolutions/agreements were exempted to the Company, being a Government Company w.r.t the filing of various e-forms with the Registrar of Companies, Karnataka.

We further report that -

The Board of Directors of the Company is duly constituted. 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.

The company is not required to constitute Audit Committee and Nomination and Remuneration Committee during the period under report as informed to us it is not covered under Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. The Company is not required to appoint Independent Directors, being a wholly owned subsidiary, as such it is exempted from compliance vide sub-rule 2 of Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 vide amendments w.e.f. July 5, 2017.

Adequate notices were given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent in advance 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.

As per the minutes of the Board Meetings duly recorded and signed by the Chairman, the decisions at the Meetings were unanimous and no dissenting views have been recorded.

There were no amendment/modification of the Memorandum and Articles of Association of the

Company during the period under report.

We further report that based on the information provided and representations made by the Company, there were 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.

We further report that, during the audit period there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs in pursuance of the above referred laws, rules etc.

For G Haritha & Associates

Place: Bengaluru
Date: June16, 2021

G. Haritha
Company Secretary in Practice
FCS 5521 : CP No.10749
UDIN: F005521C000473494

Note : This Report is to be read with our letter of even date which is annexed as '**Annexure - A**' and forms an integral part of this Report.

To,
The Members,
H.M.T (INTERNATIONAL) LIMITED.
No.59 Bellary Road
Bengaluru 560032
Karnataka India
CIN: U33309KA1974GOI002707

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company like, Income Tax, GST, Customs, etc.
4. Wherever required, we have obtained the Management representations about the compliance of applicable 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 the Management in terms of Section 134 (5) (f) of the Companies Act, 2013. Our 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.
7. Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by them or obtained from the Company electronically and also the information provided by the company and its officers by audio and/or visual means.

For G Haritha & Associates

G. Haritha
Company Secretary in Practice

Place: Bengaluru
Date: June 16, 2021

FCS 5521 : CP No.10749
UDIN: F005521C000473494

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of HMT (International) Limited

We have examined the compliance of conditions of Corporate Governance by HMT (International) Limited, (“the Company”), for the year ended on 31st March 2021, as stipulated in Guidelines on Corporate Governance for Public Sector Enterprises.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

The full complements of Independent Directors as required under Corporate Governance Guidelines have been fulfilled and the Audit Committee was not constituted, since the same is not applicable.

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Guidelines.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For GPSV & CO.,
(Chartered Accountants)
(FRN-013175S)
UDIN: 21222219AAAADL1966

PATIL NARAHARI LAXMANRAO

Partner
(M No.222219)

Place: Bangalore

Date: 16-06-2021

DECLARATION BY THE MANAGING DIRECTOR

Sub: Code of Conduct- Declaration under Clause 3.4.2 This is to certify that:

In pursuance of the provision of Clause 3.4.2 of Corporate Governance Guidelines of DPE, a code of conduct for the Board Members and Senior Management Personnel is in place.

The said Code of Conduct has been uploaded on the website of the Company and has also been circulated to the Board Members and the Senior Management Personnel of the Company; and

All Board Members, and the Senior Management Personnel have affirmed compliance of the said Code of Conduct, for the year ended March 31, 2021

Place: Bangalore

Date: 08.10.2021

(A.K. Jain)
Chairman & Managing Director
(Addl. Charge) DIN: 09262984

INDEPENDENT AUDITOR'S REPORT

To
The Members of
HMT (INTERNATIONAL) Limited

Report on the Audit of the Standalone
Financial Statements

Opinion

We have audited the accompanying standalone financial statements of HMT (International) Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of the Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI)

together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely

rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the

requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For G P S V & Co.,
Chartered Accountants
FRN - 013175S
UDIN: 21222219AAAADL1966

Patil Narahari Laxmanrao
Partner
M No – 222219

Place: Bengaluru
Date:16/06/2021

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of HMT (International) Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 HMT (International) Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone Ind AS 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 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 respective 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 of the Company and its joint operations companies incorporated in India (retain as applicable) 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”) issued by the Institute of Chartered

Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets

of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G P S V & Co.,
Chartered Accountants
FRN - 013175S
UDIN: 21222219AAAADL1966

Place: Bengaluru
Date:16/06/2021

Patil Narahari Laxmanrao
Partner
M No – 222219

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HMT (International) Limited of even date)

1.
 - i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - ii. These fixed assets have been physically verified by the management at reasonable intervals as per the asset's verification program having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - iii. The title deeds, comprising all the immovable properties are held in the name of the Company as at the balance sheet date.
2. Physical verification of inventory has been conducted at reasonable interval by the management. No material discrepancies has been noticed on such verification
3. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. According to information and explanations given to us, the Company has not granted any loans, made any investments, extended any guarantees and provided any security to or on behalf of the parties referred in section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits from the public.
6. According to the information and explanation given to us, for the activities carried out by the Company, the Central Government has not prescribed the maintenance of cost records, under Section 148 (1) of the Act.
7. According to information and explanations given to us in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - c. According to the information and explanations given to us and based on the examination of the records of the Company, there are no dues in respect of income tax or goods and service tax or sales tax or service tax or duty of customs or duty of excise or value added tax, which have not been deposited with the appropriate authorities on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, the Company has paid/

- provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
 13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
 14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
 15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to him. Accordingly, paragraph 3(xv) of the Order is not applicable.
 16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G P S V & Co.,
Chartered Accountants

FRN - 013175S
UDIN: 21222219AAAADL1966

Patil Narahari Laxmanrao
Partner
M No – 222219

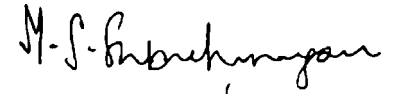
Place: Bengaluru
Date:16/06/2021

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HMT INTERNATIONAL, BENGALURU FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of HMT International Limited, Bengaluru for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India Section 139 (5) of Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of HMT International Limited, Bengaluru for the year ended 31 March 2021 under Section 143 (6)(a) of the Act.

**For and on behalf of the
Comptroller and Auditor General of India**

A handwritten signature in black ink, appearing to read 'M.S. Subrahmanyam', is written in a cursive style.

**(M.S. Subrahmanyam)
Director General of Commercial Audit
Hyderabad**

Place : Hyderabad

Date : 02 August 2021

NOTE – 2

**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED
31 MAR 2021****BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis and in accordance with the provisions of Companies Act, 2013.

For all periods up to & including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

**A. PROPERTY, PLANT AND EQUIPMENT -
IND AS 16**

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation to date. Cost includes direct costs and financing costs related to borrowing attributable to acquisition that are capitalized until the assets are ready for use.

Assets at Foreign Branch acquired after 31.03.1991 are stated at the applicable rates of exchange on the date of acquisition.

B. INVENTORY - IND AS 2

Inventories are valued at lower of cost and net realizable value.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

C. FINANCIAL ASSET - TRADE AND OTHER RECEIVABLES – IND AS 32

- i) The provision is made for all Trade and Other Receivables considered doubtful of recovery having regard to the following considerations:

- a) Time barred debts from the Government / Government Departments / Government companies are generally not treated as doubtful debts.
- b) Where debts are disputed in legal proceedings, provision is made if any decision is given against the company even if the same is taken up on appeal to higher authorities / courts.
- ii) Provision for bad and doubtful debts is generally made for debts outstanding for more than three years, excepting those which are contractually not due as per the terms of the contract or those which are considered realizable based on a case to case review.
- iii) The debts which are partially settled due to the disputes or court settlement or otherwise including from the Govt / Govt Department / Govt Companies are charged off to the Statement of Profit and Loss in the year of settlement.
- iv) The extent of provision required to be made in the books of accounts will be decided on a case to case basis based on the age of the debts after careful review of all related aspects covering the dues.

**D. FOREIGN CURRENCY TRANSACTIONS –
IND AS 21**

Functional Currency : The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

E. DEPRECIATION – IND AS 16

Depreciation on Property, Plant and Equipment is provided on straight line basis over the useful life of the various assets as prescribed in Schedule II to the Companies Act, 2013, pro-rata with reference to the date of addition or deletion. As and when Property, Plant and Equipment gets fully depreciated, Rs 1/- is retained as book value of the Property, Plant and Equipment. Property, Plant and Equipment costing less than Rs 10,000/- shall be depreciated to Re.1/- in the year of purchase.

Each part of an item (also known as 'Component') of Property, Plant & Equipment (PPE) with a cost that is significant in relation to the total cost of the item and has different useful life from that of the PPE it shall be depreciated separately.

F. WARRANTIES – IND AS 37

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

With regard to turnkey projects implemented by the company, warranty provision at the rate of 2 percent of the purchase value is provided.

G. REVENUE RECOGNITION- IND AS 115

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless

of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

SALE OF GOODS

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company recognises the Sale of Goods based on:

- 1) Physical delivery of goods to the customer / customer's carrier /common carrier, duly supported by invoice, excise duty paid challan, gate pass, delivery voucher and LR / GR, in case of ex-works contracts.
- 2) LR/GR obtained and endorsed in favour of customer (consignee 'self'), in case of FOR destination contracts.

Despatches to dealers/customers in respect of Machines & Tractors.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rendering of Services: Revenue from sale of services is recognised by reference to the stage of completion. Stage of completion is measured by services performed to date as a percentage of total services to be performed.

Extended Warranty :

When the company sells extended warranty, the revenue from sale of extended warranty is deferred and recognised over the period covered by the warranty. Where extended warranties are included in the price of the product and provide protection in excess of that

provided by normal terms and conditions of sale for the relevant product, the company will separate and account for these two items separately.

H. EMPLOYEES BENEFITS - IND AS 19

Provident fund is provided for, under a defined benefit scheme. The Contributions are made to the Trust administered by the Company.

Leave encashment is provided for under a defined benefit scheme based on actuarial valuation.

Gratuity is provided for under a defined benefit scheme, to cover the eligible employees, liability being determined by actuarial valuation conducted by LIC of India and is remitted to the Approved Trust.

Settlement allowance is provided for, under a defined benefit scheme, to cover the eligible employees, liability being determined on actuarial valuation.

Pension is provided for under defined contributions scheme, contributions are made to the Pension Fund administered by the Government.

I. TAXES – IND AS 12

Current Taxes: Current income tax assets and liabilities are measured at the amount expected to be recovered

from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax: Deferred income tax assets and liabilities are recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Where deferred tax asset is recognised against unabsorbed depreciation or carry forward of losses under tax laws, it is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

J. EARNINGS PER SHARE

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period

Balance Sheet as at 31st March 2021

(Rs. In Lakhs)

	Note No.	As at 31/03/2021	As at 31/03/2020
ASSETS			
A Non-current assets			
(a) Property, Plant and Equipment	3	447.90	457.67
(b) Other non-current assets	4	76.19	42.24
		524.09	499.91
B Current assets			
(a) Inventories	5	132.76	314.61
(b) Financial assets			
(i) Trade receivables	6	1,615.12	1,578.16
(ii) Cash and cash equivalents	7	2,900.37	5,159.18
(iii) Loans	8	-	-
(iv) Other Financial Assets	9	299.01	105.97
(c) Other current assets	10	457.77	518.15
		5,405.03	7,676.07
C TOTAL ASSETS (A + B)		5,929.12	8,175.98
EQUITY AND LIABILITIES			
A Equity			
(a) Equity share capital	11	72.00	72.00
(b) Other equity	12	3,645.18	3,560.83
Total equity		3,717.18	3,632.83
B Liabilities			
Non-current liabilities			
(a) Provisions			
(i) Provision for Employee benefits	13	143.71	134.62
(b) Deferred tax liabilities (net)		46.27	43.80
Total Non-Current Liabilities		189.98	178.42

Balance Sheet as at 31st March 2021

(Rs. In Lakhs)

	Note No.	As at 31/03/2021	As at 31/03/2020
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	14	911.43	2,605.46
Other Current Liabilities	15	1,042.20	1,573.79
(b) Provisions			
(i) Provision for Employee benefits	13	33.33	54.48
(c) Current Tax Liabilities (net)			
		35.00	131.00
Total Current Liabilities		2,021.96	4,364.73
Total liabilities		2,211.94	4,543.15
C TOTAL EQUITY AND LIABILITIES (A + B)		5,929.12	8,175.98
Notes forming part of Financial Statements	1		
Significant Accounting Policies	2		

For and on behalf of the Board

**As per our report of even date
For GPSV & Co.,
Chartered Accountants (FRN 013175 S)**

S. GIRISH KUMAR
Chairman & Managing Director
DIN NO : 03385073

SRIKAR K REDDY
Director
DIN NO : 08822924

PATIL NARAHARI LAXMAN RAO
Partner (M.No.222219)
UDIN NO : 21222219AAAADL1966

Place : Bangalore
Date : 16-06-2021

JAYANTHI VENKATESH
ASST GENERAL MANAGER (FINANCE)

Statement of Profit and Loss for the year ended 31st March 2021

		(Rs. In Lakhs)	
	Note No.	31/03/2021 INR Lakhs	31/03/2020 INR Lakhs
CONTINUING OPERATIONS			
(a) Revenue from operations	16	1,983.48	6,714.93
(b) Other income	17	361.49	270.78
Total Income		2,344.96	6,985.71
EXPENSES			
(a) Cost of Goods Traded, Service and Works	18.a	1,602.50	5,721.00
(b) (Increase)/decrease in inventories of finished goods and stock in trade	18.b	181.85	354.45
(c) Employees' benefits expense	19	295.04	281.22
(d) Depreciation and amortization expense	20	13.80	13.95
(e) Finance Cost	21	-	0.21
(f) Other expenses	22	131.52	227.31
Total expense		2,224.70	6,598.14
Profit/(loss) before exceptional items and tax from continuing operations		120.26	387.57
Share of (profit)/loss of an associate and a joint venture		-	-
Profit/(loss) before exceptional items and tax from continuing operations		120.26	387.57
Exceptional items		-	-
Profit/(loss) before tax from continuing operations		120.26	387.57
(1) Current tax		35.00	131.00
(2) Adjustment of tax relating to earlier periods		-12.10	-9.34
(3) Deferred tax		0.42	-5.28
Income tax expense		23.32	116.38
Profit for the year from continuing operations		96.94	271.19
DISCONTINUED OPERATIONS			
Profit/(loss) before tax for the year from discontinued operations		-	-
Tax Income/ (expense) of discontinued operations		-	-
Profit/(loss) from discontinued operations		-	-
Profit/(loss) for the year		96.94	271.19
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Re-measurement of the net defined benefit liability/asset		-	-
Equity instruments through other comprehensive income		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-

Statement of Profit and Loss for the year ended 31st March 2021

		(Rs. In Lakhs)	
	Note	31/03/2021	31/03/2020
	No.	INR Lakhs	INR Lakhs
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans	22	7.47	0.21
Income Tax effect		-2.06	0.06
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		5.41	0.27
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		102.35	271.46
Profit/(loss) for the year			
Attributable to:			
Equity holders of the parent		96.94	271.19
Total comprehensive income for the year			
Attributable to:			
Equity holders of the parent		7.47	0.21
Earnings per share for continuing operations			
Basic, profit from continuing operations attributable to equity holders of the parent		13.46	37.67
Diluted, profit from continuing operations attributable to equity holders of the parent		13.46	37.67
Earnings per share for discontinued operations			
Basic, profit from discontinued operations attributable to equity holders of the parent		-	-
Diluted, profit from discontinued operations attributable to equity holders of the parent		-	-
Earnings per share from continuing and discontinued operations			
Basic, profit for the year attributable to equity holders of the parent		13.46	37.67
Diluted, profit for the year attributable to equity holders of the parent		13.46	37.67
Notes forming part of Financial Statements	1		
Significant Accounting Policies	2		

For and on behalf of the Board

 As per our report of even date
For GPSV & Co.,
 Chartered Accountants (FRN 013175 S)

S. GIRISH KUMAR
 Chairman & Managing Director
 DIN NO : 03385073

SRIKAR K REDDY
 Director
 DIN NO : 08822924

PATIL NARAHARI LAXMAN RAO
 Partner (M.No.222219)
 UDIN NO : 21222219AAAADL1966

 Place : Bangalore
 Date : 16-06-2021

JAYANTHI VENKATESH
 ASST GENERAL MANAGER (FINANCE)

Statement of Cash Flows for the year ended 31 March 2021

	(Rs. In Lakhs)	
	31-Mar-21	31-Mar-20
	INR Lakhs	INR Lakhs
Operating activities		
Profit before tax from continuing operations	120.26	387.57
Profit/(loss) before tax from discontinued operations	-	-
Profit before tax	120.26	387.57
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of property, plant and equipment	13.80	13.95
Profit on sale of assets	-0.06	-
Finance Income (Interest)	-176.26	-244.29
<i>Working capital adjustments:</i>		
(Increase)/Decrease in Trade Receivables and other receivables	-169.62	1,028.31
(Increase)/Decrease in Inventories	181.85	354.45
Increase/(Decrease) in Trade and other payables	-2,225.61	-304.78
Increase/(Decrease) in Net Employee Defined Benefit Liabilities	-4.59	17.42
	-2,260.25	1,252.63
Income tax paid	-118.90	-57.65
Net cash flows from operating activities	-2,379.15	1,194.98
Investing activities		
Purchase of property, plant and equipment	-3.97	-
Other Current Assets	-33.95	-3.64
Interest received	176.26	244.29
Net cash flows used in investing activities	138.34	240.65
Financing activities		
Dividend paid	-18.00	-17.36
Interest paid	-	0.21
Net cash flows from/(used in) financing activities	-18.00	-17.15
Net increase in cash and cash equivalents	-2,258.81	1,418.48
Cash and cash equivalents at the beginning of the year	5,159.18	3,740.70
Cash and cash equivalents at year end	2,900.37	5,159.18

For and on behalf of the Board

 As per our report of even date
 For GPSV & Co.,
 Chartered Accountants (FRN 013175 S)

S. GIRISH KUMAR
 Chairman & Managing Director
 DIN NO : 03385073

SRIKAR K REDDY
 Director
 DIN NO : 08822924

PATIL NARAHARI LAXMAN RAO
 Partner (M.No.222219)
 UDIN NO : 21222219AAAADL1966

 Place : Bangalore
 Date : 16-06-2021

JAYANTHI VENKATESH
 ASST GENERAL MANAGER (FINANCE)

Note to Financial Statements for the year ended 31 March 2021



3. Property, Plant and Equipment

	Building	Interior Decoration	Factory Equipments	Furniture, Fixtures, Computers including Office Equipments and Measuring Instruments	Vehicles	Total
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Cost or valuation						
At 1 April 2020	676.75	41.61	0.61	105.58	15.67	840.22
Additions	-	-	-	4.03	-	4.03
Disposals	-	-	-	7.83	-	7.83
Gross Block at 31st March 2021	676.75	41.61	0.61	101.78	15.67	836.42
Depreciation and impairment						
At 1 April 2020	220.43	41.61	0.59	104.23	15.67	382.53
Depreciation charge for the Year	11.27	-	0.02	2.51	-	13.80
Disposals	-	-	-	7.83	-	7.83
Depreciation Reserve at 31st March 2021	231.70	41.61	0.61	98.91	15.67	388.52
Net book value						
At 31 March 2021	445.05	-	0.00	2.87	0.00	447.90
At 31 March 2020	456.32	-	0.02	1.25	-	457.24

Note to Financial Statements for the year ended 31 March 2021

	31/03/2021	31/03/2020
	INR Lakhs	INR Lakhs
4. Other Non Current Assets		
Gratuity	76.19	42.24
Total Other Current Assets	76.19	42.24
5. Inventories		
Finished Goods - Machineries not Shipped	132.76	314.61
Finished Goods - Machineries not Shipped	132.76	314.61
6. Trade Receivables		
Trade receivables	1,843.75	1,723.46
Receivables from related parties	-228.63	-145.30
Total Trade Receivables	1,615.12	1,578.17
Break-up for security details:		
Trade receivables		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due	973.42	517.52
Outstanding for a period less than six months from the date they are due	641.70	1,060.64
Total Trade Receivables	1,615.12	1,578.16

Note to Financial Statements for the year ended 31 March 2021

	31/03/2021	31/03/2020
	INR Lakhs	INR Lakhs
7. Cash and Cash equivalents		
Balances with banks:		
In current accounts	146.75	48.24
In Earmarked Accounts	2,566.11	2,454.60
Fixed Deposits including Lien for Bank Guarantees	187.52	2,656.34
Total Cash and Cash equivalents	2,900.37	5,159.18
8. Loans		
Non-current	-	-
Current		
Inter-corporate Loan to HMT Limited	-	-
Total Current Loans	-	-
Total Loans	-	-
9. Other Financial Assets		
Non-current		
Deposits with Banks exceeding 12 months	225.00	-
Interest accrued but not due exceeding 12 months	10.91	105.97
Interest accrued but not due less than 12 months	63.10	-
Total Other Current Financial Assets	299.01	105.97
Total Other Financial Assets	299.01	105.97
10. Other Current Assets		
Deposit	0.05	10.46
EMD	0.05	-
Claims towards refund of service tax	0.27	0.27
Claims receivables	10.95	11.46
Export Incentives receivables	2.04	4.01
Advances to employees	2.06	5.92
Others		
Advances paid to suppliers / services providers	2.94	2.63
Advance Service Tax	27.46	27.46
GST Receivable	82.68	80.15
Income Tax Refundable	266.23	356.69
TDS (AY 2021-22)	56.34	-
Prepayments	6.70	19.10
Total Other Current Assets	457.77	518.15

Note to Financial Statements for the year ended 31 March 2021
11. Equity Share Capital
Authorised share capital

	Equity Shares	
	No. in Lakhs	INR Lakhs
At 1 April 2018	80.00	800.00
Increase/(decrease) during the year	0.00	-
At 31 March 2019	80.00	800.00
Increase/(decrease) during the year	0.00	-
At 31 March 2020	80.00	800.00
Increase/(decrease) during the year	0.00	-
At 31 March 2021	80.00	800.00

Issued equity capital
Equity shares of INR 10 each issued and fully paid

	No in Lakhs		INR Lakhs	
	No in Lakhs		INR Lakhs	
At 1 April 2018	7.20		72.00	
Increase/(decrease) during the year	-		-	
At 31 March 2019	7.20		72.00	
Increase/(decrease) during the year	-		-	
At 31 March 2020	7.20		72.00	
Increase/(decrease) during the year	-		-	
At 31 March 2021	7.20		72.00	

The Company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

Details of shareholders holding more than 5% Equity shares in the company

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
HMT Limited & its nominee	7.2	100	7.2	100

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31/03/2021	31/03/2020
	No. in Lakhs	No. in lakhs
Cash	0.005	0.005
Issued for consideration other than cash	0.295	0.295
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	6.900	6.900
TOTAL	7.200	7.200

Note to Financial Statements for the year ended 31 March 2021

	31/03/2021	31/03/2020
	No. in Lakhs	No. in lakhs
Statement of Changes in Equity		
A. Equity Share Capital		
Equity shares of INR 10 each issued, subscribed and fully paid		
At 1 April 2018	7.20	72.00
Changes in equity share capital during the year		
At 31 March 2019	7.20	72.00
Changes in equity share capital during the year		
At 31 March 2020	7.20	72.00
Changes in equity share capital during the year		
At 31 March 2021	7.20	72.00

Note to Financial Statements for the year ended 31 March 2021
12. Other Equity

	Reserves and Surplus		Other Comprehensive income		
	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of Other Comprehensive Income	Total equity attributable to equity holders of the company
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Balance as of 1st April 2019	3,065.26	290.11	-	-48.63	3,306.73
Transfer to General reserve					-
Remeasurement of the net defined benefit liability/asset, net of tax effect				0.27	0.27
Dividends including (DDT) (2018-2019)		-17.36			-17.36
Profit for the period		271.19			271.19
At 31 March 2020	3,065.26	543.94	-	-48.36	3,560.83
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Balance as of 1st April 2020	3,065.26	543.94	-	-48.36	3,560.83
Transfer to General reserve					-
Remeasurement of the net defined benefit liability/asset, net of tax effect				5.41	5.41
Dividends including (DDT) (2019-20)		-18.00			-18.00
Profit for the period		96.94			96.94
At 31 March 2021	3,065.26	622.88	-	-42.95	3,645.18

Note to Financial Statements for the year ended 31 March 2021

	31/03/2021	31/03/2020
	INR Lakhs	INR Lakhs
13. Provision for Employee Benefits		
Non-Current		
Gratuity	80.29	81.98
Earned Leave Encashment	54.00	47.95
Settlement Allowance	9.42	4.70
Total Non Current	143.71	134.62
Current		
Gratuity	19.12	38.84
Earned Leave Encashment	13.45	13.89
Settlement Allowance	0.75	1.75
Total Current	33.33	54.48
Total Net employee defined benefit liabilities	177.04	189.10
14. Trade payables		
Trade Payables	299.20	2,206.07
Micro,small and medium enterprises	612.23	399.39
Total Trade payables	911.43	2,605.46
15. Other Current Liabilities		
Current		
Revenue received in advance	498.66	870.23
Due to Holding Company	115.76	69.53
Salaries and arrears payable	55.67	63.56
Earnest Money Deposits	61.44	101.44
Retention Money from Suppliers	69.45	90.43
Tax Payables	2.14	9.42
Provision for Ex Gratia	0.28	-
Sundry Creditors (TA)	0.16	1.54
Warranty	170.14	308.04
PF Trust Loss payable	49.84	46.08
Others	2.46	2.66
Provision for SIB	0.24	1.68
TDS GST Payable	15.95	9.18
Total Other Current Liabilities	1,042.20	1,573.79

NOTE -1 : NOTES FORMING PART OF FINANCIAL STATEMENTS / 31.03.2021
PERTAINING TO BALANCE SHEET
INR in lakhs

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
1	The Company is contingently liable for : Guarantees & Counter Guarantees and Letter of Credits issued to various parties by the Company's bankers to the extent not provided for, which is backed by cent percent margin money.	2,566.11	2,454.60
2	Trade Payables : Disclosure regarding dues to Micro & Small Enterprises based on the information available with the Company :		
a.	Dues remaining unpaid as at the end of the year - Principal (Interest due Nil)	612.23	399.39
b.	Amount of interest paid along with the amounts of payment made to the supplier beyond the appointed day during the year.	NIL	NIL
c.	Amount of interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year but without adding the interest under MSMED Act, 2006.	-	-
d.	Amount of interest accrued and remaining unpaid as at the end of the accounting period.	-	-
e.	Amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises	-	-
3	Short Term Loans and Advances includes Adhoc payments to employees towards Wage/Salary, DA arrears, pertaining to 1992 is pending adjustment & provision to this extent has been made in the accounts	2.03	5.93
4	The debts written off in the past, but, action of recovery proceedings is being continued before the Courts.		
a)	M/s. Nawab Cashew Packers, Kerala : Execution of an Arbitration Award of Rs. 69.23/- Lakh is pending in various courts at Various Stages		
b)	M/s. Nucor Wires Ltd, Bangalore : Execution of an Arbitration Award of Rs. 69.75/- Lakh is pending in Hon'ble Supreme Court process.		
5	Provision for Taxation has been made under provisions of the Income Tax Act, 1961.		
6	Balances under Trade Receivables, Loans & Advances, Trade Payables are subject to confirmation, although confirmation has been sought in most of the cases.		
7	Proposed Dividend As per IND AS 10 : Dividends proposed or declared after the balance sheet date but before the financial statements have been approved for issue are not recognized as a liability at the balance sheet date. Accordingly, the figures of proposed dividend have been re-stated under the Note - Other Equity in the attached financial statements.		

NOTE - 1 : NOTES FORMING PART OF FINANCIAL STATEMENTS / 31.03.2021



DISCLOSURE REQUIREMENT AS PER IAS - 24

A - RELATED PARTIES

INR in lakhs

Relationship	Associate companies			HMT LIMITED, Holding Company					
	HMT Machine Tools Limited	HMT Watches Ltd	HMT Bearings Limited	Tractors Unit	Common service Division	Food Processing Division	Corporate Office		
Description of the nature of transactions	Purchases and Highseas Sales	Sharing of Common Expenditure	Sharing of Common Expenditure	Inter-corporate Loan *	Maintenance Services	Purchases and Sales	Proposed Dividend	General Services	Inter-Corporate Loan Renewal *
Value of the transactions	-	-	-	-	-	-	-	58.90	NIL
Other elements of related party transactions necessary for understanding the Financial Statements	No substantial amounts involved during the year								-
Balances Outstanding as at year end	228.63 (CR)	-	-	-	1.51 (CR)	6.93 (DR)	-	1.21 (CR)	NIL
Provision for Doubtful	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Disclosure of loans to Body Corporate u/s 186(2) of Companies Act, 2013

B. HMT Ltd, being the Holding company shall produce consolidated financial statements for public use

NOTE - 1 : NOTES FORMING PART OF FINANCIAL STATEMENTS / 31.03.2021

INR in lakhs

SEGMENT REPORTING AS PER IND AS 108

The company is carrying out the business of export of goods & services and setting up projects overseas, wherein the supply of goods & services are integral part of product as well as projects, consequently the primary business of the Company is same during the year. There exits no distinguishable segments to be reported upon.

DISCLOSURE REQUIREMENT AS PER IND AS - 12**Depreciation**

Deferred Tax Assets / (Liabilities) as at 01.04.2020	-43.80
Charged / (credit) during the year	2.47
Deferred Tax Assets / (Liabilities) as at 31.03.2021	<u>-46.27</u>

Notes to Financial Statements for the year ended 31st March 2021

	31/03/2021	31/03/2020
	INR Lakhs	INR Lakhs
16. Revenue from operations		
Sale of products	215.75	542.44
Technical Services	6.12	21.55
Projects Sales of Products	1,713.14	4,911.57
Projects Services	47.99	1,238.19
Export Assistance	0.47	1.19
Total	1,983.48	6,714.93
17. Other income		
A. Other Non Operating Income		
Provision No Longer Required	184.32	25.81
Tender Fees	-	0.68
Miscellaneous Income	0.84	-
Net gain/(Loss) on sale of Property, Plant and Equipment	0.06	-
	185.23	26.48
B. Interest income		
INTEREST ON ADVANCES - GROUP COMPANY'S UNITS	-	12.32
Interest on Bank Deposits with Banks	176.26	231.97
	176.26	244.29
Total Other income	361.49	270.78
18. Cost of Goods Traded, Service and Works		
a. Cost of Goods Traded, Service and Works		
Purchases	1,524.89	5,206.93
Training	1.87	171.53
Freight on export	32.60	120.95
Insurance on exports	0.23	3.78
ECGC Premium	-0.23	0.07
Clearing, handling and inspection	9.25	67.95
Overseas Agency Commission to agents	2.96	0.97
Erection & Commissioning charges	-	4.78
Other expenses (As per below schedule)	30.93	144.04
Cost of Goods Traded, Service and Works	1,602.50	5,721.00

Notes to Financial Statements for the year ended 31st March 2021

	31/03/2021	31/03/2020
	INR Lakhs	INR Lakhs
Other Expenses		
Printing & stationery	-	0.16
Communication	0.31	0.02
Advertisement & Publicity	2.81	6.01
Travelling & Conveyance	4.24	117.18
Delegation & export promotion	-	0.05
Entertainment Expenses	-	1.28
Bank charges	23.58	19.34
Total	30.93	144.04
b. (Increase) / Decrease in Inventories		
Inventory at the beginning of the year	314.61	669.06
Less: inventory at the end of the year	132.76	314.61
	181.85	354.45
Total	1,784.35	6,075.46
19. Employees' benefits expense		
Salaries, Wages, Bonus and other benefits	204.28	196.77
House Rent Allowance	3.74	3.71
Contribution to Provident Fund	22.27	23.42
Earned Leave Encashment	47.84	20.92
Settlement Allowance	2.57	1.60
Gratuity cost	9.12	13.30
Sales Incentive Bonus	0.56	14.01
Medical Benefits	3.36	4.06
Conveyance Reimbursement	-	0.82
Deposit Linked Insurance - PF	-	0.20
Exgratia	0.28	-
Staff Welfare Expenses	1.01	2.43
Total	295.04	281.22
20. Depreciation and amortization expense		
Depreciation of tangible assets	13.80	13.95
Total	13.80	13.95

Notes to Financial Statements for the year ended 31st March 2021

	31/03/2021	31/03/2020
	INR Lakhs	INR Lakhs
21. Finance Cost		
Interest on Loan	-	0.21
Total	-	0.21
22. Other expenses		
Rent	8.56	12.37
Rates and taxes excluding tax on income	0.67	1.24
Office Maintenance	22.92	26.33
Printing & stationery	3.83	3.60
Recruitment Expenses	-	0.42
Royalty	9.44	31.52
Books, periodicals & membership fees	1.22	0.46
Electricity & water	0.14	2.02
Advertisement & Publicity	2.18	3.69
Postage, Telegrams, Courier	1.20	3.92
Communication	2.29	2.41
Audit fee:		
Statutory audit	0.48	0.44
Tax audit	0.16	0.20
Travelling & Conveyance	4.40	14.31
Delegation & export promotion	2.21	0.36
Entertainment Expenses	0.78	4.04
Repairs & Maintenance other than building & machinery	0.96	1.26
Insurance	0.70	0.03
Training, seminars & conference	0.02	0.38
Vehicle maintenance	0.64	0.87
Professional and legal charges	6.40	0.32
Bank charges	8.43	2.53
Fees for services rendered	5.97	22.66
Common expenses paid to Holding Co.	58.90	75.72
Security Charges	11.85	11.31
Board Meeting Expenses	0.24	1.17
Miscellaneous expenses	-	0.93
PF Trust Loss	3.77	3.77
Grant in Aid	11.40	
Exchange Difference (Net)	-38.24	-0.97
Total	131.52	227.31

Notes to Financial Statements for the year ended 31st March 2021

	31/03/2021	31/03/2020
	INR Lakhs	INR Lakhs
23. Other Comprehensive Income		
Re-measurement gains/(losses) on defined benefit plans for		
Earned Leave Encashment	-	-
Gratuity	11.75	1.19
Settlement Allowance	-4.28	-0.98
Total	7.47	0.21

For and on behalf of the Board

As per our report of even date
For GPSV & Co.,
Chartered Accountants (FRN 013175 S)

S. GIRISH KUMAR
Chairman & Managing Director
DIN NO : 03385073

SRIKAR K REDDY
Director
DIN NO : 08822924

PATIL NARAHARI LAXMAN RAO
Partner (M.No.222219)
UDIN NO : 21222219AAAADL1966

Place : Bangalore
Date : 16-06-2021

JAYANTHI VENKATESH
ASST GENERAL MANAGER (FINANCE)

NOTE - 1: NOTES FORMING PART OF FINANCIAL STATEMENTS
PERTAINING TO STATEMENT OF PROFIT AND LOSS
INR in lakhs

Sl. No.	Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
1	Revenue from operations includes				
	Project Works including services executed under an agreement with Government of India against which physical exports have been completed up to 31.03.2021		1,761.13		6,149.76
2	Other expenses include (Travelling and conveyance)				
	Travelling expenses of Directors		0.73		13.53
3	Additional information as per the requirement of Schedule III of the companies Act, 2013				
	I. Cost of goods sold				
	Imported	0 %	-		273.76
	Indigenous	100%	1,983.47		6,441.17
	TOTAL	100%	1,983.47		6,714.93
	II. CIF Value of Imports:				
	Components & Accessories		-		273.76
	III. Earnings in Foreign Exchange				
	a) FOB Value of Exports		100.66		258.87
	b) Technical / project services		54.11		1,259.73
	TOTAL		-		1,518.60
	IV Particulars of turnover:	Qty. Nos.	VALUE	Qty. Nos.	VALUE
	Machine tools, spares & accessories	5	215.75	38	268.68
	Project Service & Supplies	158	1,761.13	184	6149.76
	Income from Technical services		6.12		21.55
	Export Incentives		0.47		1.19
	TOTAL		1,983.47	395	5707.43
	Note: The turnover includes Highseas Sales INR. Nil (Previous year INR. 273.76)				
	V Expenditure in Foreign Currency:				
	Traveling Expenses		1.97		58.05
	Others		121.08		93.27

Note to Financial Statements for the year ended 31 March 2021



As per Indian Accounting Standard - 19 "Employee Benefits", the disclosures as defined are given below:

	(Rs. In Lakhs)	
	Year Ended 31-Mar-21	Year Ended 31-Mar-20
i) Defined Contribution Plan:		
Particulars		
Employer's Contribution to Pension Fund	-	-

ii) Defined Benefit Plans:
The Company contributes to Provident Fund trust, Gratuity and settlement allowance to the employees which are defined benefit plans. The Company has obtained the actuarial valuation report from the independent actuary except Provident Fund. The principal assumptions used in determining gratuity and post-employment benefits obligations for the company's plan is shown below

	31-Mar-21 %	31-Mar-20 %
Discount rate:		
Gratuity plan	6.91	6.69
Settlement Allowance	6.91	6.69
Earned Leave Encashment	6.91	6.69
Future salary increases:		
Gratuity plan	7.00	7.00
Settlement Allowance	7.00	7.00
Earned Leave Encashment	7.00	7.00

	Gratuity Plan		Settlement Allowance		Leave Encashment	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Summary of Demographic Assumptions						
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%	100%	100%	100%	100%
Disability Rate (as % of above mortality rate)	0.00%	0.00%	5%	5%	0.00%	0.00%
Withdrawal Rate	1% to 3%	1% to 3%	1% to 3%	1% to 3%	1% to 3%	1% to 3%
Attrition Rate						
Normal Retirement Age	60 yrs	60 yrs	60 yrs	60 yrs	60 yrs	60 yrs
Average Age	38.16	39.91	38.16	39.91	38.16	39.91
Average Past Service	10.99	13.55	10.99	13.55	10.99	13.55
Average Future Service	21.84	-	21.84	-	21.84	-
Adjusted Average Future Service	15.53	-	15.53	-	15.53	-
Leave Encashment Rate during Employment					10%	10%
Leave Availment Rate					2%	2%

Employee Benefit Obligations

The cost of the defined benefit gratuity plan, Earned Leave Encashment and Settlement Allowance and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

A. Gratuity

31 March 2021 changes in the defined benefit obligation and fair value of plan assets

	Gratuity cost charged to profit or loss		Remeasurement gains/(losses) in other comprehensive income							
	INR Lakhs	INR Lakhs	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	INR Lakhs	INR Lakhs
01-Apr-20	(120.82)	(5.63)	(7.41)	(13.04)	20.00	1.28	13.17	14.45	(99.41)	
Defined benefit obligation										(99.41)
Fair value of plan assets	42.24		3.92	3.92	(20.00)	(2.70)		(2.70)	52.73	76.19
Benefit liability	(78.58)			(9.12)	0.00				52.73	(23.22)

31 March 2020 changes in the defined benefit obligation and fair value of plan assets

	Gratuity cost charged to profit or loss		Remeasurement gains/(losses) in other comprehensive income							
	INR Lakhs	INR Lakhs	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	INR Lakhs	INR Lakhs
01-Apr-19	(118.30)	(8.41)	(8.86)	(17.27)	12.94	1.82		1.82	(120.82)	
Defined benefit obligation										(120.82)
Fair value of plan assets	38.60		4.47	4.47	(12.94)	(0.63)		(0.63)	12.73	42.24
Benefit liability	(79.70)			(12.80)	0.00				12.73	(78.58)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS



B. Earned Leave Encashment

31 March 2021 changes in the long term employee benefit obligation and fair value of plan assets

01-Apr-20	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income								
	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer		
INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs		
(61.83)	(7.42)	(2.72)	(10.14)	42.22		0.52	(38.22)	(37.70)	(67.45)			
Defined benefit obligation												
Fair value of plan assets												
Benefit liability	(10.14)			42.22							(67.45)	

31 March 2020 changes in the long term employee benefit obligation and fair value of plan assets

01-Apr-19	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income								
	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer		
INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs		
(47.60)	(4.38)	(3.66)	(8.04)	6.68			(12.88)	(12.88)	(61.83)			
Defined benefit obligation												
Fair value of plan assets												
Benefit liability	(8.04)			6.68							(61.83)	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS



C. Settlement Allowance

31 March 2021 changes in the defined benefit obligation and fair value of plan assets

01-Apr-20	Defined Benefit cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income									
	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer					
INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs			
(6.45)	(2.25)	(0.33)	(2.57)	3.13	0.30		(4.58)	(4.28)			(10.17)				
Benefit liability	(6.45)					(2.57)					3.13		(4.28)	0.00	(10.17)

Defined benefit obligation
Fair value of plan assets

31 March 2020 changes in the defined benefit obligation and fair value of plan assets

01-Apr-19	Defined Benefit cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income									
	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer					
INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs			
(5.78)	(1.18)	(0.41)	(1.60)	1.91			(0.98)	(0.98)			(6.45)				
Benefit liability	(5.78)					(1.60)					1.91		(0.98)	0.00	(6.45)

Defined benefit obligation
Fair value of plan assets

Note to Financial Statements for the year ended 31 March 2021
Earnings per share (EPS)

	31-Mar-21	31-Mar-20
	INR Lakhs	INR Lakhs
Profit attributable to equity holders:		
Continuing operations	96.94	271.19
Discontinued operation	0.00	0.00
Total Profit including OCI	96.94	271.19
Less Other Comprehensive income	0.00	0.00
Profit attributable to equity holders for basic earnings	96.94	271.19
Profit attributable to equity holders of the parent adjusted for the effect of dilution	96.94	271.19
Weighted average number of Equity shares for basic EPS*	7,20,000	7,20,000
Effect of dilution:		
Convertible preference shares		
Weighted average number of Equity shares adjusted for the effect of dilution *	7,20,000	7,20,000

* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
Employee Benefits (Contd.):
Sensitivity analysis:

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and fully salary escalation rate. The following table summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the assumptions by 100 basis points:

(i) Gratuity (Rs. In lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	6.24	-5.24	4.43	4.14
Change in rate of salary increase	-3.64	3.08	1.24	1.40
Change in withdrawal rates	-0.01	0.01	1.00	1.14

(ii) Settlement Allowance (Rs. In lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	1.50	-1.18	0.26	0.26
Change in rate of salary increase	-1.24	1.55	0.27	0.29
Change in withdrawal rates	1.62	-1.27	0.29	0.28

(iii) The expected contributions for gratuity for the next financial year will be Rs.23.22 lacs and Settlement allowance will be Rs.Nil.

Checklist on COVID - 19 Impact for Trading Companies

SI No	Auditor has to oversee the following points as advised in ICAI Accounting and Auditing Advisory by The Institute of Chartered Accountants of India	Reply
1	Valuation of Inventory	
a)	Whether the Realisable Value of the stock has been reduced due to COVID impact? What is the Market value of the stock as on 31st March 2021	Stock value has not reduced due to Covid impact, the market value of Stock is same as that represented in Financial Statement as of 31.03.2021
b)	As we are not able to verify the physical inventory as on 31st March, we need to take physical count on a date after 31st March 2021 but before the closure of audit. Hence, we will take the inventory on a convenient date and you should reconcile the inventory as per stock register as on 31st March 2021.	During the year physical verification of inventory has been conducted at reasonable interval by the management. No material discrepancies has been noticed on such verification.
c)	Valuation of perishable and shorter shelf life items to be reassessed. Whether the items of this nature can be sold after 31st March considering COVID-19 restrictions.	There is no such stock as on 31.03.2021.
2	Impairment Testing	
a)	Whether due to the Covid the company's business is seriously impacted and if so whether it is seriously effecting the fair value of the Fixed assets being less than the book value of the assets determined based on the Estimated Recoverable value of those Fixed Assets.	No, There is such serious implications on business
b)	If the impact on Service activities is temporary or permanent then need to discuss with the company management whether it demands impairment test.	Reduction in service activities during the Financial year 2020-21 is temporary in nature which would not have any impact during the Financial year 2021-22
3	Accounting for Investment	
a)	Whether there is any requirements of making provisions for decline in the value of investments, which is other than temporary?	No
b)	Current Investments: Impact of COVID-19 in determining the fair value.	Nil
4	Leases	
a)	Whether there is any change in terms of Lease Arrangements? (Anticipated revision will not be taken into account).	No

SI No	Auditor has to oversee the following points as advised in ICAI Accounting and Auditing Advisory by The Institute of Chartered Accountants of India	Reply
b)	Whether any compensation is given/declared by the Government to the lessor for providing concession to the lessee ?	No
c)	Whether any lease arrangement has become onerous? That is, whether the costs to be incurred on that Lease rent exceeds the benefits from the lease?	No
d)	Verify documents relating to revised lease terms and concession of lease payments.	Not Applicable
e)	Verify whether revised terms are considered for accounting of leases?	Not Applicable

5	Revenue Recognition	
	Revenue to be recognised only when the significant risks and rewards are transferred to the buyer.	
a)	Whether there are any instances such as goods ready for dispatch & earmarked for customers but not dispatched? In that case revenue recognition is to be postponed.	No
b)	Whether Revenue recognition has been postponed due to significant uncertainties of collection in view of COVID-19? Entities needs to disclose the circumstances for which Revenue Recognition has been postponed.	No
c)	If such uncertainty of collection exists at the time of sale, revenue recognition is to be postponed. If such uncertainty arises subsequent to sale, provision is to be created.	No
d)	Whether there is any insurance recovery for business interruptions? If yes, details to be provided.	No

6	Provisions, Contingent liabilities and Contingent Assets	
a)	Whether there are any events occurring after the balance sheet date which require adjustments to Assets or Liabilities?	No
b)	Whether there is any significant recognition and measurement uncertainties that might have been created by the outbreak of the COVID -19 in measuring various assets and liabilities?	No
c)	How the management has dealt with the impact of COVID-19 on the financial position and financial performance of the entity? Disclosure is to be made.	The company is taking necessary steps inorder to reduce any serious impact in the business during the Financial year 2021-2022

SI No	Auditor has to oversee the following points as advised in ICAI Accounting and Auditing Advisory by The Institute of Chartered Accountants of India	Reply
d)	Whether there are any contracts for which costs such as imposition of penalty due to delay in supply of services, increase in cost of material, labour, etc. will exceed the benefit receivable from that contract? If yes, details of such contracts is to be provided.	No
e)	If, the management is unable to assess whether some of the contracts which are to be executed, have become onerous (Costs>Benefits) due to the inadequacy of information, the same should be disclosed	Even though there is a delay in execution of projects due to Covid 19 , as on date , there would not be any cost over - run.
f)	Whether there are any modifications or terminations of the existing Contracts relating to Employees, Employee share based payments, Derivative contracts, Contruction contracts, Revenue contracts and others? If there are any such modifications or terminations, details to be provided to give effect to the events occuring after the Balance Sheet Date.	No

7	Going Concern Assumption	
	In brief, Going concern means the entity's ability to continue its operations in the foreseeable future. Financial statements are normally prepared on the assumption that an entity is a going concern.	
a)	Management of the entity should assess the impact of COVID-19 and the measures taken on its ability to continue as a going concern. Going concern Assessment may involve analysis of the impact of COVID-19 on suppliers and customers, availability of employees, ability to procure working capital requirements, insurance policies that cover the losses etc.,	The company is assessing the impact of Covid 19 on continious basis and is of the opinion that the going concern assumption is not affected by the pandemic condition.
b)	Whether any events occurring after the balance sheet date indicate the risk that the entity may cease to be going concern?	No such event that would indicate the risk that the entity may cease to be a going concern has not occurred as on Balance Sheet date.
c)	Whether there are any interruptions in the supply and production cycle of the entity due to the COVID- 19 outbreak? If so, does management have a feasible recovery plan?	Not Applicable
d)	Whether the impact of COVID-19 is severe and left the management with no realistic alternative but to liquidate or cease operations?	No
e)	Whether the entity had scaled down its operations because of the impact of COVID-19?	No

SI No	Auditor has to oversee the following points as advised in ICAI Accounting and Auditing Advisory by The Institute of Chartered Accountants of India	Reply
f)	Has management performed a preliminary assessment of the entity's ability to continue as a going concern? Whether auditor has discussed with management the impact of the COVID-19 outbreak, if any, on their assessment?	Yes, The company is assessing the impact of Covid 19 on continuous basis and as on date, there is no major impact due to covid 19 which would have an implication on going concern assumption.
g)	Were there interruptions in the supply and production cycle of the entity due to the COVID- 19 outbreak? If so, does management have a feasible recovery plan? Do these events or conditions cast significant doubt about the entity's ability to continue as a going concern? Are these disruptions expected to continue for a foreseeable future and the action plan of the management to mitigate these risks?	No
h)	Did the auditor note any contradiction in audit evidence provided by the entity (e.g., different assumptions or inputs used for different purposes)?	No
i)	Are there any financial difficulties, resulting in additional credit risks, higher than usual bad debts and potential impairments and write-offs because of the COVID-19 outbreak? Has management considered these situations in their assessment of the entity's ability to continue as a going concern?	No
j)	Are there any potential issues related to debt, including debt covenants, which are applicable to the entity (for example, is the entity in compliance with debt covenants or do debt agreements contain material adverse change clauses or call provisions)? Has management considered these situations in their assessment of the entity's ability to continue as a going concern?	No
k)	Whether the auditor considered the risk of inadequate disclosures in the financial statements related to the COVID-19 outbreak and management's recovery plans?	Yes

SI No	Auditor has to oversee the following points as advised in ICAI Accounting and Auditing Advisory by The Institute of Chartered Accountants of India	Reply
8	Income Taxes	
a)	Whether there is any risk that the future profits of the entity will be affected because of COVID-19?	There would be impact in the business on account of Covid 19 for which the management is making alternate plans .
b)	Whether the entity may incur losses in the near future because of COVID-19?	The entity may incur loss due to Covid - 19
9	Consolidated Financial statements	
a)	Financial statements of parent and subsidiaries used in preparation of the consolidated financial statements are usually drawn upto the same date. It may be noted that in any case, difference between the reporting dates should not be more than six months.	Not applicable
10	Property, Plant and Equipment	
a)	The residual value and the useful life of an asset is to be reviewed considering COVID-19 and if expectations differ from previous estimates, same need to be properly accounted. To be discussed with the management and if there are assets which needs to be reassessed of its life then same need to be carried and effect should be suitably accounted in the books of account.	The same has been considered at the time of preparation of financial statements and there is no impact on residual value and useful life of the assets of the company as on 31.03.2021
11	Borrowing Costs	
a)	Whether there is any suspension in development of asset due to COVID-19 impact? If yes, then the capitalisation of Interest should be suspended.	No
12	Management's Responsibility	
a)	The management's responsibility includes making appropriate adjustments to the financial statements and ensuring necessary disclosures, such as disclosures of subsequent events, risks and uncertainties, and how events and conditions may impact future operating results, cash flows and financial position of the entity.	The management has reviewed subsequent events, risks and uncertainties and impact of these matters on the operating results, cash flows and financial position of the entity, accordingly as on date there are no impact

SI No	Auditor has to oversee the following points as advised in ICAI Accounting and Auditing Advisory by The Institute of Chartered Accountants of India	Reply
b)	Other disclosures may include business risk factors and management's discussion and analysis of results, liquidity and capital resources.	Whereever applicable disclosed
c)	Management Representation	
	The Management Representation letter should include the risk analysis from following areas:	
	i) Effect of Operational Disruption	Included
	ii) Reduction in Customer base	Included
	iii) Disruption in Supply chain effect	Included
	iv) Employees opting work from home	Included
	v) Contractual Non-Compliances	Included
	vi) Liquidity & Working Capital	Included
	vii) Effect of COVID-19 on Trade receivables & Loans and Advances and impact analysis.	Included

For GPSV & Co,
Chartered Accountant,
FRN : 0131755

Patil Narahari Laxmanrao,
Chartered Accountant
Partener
M No : 222219

**Directions under section 143(5) of Companies Act 2013
Applicable from the year 2019-20 and onwards:**

- I. Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

The Company has established ERP System for processing all its Accounting transactions. There are no transactions that are accounted outside the ERP System. Hence the Financial implications of the same doesn't arise.

- II. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If Yes, the financial impact may be stated.

Not Applicable

- III. Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.

During the financial year 2020-21, the Company have not received any funds from the Central/Stage agencies, accordingly the above clause is not applicable.

In addition the auditor is required to comply with any additional Company / Sector specific direction issued under section 143(5) of the Companies Act, 2013 by the Field office entrusted with the supplementary audit of the Company.

For GPSV & Co.,
Chartered Accountants
FRN – 013175S

Patil Narahari Laxmanrao
Partner
M No: 222219

Place: Bangalore
Date: 16-06-2021

ANNEXURE I

**Statement of Impact of Audit qualification (for Audit Report with modified opinion)
submitted Along-with Annual Financial Results – (Standalone and Consolidated separately)**

Statement of Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In lacs)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total income (Rs. in Lakhs)	2344.96	-
	2.	Total Expenditure (Rs. in Lakhs)	2224.70	-
	3.	Net Profit /(Loss) (Rs. in Lakhs)	96.94	-
	4.	Earnings Per Share (in Rs.)	13.46	-
	5.	Total Assets (Rs. in Lakhs)	5929.12	-
	6.	Total Liabilities (Rs. in Lakhs)	2211.94	-
	7.	Net Worth (Rs. in Lakhs)	3717.18	-
	8.	Any other financial item (s) (as felt appropriate by the Management)	-	-
II	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification : NOT APPLICABLE			
	b. Type of Audit Qualification : Qualified Opinion/Disclaimer of Opinion/Adverse Opinion – N.A.			
	c. Frequency of Qualification : Whether appeared first time/repetitive/since how long continuing - N.A.			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : N.A.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: NOT APPLICABLE			
	(i) Management's estimation on the impact of Audit Qualification:			
	(ii) If Management is unable to estimate the impact, reasons for the same :			
	(iii) Auditors Comments on (i) or (ii) above :			
III	Signatories :			
	• CEO/Managing Director			
	• CFO			
	• Audit Committee Chairman			
	• Statutory Auditor			
	Place : Bangalore			
	Date : 16.06.2021			



Inauguration of Gandhi-Mandela Centre of Specialisation for Artisan Skills (GMCOS) set up by HMT(I) in the presence of Deputy Minister of Higher Education H.E. Mr. Buti Manamela, South Africa and High Commissioner of India to South Africa H.E. Mr. Jaideep Sarkar.

Visit of H.E Shri. Manpreet Vohra, High Commissioner to Belize and Mr. Arun Hotchandani Honorary Consul General of India in Belize to "Indo-Belize Centre of Engineering" (IBCE), University of Belize, Belize, project implemented by HMT(I) with Gol's grant assistance..



General Manager (Operations and Marketing), HMT(I), Shri. Y.K. Vaish with Prof. F. Tagwira, Permanent Secretary, Ministry of Higher & Tertiary Education, Innovation, Science & Technology Development, Harare, Republic of Zimbabwe for implementation of the Project "Upgradation of INDO-ZIM Technology Centres in Zimbabwe"





HMT (International) Limited

**An ISO 9001 - 2015 Company
(A Government of India Undertaking)**

CIN No. U33309KA1974 GOI002707

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