



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

**48<sup>th</sup>**  
Annual Report  
2021-22



**Skill India**

Visión

To be a global, Dynamic and World Class Trading Organization.

To achieve Total Customer Satisfaction

- a) Competitive Pricing
- b) Timely Delivery of Quality Goods & Services.

Mission



Inauguration of upgraded Indo-Zim Technological Centres, at the Harare Institute of Technology Campus, Zimbabwe by the Hon'ble Minister of State for External Affairs, Shri. V. Muraleedharan, along with Shri. Vijay Khanduja, Ambassador of India to the Republic of Zimbabwe and Dr. Amon Murwira, Minister of Higher & Tertiary Education, Innovation, Science and Technology Development of Zimbabwe and Shri. Y.K Vaish, GM(O&M) HMT(I).



GM(O&M) HMT(I) Shri. Y.K. Vaish, receiving the 43rd EEPC India Southern Region Export Award in the category of "Star Performer - Project Exports (Large Enterprise)" from Shri. Basavaraj Bommai, Hon'ble Chief Minister of Karnataka.

## HMT INTERNATIONAL LIMITED

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**BOARD OF DIRECTORS (As on 19.09.2022)**

Shri. Pankaj Gupta

Chairman & Managing Director  
(Addl. Charge) (w.e.f. 25.08.2022)

Dr. Renuka Mishra

Director (w.e.f. 12.09.2022)

Dr. Srikar K Reddy

Director

Shri. S. Velpandiyan

Independent Director

**STATUTORY AUDITOR**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 IDENTIFICATION NUMBER**

U33309KA1974GOI002707



## PERFORMANCE HIGHLIGHTS

(Rs in Million)

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
<b>OPERATING STATISTICS</b>											
Sales	<b>109.12</b>	198.35	671.49	570.74	249.45	239.76	339.07	334.01	250.76	340.88	324.03
Other Income	<b>11.38</b>	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	<b>15.16</b>	17.63	24.43	18.30	19.41	22.53	23.65	27.71	24.78	29.45	26.79
	<b>135.66</b>	234.50	698.57	591.43	274.18	270.41	366.70	375.44	311.48	440.50	399.62
Purchases	<b>76.93</b>	178.44	556.14	469.72	208.61	174.62	230.54	224.95	179.62	235.87	209.55
Employees Costs	<b>30.33</b>	29.50	28.12	31.04	27.89	38.49	55.60	64.81	77.27	45.62	48.67
Other Operating Costs	<b>12.69</b>	13.15	74.16	68.99	36.11	53.34	70.16	67.64	47.86	88.60	121.95
Depreciation	<b>1.26</b>	1.38	1.40	1.48	1.46	1.38	1.35	1.46	1.78	1.86	1.86
	<b>121.21</b>	222.47	659.82	571.24	274.07	267.83	357.65	358.86	306.53	371.95	382.03
Gross Profit	<b>2.83</b>	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)	<b>2.83</b>	12.03	38.75	20.19	0.11	2.58	9.05	16.58	4.95	68.51	17.39
Taxes & Deferred Tax	<b>0.7</b>	2.33	11.64	5.09	(1.25)	1.94	3.22	11.39	3.92	23.65	3.91
Profit After Taxes	<b>2.12</b>	9.70	27.11	15.10	1.36	0.64	5.83	5.19	1.03	44.87	13.48
<b>FINANCIAL POSITION</b>											
Current Assets	<b>508.948</b>	548.12	771.83	767.90	417.79	488.92	425.24	473.91	385.77	467.08	488.79
Current Liabilities & Provision	<b>180.339</b>	216.57	449.94	472.27	132.56	207.06	143.40	201.43	118.36	201.80	258.61
Net Working Capital	<b>328.61</b>	331.56	321.90	295.63	285.23	281.86	281.84	272.48	267.41	265.27	230.18
Net Fixed Assets	<b>43.525</b>	44.79	45.77	47.15	48.53	49.99	50.83	52.14	54.89	56.63	48.39
Capital Employed	<b>372.13</b>	376.35	367.66	342.78	333.76	331.85	332.67	324.62	322.30	321.90	278.57
Deferred Tax Liability	<b>4.29</b>	4.63	4.38	4.91	7.77	8.57	7.51	12.14	11.92	11.70	11.55
Net Worth	<b>367.84</b>	371.72	363.28	337.87	325.99	323.28	325.16	312.48	310.38	310.20	267.02
<b>DATA ON EQUITY CAPITAL</b>											
Share Capital	<b>7.20</b>	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20
Reserves	<b>360.33</b>	363.55	328.96	315.56	317.43	315.43	306.52	304.52	302.87	302.88	259.79
Retained Earnings	<b>0.21</b>	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	-	-	-	-	-	-	-	-	-	-	-
<b>OTHER STATISTICS</b>											
Cash Flow	<b>3.38</b>	11.08	28.51	16.58	2.82	2.02	7.18	6.65	2.81	46.73	15.34
Turnover / Working Capital Ratio	<b>0.33</b>	0.60	2.09	1.93	0.87	0.85	1.20	1.23	0.94	1.29	1.41
Return on Capital (%)	<b>0.76</b>	3.20	10.54	5.89	0.03	0.78	2.72	5.11	1.54	21.30	6.31
Number of Employees	<b>21</b>	23	22	25	27	28	33	40	52	59	60
Per Capita Sales	<b>5.20</b>	8.62	30.52	22.83	9.24	8.56	10.27	8.35	4.82	5.78	5.40

## DIRECTORS' REPORT

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

The Board of Directors have pleasure in presenting the 48th Annual Report on the business and operations of your Company and Annual Financial Statements of the Company for the financial year 2021-22 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. in Lakhs)

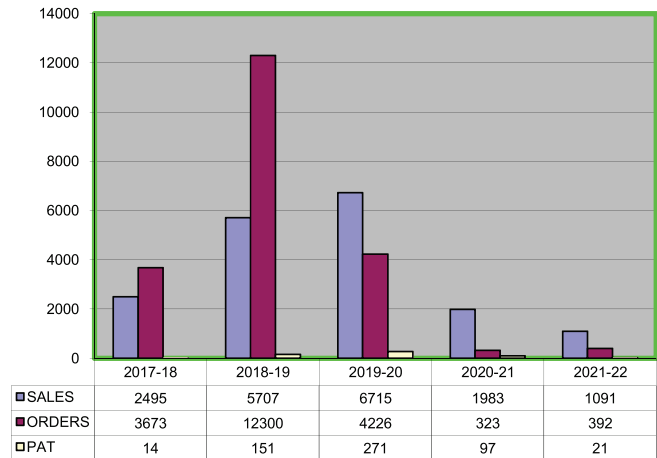
Particulars	2021-22	2020-21
Gross Income from Operations	<b>1091</b>	1983
Cost of Sales	<b>885</b>	1784
Gross Profit	<b>28</b>	199
Provision for Depreciation	<b>13</b>	14
Net Profit Before Tax	<b>28</b>	120
Provision for Tax	<b>7</b>	23
Net Profit After Tax	<b>21</b>	97
Balance available for appropriation	<b>21</b>	97
Proposed Dividend on Equity Shares	-	-
Transfer to Other Equity	-	84
Surplus carried to Balance Sheet	<b>21</b>	79

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

Performance of the Company during the year 2021-22 in terms of turnover at gross levels was Rs.1091 Lakh as against Rs.1983 Lakh achieved during the previous year, i.e., 2020-21. The Order procurement during the year was Rs. 392 Lakh as against Rs. 323 Lakh achieved in the previous year. With the

Turnover of Rs. 1091 lakh, your Company was able to generate the Profit After Tax (PAT) at Rs. 21 Lakh as against Rs. 97 Lakh, thereby continuing the trend of profits.

(Rs. in Lakhs)



### 2.1 Product-wise Achievements

#### 2.1.1 Machine Tools

During the year 2021-22, the Company has supplied HMT and non-HMT Machines to Bhutan and Vietnam. The details are furnished below in brief.

- ❖ Supply and Installation of Welding Lab Equipment valued INR 36,006,998/- to Department of Technical Education, Ministry of Labour and Human Resources, Bhutan at TTI Khuruthang and TTI Chumey.
- ❖ Supply and Installation of HMT-Praga universal tool and cutter grinding machine, Model: 414-P for M/s. Leitz Tooling Vietnam Company Limited, Vietnam
- ❖ Supply and Installation of HMT-Turret ram type milling machine, Model: TRM 3V, HMT CNC vertical Machining Centre Model, VMC 800M with Siemens 828D CNC system and 24 tools ATC and HMT CNC Horizontal Machining Centre Model, HMC 400M with Siemens 828D CNC system, Twin pallet changer and 32 tools ATC.

## 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.
- ❖ HMT(I) has initiated for signing of MoU with M/s. Central Manufacturing Technology Institute, Bangalore and M/s. The Braithwaite Burn and Jessop Construction Company Limited, Kolkata.

### 2.1.2 Projects & Services

#### 2.1.2.1 Agreements Signed with MEA:

- ❖ An agreement was signed with MEA for the project Upgradation and Modernisation of "Centre D'Entrepreneuriat Et De Developement Technique (CEDT), Le G15", Dakar, Senegal (Phase II) at a total cost of Rs. 903 lakh.

#### 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.
  - On-the-Job-Training (OJT) activities shall start for IDEB, Sirajganj (Dairy Processing Plant) on confirmation from Govt. of Bangladesh.
- ❖ **Setting up of Gandhi-Mandela Centre of Specialisation for Artisan Skills" (GMCOS), Pretoria, South Africa:**
  - The Gandhi-Mandela Centre of Specialisation for Artisan Skills (GMCOS) was officially inaugurated on 28th October, 2021 in presence of Mr. Buti Manamela, Deputy

Minister of Higher Education, Science & Innovation and H.E. Shri. Jaideep Sarkar, High Commissioner, Pretoria, South Africa.

- Training in India for 12 south African personnel & OJT activities shall start on confirmation from Govt. of South Africa.
- ❖ **Setting up of Indo-Belize Centre of Engineering, (IBCE), University of Belize, Belize**
  - Erection & Commissioning activities were successfully completed in 2020. OJT activities shall be planned on confirmation from Govt. of Belize.
- ❖ **Setting up of Indo-Myanmar Industrial Training Centre" (IMITC), Monywa, Myanmar.**
  - Major machines / equipment were shipped to IMITC, Monywa.
  - Erection & Commissioning of supplied machines at IMITC, Monywa is under progress.
  - Deputation of Indian experts to Myanmar for providing On-the-Job-Training (OJT) is planned after completion of E&C.
- ❖ **Setting up of Indo-Myanmar Industrial Training Centre" (IMITC), Thaton, Myanmar.**
  - Major machines / equipment were shipped to IMITC, Thaton.
  - Erection & Commissioning of supplied machines at IMITC, Thaton is under progress.
  - Deputation of Indian experts to Myanmar for providing On-the-Job-Training (OJT) is planned after completion of E&C.
- ❖ **Upgradation of INDO-ZIM Technology Centres in Zimbabwe**
  - The new machines supplied to Indo-Zim Technological Centres, at the Harare Institute of Technology Campus were officially inaugurated by the Hon'ble Minister of State for External Affairs, Mr. V. Muraleedharan along with Dr. Amon Murwira, Minister of

Higher & Tertiary Education, Innovation, Science and Technology Development of Zimbabwe on his visit to the Republic of Zimbabwe.

- Deputation of Indian experts to Zimbabwe for providing On-the-Job-Training (OJT) is planned after completion of E&C at other centers.

### **2.3 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.

### **2.4 Marketing efforts**

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

- ❖ Becoming Nodal Agency for Ministry of External Affairs (MEA), a draft letter for appointing HMT(I) as nodal agency for MEA projects, has been sent to Ministry of Heavy Industries for onward submission to MEA.
- ❖ Becoming Nodal Agency for MSME and Held discussions with Ministry of MSME for nominating HMT(I) as Nodal Agency for setting

of workshops on turnkey basis for the Tool rooms / Technology development centres under MSME ministry. Matter is being pursued.

- ❖ Business expansion with Ministry of Commerce and held discussions for implementation of Cotton Technical Assistance Programme (C-TAP, Phase-II) in 5 African countries - Ghana, Mali, Tanzania, Togo & Zambia. Draft project proposal has been submitted. Matter is being pursued.
- ❖ HMT(I) has initiated renewal of MoU with NSIC for execution of projects like establishment of VTCs/ICs, Supply of small industrial projects on turnkey basis and any other projects in India and abroad on mutually agreed commercial terms.
- ❖ 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.

## 2.5 Performance details

(Rs. Lakh)

Particulars	2021-22	2020-21
<b>Sales Turnover</b>		
HMT Products & Technical Services	58	216
Agency & Others	360	6
Projects & Services	673	1761
High-sea sales	-	-
<b>Total</b>	<b>1091</b>	<b>1983</b>

## 3. Reserves

An amount of Rs. 21 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, 2022 stood at 21 (including 0 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. Jeetendra Singh, Joint Secretary, Ministry of Heavy Industries was appointed as Part time Official Director on the Board of HMT (International) Limited with effect from 18th June, 2021 until further orders vice Smt. Sujata Sharma, Sr. Economic Adviser, MHI.

Shri. S. Girish Kumar has relinquished his post of Chairman & Managing Director, HMT Limited on attaining the age of superannuation on 31st July 2021. Hence, ceases to be Chairman and Managing Director of the HMT (International) Limited on closing hours of 31st July 2021, consequently from the Board of Directors of the Company.

Shri A.K. Jain, C&MD (Addl. Charge), HMT Limited was given the additional charge of the post of C&MD, HMT (International) Limited for a period from date of joining to 31.01.2022, or until further order, whichever is earlier, vide Presidential Order No. 1-05/14/2019-P.E.10/CPSE I dated 09 September 2021 issued by the Ministry of Heavy Industry. 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.

Ministry of Heavy Industries vide its order No.1-05/14/2019-P.E.10/CPSE I dated 01st February, 2022 provided extension of additional charge of the post of Chairman & Managing Director, HMT (International) Limited to Shri. A.K. Jain (DIN:09262984), Executive Director, BHEL, Bengaluru w.e.f. 01.02.2022 to 24.08.2022.

Dr. S. Sathyanarayanan ceased to be Independent Director in view of completion of term of three years on close of business hours on 17th February 2022.

Shri. Vijay Mittal, Joint Secretary, Ministry of Heavy Industries was appointed as Part time Official Director on the Board of HMT (International) Limited with effect from 25th March 2022 until further orders vice Shri. Jeetendra Singh, Joint Secretary, MHI.



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. A.K. Jain ceases to be Chairman & Managing Director of the Company on completion of term on 24.08.2022.

Ministry of Heavy Industries vide its order No.1-05/14/2019-P.E.10/CPSE I dated 24th August, 2022 has entrusted the additional charge of the post of Chairman & Managing Director of HMT (International) Limited to Shri. Pankaj Gupta, Executive Director, Bharat Heavy Electricals Limited, Electronic Division, Bengaluru for a period w.e.f. 25.08.2022 to 24.11.2023, or till the joining of a regular incumbent, or until further order, whichever is earlier.

Further, Ministry of Heavy Industries vide letter No.1-05/15/2019-P.E.10 (e.20170) dated 12th September, 2022 has informed the appointment of Dr. Renuka Mishra, Economic Adviser, Ministry of Heavy Industries, as Government Nominee Director on the Board of HMT (International) Limited with immediate effect, until further orders in place of Shri. Vijay Mittal, Joint Secretary, Ministry of Heavy Industry.

Smt. Renuka Mishra (DIN: 08635835) & Shri. Pankaj Gupta (DIN: 09716028) 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. A.K. Jain, Chairman and Managing Director (Addl. Charge) is the Key Managerial Personnel as defined under Section 2 (51) of the Companies Act, 2013 as on 31.03.2022.

### 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 2021-22.

### 10. Auditors' Report

The Statutory Auditors have submitted the Independent Auditor's Report for the year 2021-22. 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. Sanjay K & Co., Chartered Accountants, as Internal Auditors for the Company for the Financial Year 2021-22. 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 is NIL

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)			
Sl. No.	Particulars	2021-22	2020-21
1.	Foreign Exchange earned		
	FOB value of Exports	418	101
	Technical Services	-	55
	<b>TOTAL</b>	<b>418</b>	<b>156</b>
2.	Outgo of Foreign Exchange		
	Expenditure in Foreign Exchange on professional, consultancy fees, travelling and other matters	<b>9</b>	<b>123</b>

## 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 2021-22, 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 31.03.2022, 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 accordance of the Companies Act, 2013, the Annual Return in the prescribed format has been hosted on website of the Company at <https://www.hmti.com>

## 23. Declaration from Independent Directors & Registration in the Data Bank maintained by IICA

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 during the financial year.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended

vide Notification No. GSR.774(E), dated 18.12.2020, since all the Independent Directors of the Company have served as Directors for a period of less than three (3) years on the Board of Company as on the date of inclusion of their names in the database, they are required to undertake online proficiency self-assessment test. Shri. S. Velpandiyan, Independent Director has informed the Company that they will undertake the online assessment test before due date.

## 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 2022 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. Management Discussion and Analysis

A Report on Management Discussion and Analysis is appended as annexure to this Report.

### 29. Corporate Governance

A Report on the Corporate Governance is appended as annexure to this Report along with the Compliance Certificate from the Statutory Auditor.

### 30. 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.

### 31. 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 2021-22. The report of the Secretarial Auditor is appended as annexure to this report.

### 32. 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, 2022 is appended to this report as annexure.

### 33. 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 2021-22.

### 34. 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 2021-22.

### 35. 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.

### 36. 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, 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

(Pankaj Gupta)

Chairman & Managing Director  
(Addl. Charge) DIN: 09716028

Place : Bengaluru  
Date : 19.09.2022

## MANAGEMENT DISCUSSIONS & ANALYSIS

### A. EXPORT SECTOR & STRATEGIES

The country's overall exports during the 2021-22 has exhibited a positive growth of 36 percent over the same period last year. Out of this, the engineering sector has registered a growth of 32.04 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 9.2 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

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 2021-22 of the Company is as under -

Sector	Rs. in Lakh
Machine Tools	58
Projects & Services	
- (a) Products	673
- (b) Tech Services	360
<b>Total</b>	<b>1091</b>

#### **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 2021-22 is Rs.1091 Lakh as compared to Rs.1983 Lakh of the previous year. During the year, the Company has generated a profit (PAT) of Rs. 21 Lakh as against a profit of Rs. 97 Lakh during the previous year.

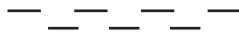
**I. HUMAN RESOURCES**

As on March 31, 2022, the Company has manpower strength of 21 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 customer 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 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 Ltd, the Holding Company.



## 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, 2022, the Board of Directors

comprised of Chairman & Managing Director, Two part-time Official Directors and One 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 2021-22, Four (4) Board Meetings were held on June 16, October 08, January 31 in the calendar year 2021 and on March 25 in the calendar year 2022.

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
Shri. A.K Jain (DIN: 09262984)	C	3	Yes	6	4	1
Shri. S. Girish Kumar (DIN: 03385073)	C	1	NA	8	3	1
Shri. Vijay Mittal (DIN: 09548096)	NENI	1	No	5	4	1
Shri. Jeetendra Singh (DIN: 09207792)	NENI	3	No	5	2	1
Dr. Srikar K Reddy (DIN: 08822924)	NENI	4	No	1	-	-
Ms. Sujata Sharma (DIN: 08863845)	NENI	0	NA	5	-	-
Dr. S. Sathyanarayanan (DIN: 08403749)	NEI	3	No	-	-	-
Shri. S. Velpandiyan (DIN: 08700752)	NEI	4	No	-	-	-

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 2021-22

**Shri. A.K. Jain** has been entrusted with the additional charge of the post of Chairman & Managing Director, HMT (International) Limited w.e.f. 13.09.2021. Shri A K Jain has rich experience in wide range of business segments with his working in various capacities at BHEL. Presently, Shri. A.K. Jain is an Executive Director at BHEL, heading the Electronics Division & Electronics System Division, Bengaluru. Earlier to that, he was responsible for Railway & Defense Business at BHEL- Delhi. Prior to that he worked as Product Manager for Electrical Machines and Transportation Business at BHEL - Bhopal. He has done his Electrical and Electronics Engineering from BITS - Pilani.

In various roles, he had the opportunity to drive the growth of BHEL by development of new products in Transportation, Power Plant Controls, Li-Ion Manufacturing and Electrical machines. He has worked in various functions of Engineering, Planning, Manufacturing, Maintenance, Project Execution and spearheaded various initiatives in up-gradation, modernization, retro-fitting, capacity augmentation and CAPEX which brought state-of-the-art plants and machinery thereby increasing the efficiency manifold.

**Shri Vijay Mittal** was inducted as Part Time Official Director on the Board of HMT (International) Ltd w.e.f. 25.03.2022. He is presently posted as Joint Secretary in Ministry of Heavy Industries, Government of India. He has done B.Tech in Electrical Engineering from College of Technology Pant Nagar, Uttarakhand and Post Graduate Diploma in Energy and Sustainable Development (PGDESD). He also holds Masters Diploma in Public Administration (MDPA) from IIPA, New Delhi. He belongs to Indian Ordnance Factory Service (IOFS: 1991) and prior to joining Ministry of Heavy Industries, he was posted as Deputy Director General in Directorate of Ordnance, Department of Defence Production, Ministry of Defence (MoD), New Delhi.

Earlier he worked as Director in Ministry of Rural Development and Ministry of Drinking Water and Sanitation implementing centrally sponsored schemes of rural sanitation of Government of India. As Deputy Director General, his responsibilities included management functions and control of seven new Defence Public Sector Undertakings (DPSUs) in respect of policy making, enabling and facilitating necessary approvals of MoD. His responsibilities in earlier part of career included production and indigenization of critical defence stores in various units and acquisition of new weapon systems with Transfer of Technology. He has been recipient of prestigious awards of 'AYUDH BHUSHAN' in the year 2015 & 2019 and 'AYUDH SHRI' in the year 2005 for outstanding contribution towards new products and technologies in defence production for the organization.

**Shri Jeetendra Singh** was inducted as Part Time Official Director on the Board of HMT Limited w.e.f. 18.06.2021. He is presently posted as Joint Secretary in Ministry of Heavy Industry, Government of India.

He has done B.E in Electrical Engineering from VNIT, Nagpur and PGDM for Executives from IIM Calcutta. He belongs to Indian Railway Service of Electrical Engineers (IRSEE) and prior to joining Department of Heavy Industry, he was posted as Executive Director Corporate Coordination (EDCC) in Railway Board.

Earlier he worked as Director in NITI Aayog on Urban development and in erstwhile Planning Commission in areas of PPP & Infrastructure creation. As Director (Planning) in Ministry of Railways his responsibilities included long term planning and modernization of Railways, development of Dedicated Freight Corridors (DFCs) and Heavy Haul operations. In his initial career he worked in areas of electric traction, locomotive maintenance & operations in various Railway units. Shri Jeetendra Singh ceases to be Director on 25.03.2022.



**FAMILIARISATION & TRAINING PROGRAMMES FOR DIRECTORS**

The Company has familiarized the Independent Directors about the Company, its operations, policies and about their roles and responsibilities in the context of Companies Act, 2013.

During the financial year, Shri. S. Sathyanarayanan, Independent Director has attended "One day orientation programme for Directors of CPSEs" held on 22nd September, 2021 through online mode in collaboration with the Institute of Company Secretaries of India (ICSI) organized by Department of Public Enterprises, Ministry of Finance, Government of India. Shri. S. Velpandiyam, Independent Director

has attended "One day orientation programme for Directors of CPSEs" held on 22nd December, 2021 through online mode organised by Corporate Laws & Corporate Governance Committee, The Institute of Chartered Accountants of India (ICAI) jointly with Department of Public Enterprises, Ministry of Finance, Government of India

**Committees of the Board**

The criteria for constitution of Audit & 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
2018-2019	28.08.2019	12.30 p.m	Registered Office of the Company
2019-2020	15.09.2020	02.00 p.m	
2020-2021	22.10.2021	11.00 a.m	

**Special Resolution, if any**

The Annual General Meeting for the current year is scheduled on or before September 30, 2022 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](http://www.hmti.com).



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

### 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). The 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 2022** (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 2022 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; **(Not applicable to the Company, as company's equity shares are maintained in physical form during the audit period under review).**
- 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; **(Complied to the extent applicable).**
- 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 to the Company, as company's equity shares are maintained in physical form during the audit period under review).**
- v. Other laws as applicable specifically to the Company, namely; As reported to us, the company being a trading Company has 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 & Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Debt Convertible Securities) Regulations, 2021 and 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, 2021;
  - 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, maintenance of financial records, etc., since the same have been subject to review by statutory (financial) auditors, tax auditors 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, a non-material subsidiary of HMT Limited).
- c) As informed by the company the Industry specific laws/general laws as applicable to the company has been complied with. The management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines as are specifically applicable to the Company relating to Industry/Labour etc., have been complied with.

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 as 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. However, the Company has Mr.

Shenbagalingam Velpandiyan as an Independent Director with effect from 15.02.2020.

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. The Company has filed the e-forms with the Ministry of Corporate Affairs (MCA), wherever applicable during the period under report and paid additional fees in filing few e-forms.

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**

**G. Haritha**

Company Secretary in Practice

FCS 5521 CP No.10749

UDIN: F005521D000754346

Peer Review Certificate No.: 1434/2021

Place : Bengaluru

Date : 06<sup>th</sup> August, 2022

**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  
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. 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**

Place: Bengaluru  
Date: 06<sup>th</sup> August, 2022

**G. HARITHA**  
Company Secretary in Practice  
FCS 5521 CP No.10749  
UDIN: F005521D000754346  
Peer Review Certificate No.: 1434/2021



## 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 2022, 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: 22222219AJFPRN9951

**PATIL NARAHARI LAXMANRAO**

Partner  
(M No.222219)

Place: Bangalore  
Date: 18-05-2022

## 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, 2022.

**(A. K. Jain)**

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

Place: Bangalore  
Date: 18.05.2022

## REVISED INDEPENDENT AUDITOR'S REPORT

[Issued Consequent to Audit Enquiries vide letter dated 20.06.2022 by Office of the Director General of Commercial Audit, AG's Office Complex, Saifabad, Hyderabad and it supersedes our Independent Auditor's Report Dated 18.05.2022]

### 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 2022, 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 2022, and its loss, 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) In our opinion, based on the Notification No. GSR 829(E) dated 21-10-2003 issued by the Department of Company Affairs, Government of India, the requirements under sub-section (2) of section 164 of the Companies Act, 2013 do not apply to the Company, being a Government Company.
- 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:
- (a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) Omitted
- (e) Management has represented that
- a. To the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity (ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- b. To the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person (s) or entity (ies) including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever

- by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries; and
- c. Based on the audit procedure we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause i) and ii) contain any material misstatement.
- (f) The company has not declared or paid any dividend during the year in compliance with section 123 of the Companies Act, 2013.
- (g) The company has used such accounting software for maintaining its books of account which as a feature of recording audit trail (edit log) facility and the same has been operated through the year for all transaction recorded in the software and the audit trial feature has not been tampered with and the audit trial has been preserved by the company as per statutory requirements for record retention.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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: 22222219AMANVD8541

**Patil Narahari Laxmanrao**

*Partner*

M No - 222219

Place: Bengaluru

Date: 30-06-2022



## 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, 2022 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, 2022, 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: 22222219AMANVD8541

**Patil Narahari Laxmanrao**

*Partner*

M No : 222219

Place: Bengaluru

Date: 30-06-2022

## 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. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. These fixed assets have been physically verified by the management at reasonable intervals as per the assets'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.
- c. The title deeds, comprising all the immovable properties are held in the name of the Company as at the balance sheet date.
- d. The Company has not revalued its fixed assets during the financial year and hence reporting under clause 3 (1) (iv) of the Order is not applicable to the Company.
- e. There are no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence reporting under clause 3 (1) (v) of the Order is not applicable to the Company.
2. a. Physical verification of inventory has been conducted at reasonable interval by the management. No material discrepancies has been noticed on such verification.
- b. The Company has not availed any working capital loan facility from banks or financial institutions and hence reporting under clause 3 (2) (ii) of the Order is not applicable to the Company.
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, 2022 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. During the year the Company has not accounted, any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments

under the Income Tax Act, 1961 (43 of 1961), and hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

9. 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.
10. 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.
11. 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.
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. The Company have an internal audit system commensurate with the size and nature of its business. Further, we have considered the reports of the internal auditors for the period under audit.
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 and persons connected with 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.
17. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the year and also in the immediately preceding financial year.
18. There is no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xiii) of the Order is not applicable.
19. According to the information and explanations given to us and based on our examination of the records of the Company, financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, there are no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. According to the information and explanations given to us and based on our examination of the records of the Company, Section 135 (5) of the Companies Act, is not applicable to the Company. Accordingly, paragraph 3 (xx) of the Order is not applicable.
21. There are no qualifications or adverse remarks by us in the Companies (Auditor's Report) Order (CARO) reports of the Company. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

**For G P S V & Co.,**

*Chartered Accountants*

FRN - 013175S

UDIN: 22222219AMANVD8541

**Patil Narahari Laxmanrao**

*Partner*

M No : 222219

Place: Bengaluru  
Date: 30-06-2022

**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 2022**

The preparation of financial statements of HMT International Limited, Bengaluru for the year ended 31 March 2022 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 are responsible for expressing opinion on the financial statements on Auditing prescribed under Section 143 (10 ) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 30 June 2022 which supersedes their earlier Audit Report dated 18 May 2022.

I, on behalf of the Comptroller and Auditor General of India , have conducted a supplementary audit of the financial statements of HMT (International ) Limited for the year ended 31 March 2022 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

In view of the revision made in the Statutory Auditors Report to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors Report under Section 143 (6)(b) 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'.

**(M.S. Subrahmanyam)**

Director General of Commercial Audit  
Hyderabad

Place : Hyderabad  
Date : 05 July 2022

## NOTE - 2

**SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MAR 2022****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, GST /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 - IND AS 33

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 2022

(Rs. In Lakhs)

	Note No.	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
<b>ASSETS</b>			
<b>1</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	<b>435.25</b>	447.90
(b) Other non-current assets	4	<b>35.00</b>	76.19
Financial assets			
Other financial assets	9	<b>259.58</b>	235.91
		<b>729.83</b>	760.00
<b>2</b>			
<b>Current assets</b>			
(a) Inventories	5	<b>3.75</b>	132.76
(b) Financial assets			
(i) Trade receivables	6	<b>1,147.46</b>	1,615.12
(ii) Cash and Cash Equivalents	7	<b>3,137.88</b>	2,900.37
(iii) Bank Balances other than Cash and Cash Equivalents			
(iv) Loans	8	-	-
(v) Other Financial Assets	9	<b>44.63</b>	63.10
(c) Other current assets	10	<b>461.18</b>	457.77
		<b>4,794.90</b>	5,169.12
<b>TOTAL ASSETS (A + B)</b>		<b>5,524.73</b>	5,929.12
<b>EQUITY AND LIABILITIES</b>			
<b>1</b>			
<b>Equity</b>			
(a) Share Capital	11	<b>72.00</b>	72.00
(b) Other equity	12	<b>3,606.37</b>	3,645.18
<b>Total equity</b>		<b>3,678.37</b>	3,717.18
<b>2</b>			
<b>Non-current liabilities</b>			
(a) Provisions			
(i) Provision for Employee benefits	13	<b>144.41</b>	143.71
(b) Deferred tax liabilities (net)		<b>42.97</b>	46.27
<b>Total Non-Current Liabilities</b>		<b>187.37</b>	189.98

**Balance Sheet as at 31st March 2022**

(Rs. In Lakhs)

<b>3</b>	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Trade payables	14	<b>651.47</b>	911.43
<b>4</b>	<b>Other Current Liabilities</b>	15	<b>957.27</b>	1,042.20
<b>5</b>	<b>Provisions</b>			
	(i) Provision for Employee benefits	13	<b>43.44</b>	33.33
	(ii) Current Tax Liabilities (net)		<b>6.80</b>	35.00
	<b>Total Current Liabilities</b>		<b>1,658.98</b>	2,021.96
	<b>Total liabilities</b>		<b>1,846.36</b>	2,211.94
<b>C</b>	<b>TOTAL EQUITY AND LABILITIES (A + B)</b>		<b>5,524.73</b>	5,929.12
	<b>Notes forming part of Financial Statements</b>	1		
	<b>Significant Accounting Policies</b>	2		

For and on behalf of the Board

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

**A.K. JAIN**  
 Chairman & Managing Director  
 DIN NO : 09262984

**SRIKAR K REDDY**  
 Director  
 DIN NO : 08822924

**PATIL NARAHARI LAXMAN RAO**  
 Partner (M.No.222219)  
 UDIN :22222219AJFPRN9951

**Y.K. VAISH**  
 GENERAL MANAGER (O&M)

**G. DURGA DEVI**  
 DEPUTY MANAGER (FINANCE)

Place : Bengaluru  
 Date : 18.05.2022

## Statement of Profit and Loss for the Year ended 31st March 2022

(Rs. In Lakhs)

	Note No.	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
<b>CONTINUING OPERATIONS</b>			
(a) Revenue from operations	16	<b>1,091.24</b>	1,983.48
(b) Other income	17	<b>265.52</b>	361.49
<b>Total Income</b>		<b>1,356.76</b>	2,344.96
<b>EXPENSES</b>			
(a) Cost of Goods Traded, Service and Works	18.a	<b>756.46</b>	1,602.50
(b) (Increase)/decrease in inventories of finished goods and stock in trade	18.b	<b>129.01</b>	181.85
(c) Employees' benefits expense	19	<b>303.38</b>	295.04
(d) Depreciation and amortization expense	20	<b>12.66</b>	13.80
(e) Finance Cost	21	-	-
(f) Other expenses	22	<b>126.92</b>	131.52
<b>Total expense</b>		<b>1,328.43</b>	2,224.70
<b>Profit/(loss) before exceptional items and tax from continuing operations</b>		<b>28.33</b>	120.26
Share of (profit)/loss of an associate and a joint venture		-	-
<b>Profit/(loss) before exceptional items and tax from continuing operations</b>		<b>28.33</b>	120.26
Exceptional items		-	-
<b>Profit/(loss) before tax from continuing operations</b>		<b>28.33</b>	120.26
(1) Current tax		<b>6.80</b>	35.00
(2) Adjustment of tax relating to earlier periods		<b>3.58</b>	-12.10
(3) Deferred tax		<b>-3.30</b>	0.42
<b>Income tax expense</b>		<b>7.08</b>	23.32
<b>Profit for the year from continuing operations</b>		<b>21.25</b>	96.94
<b>DISCONTINUED OPERATIONS</b>			
Profit/(loss) before tax for the year from discontinued operations		-	-
Tax Income/ (expense) of discontinued operations		-	-
<b>Profit/(loss) from discontinued operations</b>		-	-
<b>Profit/(loss) for the year</b>		<b>21.25</b>	96.94
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement of the net defined benefit liability/asset		-	-
Equity instruments through other comprehensive income		-	-
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		-	-

**Statement of Profit and Loss for the Year ended 31st March 2022**

(Rs. In Lakhs)

	Note No.	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/(losses) on defined benefit plans	22	-60.06	7.47
Income Tax effect		-	-2.06
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>-60.06</b>	5.41
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>-38.81</b>	102.35
<b>Profit/(loss) for the year</b>			
<b>Attributable to:</b>			
Equity holders of the parent		<b>21.25</b>	96.94
<b>Total comprehensive income for the year</b>			
<b>Attributable to:</b>			
Equity holders of the parent		<b>-60.06</b>	7.47
<b>Earnings per share for continuing operations</b>			
Basic, profit from continuing operations attributable to equity holders of the parent		<b>2.95</b>	13.46
Diluted, profit from continuing operations attributable to equity holders of the parent		<b>2.95</b>	13.46
<b>Earnings per share for discontinued operations</b>			
Basic, profit from discontinued operations attributable to equity holders of the parent		-	-
Diluted, profit from discontinued operations attributable to equity holders of the parent		-	-
<b>Earnings per share from continuing and discontinued operations</b>			
Basic, profit for the year attributable to equity holders of the parent		<b>2.95</b>	13.46
Diluted, profit for the year attributable to equity holders of the parent		<b>2.95</b>	13.46
<b>Notes forming part of Financial Statements</b>	1		
<b>Significant Accounting Policies</b>	2		

For and on behalf of the Board

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

**A.K. JAIN**  
 Chairman & Managing Director  
 DIN NO : 09262984

**SRIKAR K REDDY**  
 Director  
 DIN NO : 08822924

**PATIL NARAHARI LAXMAN RAO**  
 Partner (M.No. 222219)  
 UDIN : 22222219AJFPRN9951

**Y.K. VAISH**  
 GENERAL MANAGER (O&M)

**G. DURGA DEVI**  
 DEPUTY MANAGER (FINANCE)

Place : Bengaluru  
 Date : 18.05.2022



## Statement of Cash Flows for the Year ended 31st March 2022

(Rs. In Lakhs)

	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
<b>Operating activities</b>		
Profit before tax from continuing operations	28.33	120.26
Profit/(loss) before tax from discontinued operations	-	-
<b>Profit before tax</b>	<b>28.33</b>	120.26
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	12.66	13.80
Profit on sale of assets	-	-0.06
Finance Income (Interest)	151.63	-176.26
Working capital adjustments:		
(Increase)/Decrease in Trade Receivables and other receivables	459.03	-169.62
(Increase)/Decrease in Inventories	129.01	181.85
Increase/(Decrease) in Trade and other payables	-344.89	-2,225.61
Increase/(Decrease) in Net Employee Defined Benefit Liabilities	-49.25	-4.59
	<b>386.53</b>	-2,260.25
Income tax paid	-38.58	-118.90
<b>Net cash flows from operating activities</b>	<b>347.95</b>	-2,379.15
<b>Investing activities</b>		
Purchase of property, plant and equipment		-3.97
Other Current Assets	41.19	-33.95
Interest received	-151.63	176.26
<b>Net cash flows used in investing activities</b>	<b>-110.44</b>	138.34
<b>Financing activities</b>		
Dividend paid	-	-18.00
Interest paid	-	-
<b>Net cash flows from/(used in) financing activities</b>	<b>-</b>	-18.00
Net increase in cash and cash equivalents	237.51	-2,258.81
Cash and cash equivalents at the beginning of the year	2,900.37	5,159.18
<b>Cash and cash equivalents at year end</b>	<b>3,137.88</b>	2,900.37

For and on behalf of the Board

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

**A.K. JAIN**  
Chairman & Managing Director  
DIN NO : 09262984

**SRIKAR K REDDY**  
Director  
DIN NO : 08822924

**PATIL NARAHARI LAXMAN RAO**  
Partner (M.No.222219)  
UDIN :2222219AJFPRN9951

Place :  
Date :

**Y.K. VAISH**  
GENERAL MANAGER (O&M)

**G. DURGA DEVI**  
DEPUTY MANAGER (FINANCE)

## Notes forming part of Financial Statements

### 3. Property, Plant and Equipment

	Building	Interior Decoration	Factory Equipments	Furniture, Fixtures, Computers including Software Office Equipments and Measuring Instruments			Vehicles	Total
				INR Lakhs	INR Lakhs	INR Lakhs		
<b>At 1 April 2020</b>	<b>676.75</b>	<b>41.61</b>	<b>0.61</b>	<b>105.58</b>	<b>15.67</b>	<b>840.22</b>		
Additions	-	-	-	4.03	-	4.03		
Disposals	-	-	-	7.83	-	7.83		
Gross Block at 31st March 2021	<b>676.75</b>	<b>41.61</b>	<b>0.61</b>	<b>101.78</b>	<b>15.67</b>	<b>836.42</b>		
<b>At 1 April 2021</b>	<b>676.75</b>	<b>41.61</b>	<b>0.61</b>	<b>101.78</b>	<b>15.67</b>	<b>836.42</b>		
Additions	-	-	-	-	-	-		
Disposals	-	-	-	-	-	-		
<b>Gross Block at 31st March 2022</b>	<b>676.75</b>	<b>41.61</b>	<b>0.61</b>	<b>101.78</b>	<b>15.67</b>	<b>836.42</b>		
<b>Depreciation and impairment</b>								
<b>At 1 April 2020</b>	<b>220.43</b>	<b>41.61</b>	<b>0.59</b>	<b>104.23</b>	<b>15.67</b>	<b>382.53</b>		
Depreciation charge for the Year	11.27	-	0.02	2.51	-	13.80		
Disposals	-	-	-	7.83	-	7.83		
Depreciation Reserve at 31st March 2021	<b>231.70</b>	<b>41.61</b>	<b>0.61</b>	<b>98.91</b>	<b>15.67</b>	<b>388.52</b>		
<b>At 1 April 2021</b>	<b>231.70</b>	<b>41.61</b>	<b>0.61</b>	<b>98.91</b>	<b>15.67</b>	<b>388.52</b>		
Depreciation charge for the year	11.27	-	-	1.38	-	12.65		
Disposals	-	-	-	-	-	-		
<b>Depreciation Reserve at 31st March 2022</b>	<b>242.97</b>	<b>41.61</b>	<b>0.61</b>	<b>100.30</b>	<b>15.67</b>	<b>401.17</b>		
<b>Net Book Value</b>								
<b>At 31st March 2022</b>	<b>433.78</b>	-	-	<b>1.48</b>	-	<b>435.25</b>		
At 31 March 2021	445.05	-	-	2.87	-	447.90		

## Notes forming part of Financial Statements

	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
<b>4. Other Non Current Assets</b>		
Gratuity	35.00	76.19
<b>Total Other Current Assets</b>	<b>35.00</b>	76.19
<b>5. Inventories</b>		
Finished Goods- Machineries not Shipped	3.75	132.76
Finished Goods- Machineries not Shipped	3.75	132.76
<b>6. Trade Receivables</b>		
Secured and Considered Good	1,147.46	1,843.75
Unsecured, considered good	-	-
Doubtful	-	-
Receivables from related parties	-	-228.63
<b>Total Trade Receivables</b>	<b>1,147.46</b>	1,615.12

### 6A Trade Receivables Agewise details as at the end of current financial year.

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - Considered good	253.13	624.97	-	-	269.36	1,147.46
Undisputed - Considered doubtful	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	-	-
	-	-	-	-	-	-

**Notes forming part of Financial Statements**

	<b>31/03/2022</b>	31/03/2021
	<b>INR Lakhs</b>	INR Lakhs
<b>7. Cash and Bank Balances</b>		
<b>A. Cash and Cash Equivalents</b>		
<b>Current accounts</b>	<b>26.28</b>	146.75
Deposits with Maturity Three months or less	<b>204.15</b>	187.52
Cash and Cheques on hand	-	-
<b>B. Bank Balances other than Cash and Cash Equivalents</b>		
Deposits with maturity more than three months but less than 12 months (including Earmarked Accounts)	<b>2,907.45</b>	2,566.11
<b>Total Cash and Bank Balances</b>	<b>3,137.88</b>	2,900.37
<b>8. Loans</b>		
Non-current	-	-
Current		
Inter-corporate Loan to HMT Limited	-	-
Total Current Loans	-	-
<b>Total Loans</b>	-	-
<b>9. Other Financial Assets</b>		
Non-current		
Deposits with Banks exceeding twelve months of maturity	<b>246.53</b>	225.00
Interest accrued and due	<b>13.05</b>	10.91
<b>Total Other Non - Current Financial Assets</b>	<b>259.58</b>	235.91
Current		
Interest accrued and due	<b>44.63</b>	63.10
Total Other Current Financial Assets	<b>44.63</b>	63.10
Total Other Financial Assets	<b>304.21</b>	299.01
<b>10. Other Current Assets</b>		
Deposit	<b>0.05</b>	0.05
EMD	<b>0.05</b>	0.05
Claims towards refund of service tax	<b>0.27</b>	0.27
Claims receivables	<b>11.27</b>	10.95
<b>Export Incentives receivables</b>	<b>1.78</b>	2.04
<b>Advances to employees</b>	<b>11.11</b>	2.06
<b>Others</b>		
<b>Advances paid to suppliers / services providers</b>	<b>2.76</b>	2.94
<b>Advance Service Tax</b>	<b>27.46</b>	27.46
<b>GST Receivable</b>	<b>94.90</b>	82.68
<b>Income Tax Refundable</b>	<b>283.99</b>	322.57
<b>TDS (AY 2022-23)</b>	<b>13.34</b>	-
<b>IGST Tds Under GSTR 7A</b>	<b>4.30</b>	-
<b>Prepayments</b>	<b>9.90</b>	6.70
<b>Total Other Current Assets</b>	<b>461.18</b>	457.77

## Notes forming part of Financial Statements

### 11. Equity Share Capital

Authorised share capital

	Equity Shares	
	No. in Lakhs	INR Lakhs
<b>At 1st April 2021</b>	<b>80.00</b>	800.00
Increase/(decrease) during the year	-	-
<b>At 31 March 2022</b>	<b>80.00</b>	800.00
<b>Issued equity capital</b>		
Equity shares of INR 10 each issued and fully paid	<b>No in Lakhs</b>	INR Lakhs
<b>At 1st April 2021</b>	<b>7.20</b>	72.00
Increase/(decrease) during the year	-	-
<b>At 31 March 2022</b>	<b>7.20</b>	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 2022		As at 31 March 2021	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
HMT Limited & its nominee	<b>7.2</b>	<b>100</b>	<b>7.2</b>	<b>100</b>

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:

	31/03/2022	31/03/2021
	No. in Lakhs	No. in lakhs
Cash	<b>0.005</b>	0.005
Issued for consideration other than cash	<b>0.295</b>	0.295
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	<b>6.900</b>	6.900
<b>TOTAL</b>	<b>7.200</b>	7.200

### Statement of Changes in Equity

#### A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. in lakhs	INR lakhs
<b>Changes in equity share capital during the year</b>		
<b>At 1st April 2021</b>	<b>7.20</b>	72.00
Changes in equity share capital during the year	-	-
<b>At 31st March 2022</b>	<b>7.20</b>	72.00

## Notes forming part of Financial Statements

### 12. Other Equity



	Reserves and Surplus		Other Comprehensive income		
	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of Comprehensive Income	Total equity attributable to equity holders of the company
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
<b>Balance as of 1st April 2020</b>	<b>3,065.26</b>	<b>543.94</b>	-	<b>-48.36</b>	<b>3,560.83</b>
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
<b>At 31 March 2021</b>	<b>3,065.26</b>	<b>622.88</b>	-	<b>-42.95</b>	<b>3,645.18</b>
<b>Balance as of 1st April 2021</b>	<b>3,065.26</b>	<b>622.88</b>	-	<b>-42.95</b>	<b>3,645.18</b>
Transfer to General reserve					-
Remeasurement of the net defined benefit liability/asset, net of tax effect				-60.06	-60.06
Dividends including (DDT) (2020-21)		21.25			-
Profit for the period					21.25
<b>At 31 March 2022</b>	<b>3,065.26</b>	<b>644.13</b>	-	<b>-103.01</b>	<b>3,606.37</b>



## Notes forming part of Financial Statements

(Rs. In Lakhs)

	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
<b>13. Provision for Employee Benefits</b>		
<b>Non-Current</b>		
Gratuity	64.55	80.29
Earned Leave Encashment	54.89	54.00
Settlement Allowance	24.97	9.42
<b>Total Non Current</b>	<b>144.41</b>	<b>143.71</b>
<b>Current</b>		
Gratuity	21.29	19.12
Earned Leave Encashment	20.64	13.45
Settlement Allowance	1.51	0.75
<b>Total Current</b>	<b>43.44</b>	<b>33.33</b>
<b>Total Net employee defined benefit liabilities</b>	<b>187.85</b>	<b>177.04</b>

**14. Trade payables**

<b>Trade Payables</b>	<b>270.87</b>	299.20
Micro, small and medium enterprises	273.03	612.23
Payable to related parties	107.57	-
<b>Total Trade payables</b>	<b>651.47</b>	911.43

**14 A Trade Payable Agewise details as at the end of current financial year:**

Particulars	Outstanding for the following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	more than 3 years
MSME	91.37	181.67	-	-
Others	80.83	297.61	-	-
Disputed dues - MSME	-	-	-	-
Disputed dues - Others	-	-	-	-
<b>Total</b>	<b>172.20</b>	<b>479.27</b>	-	-

**Notes forming part of Financial Statements**

(Rs. In Lakhs)

	<b>31/03/2022</b>	31/03/2021
	<b>INR Lakhs</b>	INR Lakhs
<b>15. Other Current Liabilities</b>		
<b>Current</b>		
Revenue received in advance	<b>419.22</b>	498.66
Due to Holding Company	<b>190.22</b>	115.76
Salaries and arrears payable	<b>48.14</b>	55.67
Statutory Dues Payable	-	-
Earnest Money Deposits	<b>60.64</b>	61.44
Retention Money from Suppliers	<b>98.56</b>	69.45
Tax Payables	<b>2.38</b>	2.14
Provision for Ex Gratia	<b>0.24</b>	0.28
Sundry Creditors (TA)	-	0.16
Warranty	<b>80.27</b>	170.14
PF Trust Loss payable	<b>49.84</b>	49.84
Others	<b>1.92</b>	
Provision for SIB	-	2.46
TDS GST Payable	<b>5.83</b>	15.95
<b>Total Other Current Liabilities</b>	<b>957.27</b>	1,042.20

**NOTE -1 : NOTES FORMING PART OF FINANCIAL STATEMENTS / 31.03.2022****PERTAINING TO BALANCE SHEET**

INR in lakhs

Sl. No.	Particulars	As at 31.03.2022	As at 31.03.2021
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.	<b>2,364.88</b>	2,566.11
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)	<b>273.03</b>	612.23
b	Amount of interest paid along with the amounts of payment made to the supplier beyond the appointed day during the year.	<b>NIL</b>	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	<b>1.03</b>	1.03
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	<b>Proposed Dividend As per IND AS 10</b> : 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 / 31.03.2022**

**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	ABD / Common service Division	Food Processing Division	Corporate Office		
Description of the nature of transactions	Purchases	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	-	-	-	-	-	-	-	56.84	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	107.56( CR)	-	-	-	.43(CR)	6.93 (DR)	-	1.97(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 31.03.2022**

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 REQUIRMENT AS PER IND AS - 12****Depreciation**

Deferred Tax Assets / (Liabilities) as at 01.04.2021	<b>(46.27)</b>
Charged / (credit) during the year	<b>(3.30)</b>
Deferred Tax Assets / (Liabilities) as at 31.03.2022	<b>(42.97)</b>

**Notes forming part of Financial Statements**

(Rs. In Lakhs)

	<b>31/03/2022</b>	31/03/2021
	<b>INR Lakhs</b>	INR Lakhs
<b>16. Revenue from operations</b>		
Sale of products	<b>418.19</b>	215.75
Technical Services	-	6.12
Projects Sales of Products	<b>615.65</b>	1,713.14
Projects Services	<b>56.59</b>	47.99
Export Assistance (Duty draw back )	<b>0.82</b>	0.47
<b>Total</b>	<b>1,091.24</b>	1,983.48
<b>17. Other income</b>		
<b>A. Other Non Operating Income</b>		
Provision No Longer Required	<b>110.89</b>	184.32
Miscellaneous Income	<b>3.00</b>	0.84
Net gain/(Loss) on sale of Property, Plant and Equipment	-	0.06
	<b>113.89</b>	185.23
<b>B. Interest income</b>		
Interest on Bank Deposits with Banks	<b>151.63</b>	176.26
	<b>151.63</b>	176.26
Total Other income	<b>265.52</b>	361.49
<b>18. Cost of Goods Traded, Service and Works</b>		
<b>a. Cost of Goods Traded, Service and Works</b>		
Purchases	<b>647.62</b>	1,524.89
Training	-	1.87
Fee for Services Rendered	<b>0.12</b>	-
Freight	<b>31.02</b>	32.60
Insurance	<b>1.41</b>	0.23
ECGC Premium	-	-0.23
Clearing, handling and inspection	<b>15.96</b>	9.25
Overseas Agency Commission to agents	<b>10.12</b>	2.96
Other expenses (As per below schedule)	<b>50.22</b>	30.93
<b>Cost of Goods Traded, Service and Works</b>	<b>756.46</b>	1,602.50



## Notes forming part of Financial Statements

(Rs. In Lakhs)

	<b>31/03/2022</b>	31/03/2021
	<b>INR Lakhs</b>	INR Lakhs
<b>Other Expenses</b>		
Communication	<b>0.03</b>	0.31
Advertisement & Publicity	-	2.81
Travelling & Conveyance	<b>11.18</b>	4.24
Delegation & export promotion	<b>0.05</b>	-
Bank charges	<b>38.96</b>	23.58
<b>Total</b>	<b>50.22</b>	30.94
<b>b. (Increase) / Decrease in Inventories</b>		
Inventory at the beginning of the year	<b>132.76</b>	314.61
Less: inventory at the end of the quarter	<b>3.75</b>	132.76
	<b>129.01</b>	181.85
<b>Total</b>	<b>885.47</b>	1,784.35
<b>19. Employees' benefits expense</b>		
Salaries, Wages, Bonus and other benefits	<b>212.41</b>	204.28
House Rent Allowance	<b>3.63</b>	3.74
Contribution to Provident Fund	<b>21.46</b>	22.27
Contribution to Pension Fund	<b>1.65</b>	-
Earned Leave Encashment	<b>45.10</b>	47.84
Settlement Allowance	<b>0.65</b>	2.57
Gratuity cost	<b>8.39</b>	9.12
Sales Incentive Bonus	<b>0.01</b>	0.56
Medical Benefits	<b>8.53</b>	3.36
Township	<b>0.003</b>	-
Exgratia	<b>0.24</b>	0.28
Staff Welfare Expenses	<b>1.31</b>	1.01
<b>Total</b>	<b>303.38</b>	295.04

**Notes forming part of Financial Statements**

	<b>31/03/2022</b>	31/03/2021
	<b>INR Lakhs</b>	INR Lakhs
<b>20. Depreciation and amortization expense</b>		
Depreciation of tangible assets	<b>12.66</b>	13.80
<b>Total</b>	<b>12.66</b>	13.80
<b>21. Finance Cost</b>		
Interest on Loan	-	-
<b>Total</b>	-	-
<b>22. Other expenses</b>		
Rent	-	8.56
Rates and taxes excluding tax on income	<b>1.05</b>	0.67
Office Maintenance	<b>23.08</b>	22.92
Printing & stationery	<b>4.42</b>	3.83
Recruitment Expenses	<b>0.01</b>	-
Royalty	<b>2.01</b>	9.44
Books, periodicals & membership fees	<b>0.67</b>	1.22
Electricity & water	-	0.14
Advertisement & Publicity	<b>0.63</b>	2.18
Postage, Telegrams, Courier	<b>1.43</b>	1.20
Communication	<b>2.93</b>	2.29
Audit fee:		
Statutory audit	<b>0.48</b>	0.48
Tax audit	<b>0.16</b>	0.16
Travelling & Conveyance	<b>9.07</b>	4.40
Delegation & export promotion	<b>0.19</b>	2.21
Entertainment Expenses	<b>1.95</b>	0.78
Repairs & Maintenance other than building & machinery	<b>1.40</b>	0.96
Insurance	<b>0.05</b>	0.70
Training, seminars & conference	-	0.02
Vehicle maintenance	<b>0.54</b>	0.64
Professional and legal charges	<b>1.36</b>	6.40

## Notes forming part of Financial Statements

	<b>31/03/2022</b>	31/03/2021
	<b>INR Lakhs</b>	INR Lakhs
Bank charges	<b>4.30</b>	8.43
Fees for services rendered	<b>1.49</b>	5.97
Common expenses paid to Holding Co.	<b>56.84</b>	58.90
Security Charges	<b>7.31</b>	11.85
Board Meeting Expenses	<b>0.82</b>	0.24
Miscellaneous expenses	-	-
PF Trust Loss	<b>5.88</b>	3.77
Grant in Aid	-	11.40
Exchange Difference (Net)	<b>-1.16</b>	-38.24
<b>Total</b>	<b>126.92</b>	131.52
<b>23. Other Comprehensive Income</b>		
Re-measurement gains/(losses) on defined benefit plans for Earned Leave Encashment	-	-
Gratuity	<b>-42.74</b>	11.75
Settlement Allowance	<b>-17.32</b>	-4.28
<b>Total</b>	<b>-60.06</b>	7.47

For and on behalf of the Board

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

**A.K. JAIN**  
Chairman & Managing Director  
DIN NO : 09262984

**SRIKAR K REDDY**  
Director  
DIN NO : 08822924

**PATIL NARAHARI LAXMAN RAO**  
Partner (M.No. 222219)  
UDIN : 22222219AJFPRN9951

**Y.K. VAISH**  
GENERAL MANAGER (O&M)

**G. DURGA DEVI**  
DEPUTY MANAGER (FINANCE)

Place : Bengaluru  
Date : 18.05.2022

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

Sl. No.	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
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	<b>672.23</b>	1,761.13
2	Other expenses include (Travelling and conveyance)		
	Travelling expenses of Directors	-	0.73
<b>3</b>	<b>Additional information as per the requirement of Schedule III of the companies Act, 2013</b>		
	<b>I. Cost of goods sold</b>		
	Imported	<b>0 %</b>	-
	Indigenous	<b>100%</b>	<b>756.46</b>
	<b>TOTAL</b>	<b>100%</b>	<b>756.46</b>
	<b>II. CIF Value of Imports:</b>		
	Components & Accessories		-
	<b>III. Earnings in Foreign Exchange</b>		
	a) FOB Value of Exports	<b>418.17</b>	100.66
	b) Technical / project services	-	54.11
	<b>TOTAL</b>	<b>418.17</b>	<b>154.77</b>
	<b>IV Particulars of turnover:</b>		
		<b>Qty. Nos.</b>	<b>VALUE</b>
	Machine tools, spares & accessories	<b>4</b>	<b>418.19</b>
	Project Service & Supplies	<b>28</b>	<b>615.64</b>
	Income from Technical services		<b>56.59</b>
	Export Incentives		<b>0.82</b>
	<b>TOTAL</b>		<b>1,091.24</b>
	<b>V Expenditure in Foreign Currency:</b>		
	Travelling Expenses		<b>9.07</b>
	Others		-
			58.05
			93.27

## Note to Financial Statements for the year ended 31.03.2022

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

(Rs. In Lakhs)

### i) Defined Contribution Plan:

Particulars	Year Ended	Year Ended
	31.3.2022	31.3.2021
Employer's Contribution to Pension Fund	1.65	1.76

### 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

	31.3.2022		31.3.2021	
	%	%	%	%
Discount rate:				
Gratuity plan	7.33	6.91		
Settlement Allowance	7.33	6.91		
Earned Leave Encashment	7.33	6.91		
Future salary increases:				
Gratuity plan	10.00	7.00		
Settlement Allowance	10.00	7.00		
Earned Leave Encashment	10.00	7.00		
<b>Summary of Demographic Assumptions</b>	<b>31.3.2022</b>	<b>31.3.2021</b>	<b>Settlement Allowance</b>	<b>Leave Encashment</b>
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%	100%	100%
Disability Rate (as % of above mortality rate)	0.00%	0.00%	5%	0.00%
Withdrawal Rate	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
Average Age	38.16	36.97	36.97	36.97
Average Past Service	10.99	8.51	8.51	8.51
Average Future Service	21.84	23.03	23.03	23.03
Adjusted Average Future Service	15.53	16.69	23.07	16.67
Leave Encashment Rate during Employment				10%
Leave Availability Rate				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 obligations 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

### A. Gratuity

31 March 2022 changes in the defined benefit obligation and fair value of plan assets

1-Apr-21	Gratuity cost charged to profit or loss		Remeasurement gains/(losses) in other comprehensive income						Contributions by employer		31-Mar-22
	Service cost	Net interest expense & Past Service Cost	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	INR Lakhs	INR Lakhs
INR Lakhs (99.41)	INR Lakhs (7.59)	INR Lakhs (5.05)	INR Lakhs (12.64)	INR Lakhs 52.46	INR Lakhs (16.49)	INR Lakhs (7.30)	INR Lakhs (18.94)	INR Lakhs (26.24)	INR Lakhs (85.83)	INR Lakhs 23.50	INR Lakhs 34.99
Fair value of plan assets	76.19	4.26	4.26	(52.46)	(16.49)			(16.49)		23.50	34.99
<b>Benefit liability</b>	<b>(23.22)</b>		<b>(8.38)</b>	<b>0.00</b>				<b>(42.73)</b>		<b>23.50</b>	<b>(50.84)</b>

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

1-Apr-20	Gratuity cost charged to profit or loss		Remeasurement gains/(losses) in other comprehensive income						Contributions by employer		31-Mar-21
	Service cost	Net interest expense & Past Service Cost	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	INR Lakhs	INR Lakhs
INR Lakhs (120.82)	INR Lakhs (5.63)	INR Lakhs (7.41)	INR Lakhs (13.04)	INR Lakhs 20.00	INR Lakhs (2.70)	INR Lakhs 1.28	INR Lakhs 13.17	INR Lakhs 14.45	INR Lakhs (99.41)	INR Lakhs 52.73	INR Lakhs 76.19
Defined benefit obligation	42.24	3.92	3.92	(20.00)	(2.70)			(2.70)		52.73	76.19
Fair value of plan assets	<b>(78.58)</b>		<b>(9.12)</b>	<b>0.00</b>				<b>11.75</b>		<b>52.73</b>	<b>(23.22)</b>



### B. Earned Leave Encashment

31 March 2022 changes in the long term employee benefit obligation and fair value of plan assets

1-Apr-21	Defined Benefit cost charged to profit or loss		Remeasurement gains/(losses) in profit or loss					Contributions by employer	31-Mar-22	
	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
INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
(67.45)	(8.32)	(3.38)	(11.70)	37.03	(7.48)	(25.92)	(33.40)			(75.52)

Defined benefit obligation

Fair value of plan assets

**Benefit liability** **(67.45)**

**(11.70)** **37.03**

**(33.40)** **0.00** **(75.52)**

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

1-Apr-20	Defined Benefit cost charged to profit or loss		Remeasurement gains/(losses) in profit or loss					Contributions by employer	31-Mar-22	
	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
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** **(61.83)**

**(10.14)** **42.22**

**(37.70)** **0.00** **(67.45)**

### C. Settlement Allowance

31 March 2022 changes in the defined benefit obligation and fair value of plan assets

1-Apr-21	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contributions by employer		31-Mar-22	
	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	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	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
	(10.17)	(0.65)	(0.65)	1.65		(10.26)	(7.05)	(17.31)					(26.48)
Defined benefit obligation													
Fair value of plan assets													
<b>Benefit liability</b>			<b>(0.65)</b>	<b>1.65</b>								<b>0.00</b>	<b>(26.48)</b>

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

1-Apr-20	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in profit or loss						Contributions by employer		31-Mar-22	
	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	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	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
	(6.45)	(0.33)	(2.57)	3.13		0.30	(4.58)	(4.28)					(10.17)
Defined benefit obligation													
Fair value of plan assets													
<b>Benefit liability</b>			<b>(2.57)</b>	<b>3.13</b>								<b>0.00</b>	<b>(10.17)</b>

**HMT (INTERNATIONAL) LIMITED**
**Note to Financial Statements for the year ended 31.03.2022**
**Earnings per share (EPS)**

	<b>31.3.2022</b>	31.3.2021
	<b>INR Lakhs</b>	INR Lakhs
Profit attributable to equity holders:		
Continuing operations	<b>21.25</b>	96.94
Discontinued operation	<b>0.00</b>	0.00
Total Profit including OCI	<b>21.25</b>	96.94
Less Other Comprehensive income	<b>0.00</b>	0.00
Profit attributable to equity holders for basic earnings	<b>21.25</b>	96.94
Profit attributable to equity holders of the parent adjusted for the effect of dilution	<b>21.25</b>	96.94
Weighted average number of Equity shares for basic EPS*	<b>720,000</b>	720,000
Effect of dilution:		
Convertible preference shares		
Weighted average number of Equity shares adjusted for the effect of dilution *	<b>720,000</b>	720,000
* 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.		

**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 2022		As at 31 March 2021	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	<b>7.27</b>	<b>5.88</b>	6.24	5.24
Change in rate of salary increase	<b>3.23</b>	<b>2.91</b>	3.64	3.08
Change in withdrawal rates	<b>0.19</b>	<b>0.23</b>	0.01	0.01

**(ii) Settlement Allowance**

(Rs. In lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	<b>6.07</b>	<b>4.68</b>	1.18	1.50
Change in rate of salary increase	<b>4.72</b>	<b>6.00</b>	1.24	1.55
Change in withdrawal rates	-	<b>5.00</b>	1.62	1.27

The expected contributions for gratuity for the next financial year will be Rs.50.84 lacs and Settlement allowance will be Rs.Nil.

**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 2021-22, 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

UDIN : 2222219AJFPRN9951

**Patil Narahari Laxmanrao**

Partner

M No: 222219

Place: Bangalore

Date: 18.05.2022

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

<b>Statement of Impact of Audit Qualifications for the Financial Year ended March 31, 2022</b> [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
<b>I</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications) (Rs. In lacs)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	1.	Turnover/ Total income (Rs. in Lakhs)	<b>1356.76</b>	-
	2.	Total Expenditure (Rs. in Lakhs)	<b>1328.43</b>	-
	3.	Net Profit /(Loss) (Rs. in Lakhs)	<b>21.25</b>	-
	4.	Earnings Per Share (in Rs.)	<b>2.95</b>	-
	5.	Total Assets (Rs. in Lakhs)	<b>5524.73</b>	-
	6.	Total Liabilities (Rs. in Lakhs)	<b>1846.36</b>	-
	7.	Net Worth (Rs. in Lakhs)	<b>3678.37</b>	-
	8.	Any other financial item (s) (as felt appropriate by the Management)	-	-
<b>II Audit Qualification (each audit qualification separately):</b>				
<b>a. Details of Audit Qualification :</b> NOT APPLICABLE				
<b>b. Type of Audit Qualification :</b> Qualified Opinion/Disclaimer of Opinion/Adverse Opinion - <b>N.A.</b>				
<b>c. Frequency of Qualification :</b> Whether appeared first time/repetitive/since how long continuing- <b>N.A.</b>				
<b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views :</b> <b>N.A.</b>				
<b>e. For Audit Qualification(s) where the impact is not quantified by the auditor: NOT APPLICABLE</b>				
<b>(i) Management's estimation on the impact of Audit Qualification:</b>				
<b>(ii) If Management is unable to estimate the impact, reasons for the same :</b>				
<b>(iii) Auditors Comments on (i) or (ii) above :</b>				
<b>III Signatories :</b>				
<b>• Chairman &amp; Managing Director</b>				
<b>• GM(O&amp;M)</b>				
<b>• Deputy Manager (Finance )</b>				
<b>• Audit Committee Chairman</b>				
<b>• Statutory Auditor</b>				
<b>Place :</b> Bangalore				
<b>Date :</b> 18.05.2022				





GM(O&M) HMT(I) Shri. Y.K. Vaish signing an agreement for the Project “Upgradation and Modernisation of “Centre D’Entrepreneuriat Et De Developpement Technique (CEDT), Le G15”, Dakar, Senegal (Phase II)” with Shri. Sridharan Madhusudhanan, JS(DPA-I) MEA, New Delhi.



C&MD HMT(I) Shri. A.K. Jain (Addl. Charge) and GM(O&M) HMT(I) Shri. Y.K. Vaish, meeting with Shri. Ajay Kumar, Defence Secretary.



C&MD HMT(I) Shri. A.K. Jain (Addl. Charge) and other senior executives presenting memento to Honorable Union Minister of Heavy Industries Shri. Mahendra Nath Pandey during his visit to HMT Limited and its subsidiaries in Bangalore.





  
**HMTI**  
**HMT (International) Limited**

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

CIN No. U33309KA1974GOI00277

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