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HMT (International) Limited

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

49th ANNUAL REPORT 2022-23



MAKE IN INDIA



Skill India

कौशल भारत - कुशल भारत



भारत 2023 INDIA

वसुधैव कुटुम्बकम्

ONE EARTH • ONE FAMILY • ONE FUTURE



एक कदम स्वच्छता की ओर



C&MD, HMT(I) Shri. Pankaj Gupta (Addl. Charge) presented performance and future plans for growth of HMT group of companies in the Annual Performance Review Meeting of CPSEs Chaired by Dr. Mahendra Nath Pandey, Honorable Minister for Heavy Industries.



C&MD, HMT(I) Shri. Pankaj Gupta (Addl. Charge) and GM(O&M), HMT(I) Shri. Y.K.Vaish along with Dr. Mahendra Nath Pandey, Honorable Minister for Heavy Industries in an exhibition at New Delhi.



GM(O&M), HMT(I) Shri. Y.K.Vaish attended PMC Meeting for the Project "Five Years Comprehensive Maintenance Plan to Indo-Myanmar Industrial Training Centre" at Myingyan, Myanmar.

Chairman's Address 49th Annual General Meeting of HMT (International) Limited

My Dear Shareholders,

I am honoured to present to you Annual Report of HMT (International) Limited for the year 2022-23. We shall reflect on the past year's achievements and challenges. It is also imperative to acknowledge the global outlook, the state of the Indian Economy, and the impact of manufacturing initiatives on the future of our nation.

Global Outlook:

The global landscape has been marked by unprecedented shifts and disruptions in recent times. We have witnessed the rapid advancement of technology, changing geopolitical dynamics, and the emergence of new markets. These global trends have presented both challenges and opportunities for HMT (International) Limited.

Despite the challenges, we have maintained our commitment to excellence and innovation, enabling us to navigate the changing global landscape. We have strengthened our position by leveraging our core competencies, expanding our market reach, and establishing strategic partnerships. Our relentless pursuit for quality and customer satisfaction has helped us withstand the headwinds and emerge as a resilient global player.

Indian Economy:

India continues to be a beacon of economic growth and resilience in the face of global uncertainty. With a strong emphasis on structural reforms and the promotion of a conducive business environment, the Indian economy has showcased its potential to the world. As a proud contributor to the nation's growth story, HMT (International) Limited remains committed for playing a vital role in the development of India's manufacturing sector.

Performance & Business Accomplishments

HMT (International) Limited ["HMT(I)"], has observed

a steady increase in sales over the past two years. In the year 2022-23 the sales reached Rs.14.15 crores vis-a-vis Rs.10.91 crores in the year 2021-22. This positive growth trajectory is a testament to our international presence and our ability to adapt to global market dynamics. Profit before tax has shown improvement with Rs.0.31 crores in 2022-23 compared to Rs. 0.28 crores in the year 2021-22.

The company has been successful in setting up / upgradation of 9 training centres located at Zimbabwe, Myanmar (3 numbers), Bangladesh, Belize, South Africa, Senegal, Chennai & Vishakpatnam.

HMT(I) is in deliberation for techno-commercial proposals for setting up of training centre at various countries worth Rs 342 Crores. (Papua New Guinea, Myanmar, Guyana, Senegal, Zimbabwe & Bangladesh).

HMT has approached Ministry of External Affairs (MEA) through Ministry of Heavy Industry (MHI) for becoming a Nodal Agency for implementing the turnkey projects for setting up Vocational Training /Skill Development centres under grant-in-aid projects.

Future Outlook

Export Business

The Company is gearing up to increase its revenues in the coming years by taking up HMT's products and other Engineering Goods to newer destinations and to take up more turkey projects in under-developed and developing countries. HMT(I)'s orders pending stands at Rs.23.46 Crores as on 30.06.2023.

Corporate Governance

The Company strives constantly in adopting and maintaining the highest standards of values and principles. The Company is complying with Government Guidelines on Corporate Governance

framed by Department of Public Enterprises for CPSEs.

The Company will continue to strive for a consistent growth rate to match the expectations of stakeholders. While the company is committed to accelerate growth, it will persevere to achieve best standards of Corporate Governance and Ethical Business Practices with emphasis on transparency, accountability and professionalism in working, with the aim of enhancing long term economic value to all stakeholders and society at large.

Acknowledgement

I take this opportunity to express my sincere gratitude to the Hon'ble Minister for Heavy Industries, Hon'ble Minister of State for Heavy Industries, the Secretary (Heavy Industries), Additional Secretary & Financial Adviser, the Joint Secretary, Economic Adviser and other Officers in the Ministry of Heavy Industry as well as Ministry of External Affairs for the immense support and guidance received by your Company. I am also grateful to the officers in the Ministry of Finance, the Comptroller & Auditor General of India and the Statutory Auditors etc. for all their support for smooth operations of the Company. I sincerely thank the State Governments concerned, Joint working Partners, Suppliers, Banks and Financial Institutions for their valuable assistance and support.

I would also like to express my sincere gratitude and appreciation to my esteemed colleagues on the Board and to all HMTians, for unswerving commitment, confidence, and continued support for maintaining cordial relations during the extremely challenging year.

I express my thanks to all our esteemed customers in India and abroad for their continual support and patronage and assure them of our commitment to meet their expectations.

I also thank all the other stake holders for their valuable support, cooperation and for reposing continued confidence in the Company's performance. I am confident that with dedicated and committed resource of employees and valuable support of our esteemed shareholders, our Company will deliver its responsibilities and enhance value to its stakeholders.

I thank you all for the continued faith in HMT and its management. I greet you and your family members and wish you all the best!

(Pankaj Gupta)

Chairman & Managing Director
Addl. Charge
Bengaluru

This does not purport to be a record of the proceedings of the 49th Annual General Meeting of the Company.

HMT INTERNATIONAL LIMITED

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BOARD OF DIRECTORS (As on 11.09.2023)

Shri. Pankaj Gupta

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

Ms. Mukta Shekhar

Director (w.e.f. 04.09.2023)

Shri. Vipul Bansal

Director (w.e.f. 31.08.2023)

Ms. Anju Makhija

Independent Director (w.e.f. 10.06.2023)

STATUTORY AUDITORM/s. Nagachandra & Associates
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



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

To achieve Total Customer Satisfaction

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



PERFORMANCE HIGHLIGHTS

(Rs in Million)

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
OPERATING STATISTICS											
Sales	141.55	109.12	198.35	671.49	570.74	249.45	239.76	339.07	334.01	250.76	340.88
Other Income	2.74	11.38	18.52	2.65	2.39	5.32	8.12	4.33	14.97	34.52	74.15
Stock accretion	-	-	-	-	-	-	-	(0.35)	(1.25)	1.42	(3.98)
Interest Income	15.19	15.16	17.63	24.43	18.30	19.41	22.53	23.65	27.71	24.78	29.45
	159.47	135.66	234.50	698.57	591.43	274.18	270.41	366.70	375.44	311.48	440.50
Purchases	117.275	76.93	178.44	556.14	469.72	208.61	174.62	230.54	224.95	179.62	235.87
Employees Costs	24.067	30.33	29.50	28.12	31.04	27.89	38.49	55.60	64.81	77.27	45.62
Other Operating Costs	13.756	12.69	13.15	74.16	68.99	36.11	53.34	70.16	67.64	47.86	88.60
Depreciation	1.303	1.26	1.38	1.40	1.48	1.46	1.38	1.35	1.46	1.78	1.86
	156.40	121.21	121.21	659.82	571.24	274.07	267.83	357.65	358.86	306.53	371.95
Gross Profit	3.07	2.83	2.83	38.75	20.19	0.11	2.58	9.05	16.58	4.95	68.55
Interest	-	-	-	-	-	-	-	-	-	-	0.04
Net Profit Before Taxes (after prior period)	2.02	2.83	2.83	38.75	20.19	0.11	2.58	9.05	16.58	4.95	68.51
Taxes & Deferred Tax	0.10	0.7	0.7	11.64	5.09	(1.25)	1.94	3.22	11.39	3.92	23.65
Profit After Taxes	2.02	2.12	2.12	27.11	15.10	1.36	0.64	5.83	5.19	1.03	44.87
FINANCIAL POSITION											
Current Assets	545.717	508.948	548.12	771.83	767.90	417.79	488.92	425.24	473.91	385.77	467.08
Current Liabilities & Provision	213.358	180.339	216.57	449.94	472.27	132.56	207.06	143.40	201.43	118.36	201.80
Net Working Capital	332.36	328.61	331.56	321.90	295.63	285.23	281.86	281.84	272.48	267.41	265.27
Net Fixed Assets	42.664	43.525	44.79	45.77	47.15	48.53	49.99	50.83	52.14	54.89	56.63
Capital Employed	375.023	372.13	376.35	367.66	342.78	333.76	331.85	332.67	324.62	322.30	321.90
Deferred Tax Liability	4.696	4.29	4.63	4.38	4.91	7.77	8.57	7.51	12.14	11.92	11.70
Net Worth	370.33	367.84	371.72	363.28	337.87	325.99	323.28	325.16	312.48	310.38	310.20
DATA ON EQUITY CAPITAL											
Share Capital	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20
Reserves	363.13	360.33	363.55	328.96	315.56	317.43	315.43	306.52	304.52	302.87	302.88
Retained Earnings	0.20	0.21	0.97	27.12	15.11	1.36	0.64	3.82	0.76	0.31	0.12
Dividend - Normal	-	-	-	1.80	1.44	-	-	1.44	1.44	0.72	1.44
- Special	-	-	-	-	-	-	-	-	-	-	-
Dividend(%) - Normal	-	-	-	25	20	-	-	20	20	10	20
- Special	-	-	-	-	-	-	-	-	-	-	-
OTHER STATISTICS											
Cash Flow	3.32	3.38	11.08	28.51	16.58	2.82	2.02	7.18	6.65	2.81	46.73
Turnover / Working Capital Ratio	0.43	0.33	0.60	2.09	1.93	0.87	0.85	1.20	1.23	0.94	1.29
Return on Capital (%)	0.54	0.76	3.20	10.54	5.89	0.03	0.78	2.72	5.11	1.54	21.30
Number of Employees	19	21	23	22	25	27	28	33	40	52	59
Per Capita Sales	7.45	5.20	8.62	30.52	22.83	9.24	8.56	10.27	8.35	4.82	5.78

DIRECTORS' REPORT

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

The Board of Directors have pleasure in presenting the 49th Annual Report on the business and operations of your Company and Annual Financial Statements of the Company for the financial year 2022-23 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)

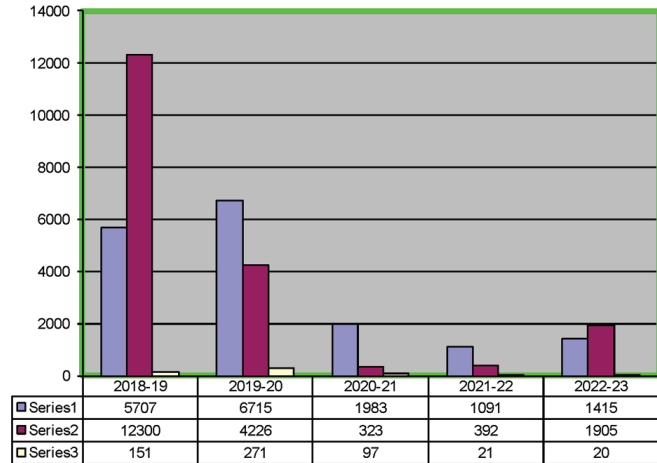
Particulars	2022-23	2021-22
Gross Income from Operations	1415	1091
Cost of Sales	1173	885
Gross Profit	31	28
Provision for Depreciation	13	13
Net Profit Before Tax	31	28
Provision for Tax	10	7
Net Profit After Tax	20	21
Balance available for appropriation	20	21
Proposed Dividend on Equity Shares	-	-
Transfer to Other Equity	-	-
Surplus carried to Balance Sheet	20	21

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

Performance of the Company during the year 2022-23 in terms of turnover at gross levels was Rs.1415 Lakh as against Rs.1091 Lakh achieved during the previous year, i.e., 2021-22. The Order procurement during the year was Rs. 1905 Lakh as against Rs. 392 Lakh achieved in the previous year. With the

Turnover of Rs. 1415 lakh, your Company was able to generate the Profit After Tax (PAT) at Rs. 20 Lakh as against Rs. 21 Lakh, thereby continuing the trend of profits.

(Rs. in Lakhs)



2.1 Product-wise Achievements

2.1.1 Machine Tools

During the year 2022-23, the Company has submitted many quotations to the overseas customers for the supply of various HMT and non-HMT Machines.

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, M/s. The Braithwaite Burn and Jessop Construction Company Limited, Kolkata and M/s. RITES India Ltd., Delhi.

2.1.2 Projects & Services

2.1.2.1 Agreements Signed with MEA:

- ❖ An agreement dated 06th May 2022 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**

- 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:**

- OJT activities were already initiated on confirmation from Govt. of South Africa..

❖ **Setting up of Indo-Belize Centre of Engineering, (IBCE), University of Belize, Belize**

- OJT activities were already initiated on confirmation from Govt. of Belize.

❖ **Setting up of Indo-Myanmar Industrial Training Centre" (IMITC), Monywa, Myanmar.**

- Erection & Commissioning of supplied machines at IMITC, Monywa is completed.
- Deputation of Indian experts to Myanmar for providing On-the-Job-Training (OJT) will be planned on confirmation from Govt. of Myanmar.

❖ **Setting up of Indo-Myanmar Industrial Training Centre" (IMITC), Thaton, Myanmar.**

- Erection & Commissioning and PMC of IMITC, Thaton is completed. OJT activities were already initiated on confirmation from Govt. of Myanmar.

❖ **Upgradation of INDO-ZIM Technology Centres in Zimbabwe**

- Erection & Commissioning and PMC of IZTC, Zimbabwe project is completed and OJT activities were already initiated on confirmation from Govt. of Zimbabwe.

❖ **Upgradation and Modernisation of "Centre D'Entrepreneuriat Et DeDeveloppement Technique (CEDT), Le G15", Dakar, Senegal (Phase II)**

- Major supplies were completed.

2.1.2.2 Agreements Signed with Non - MEA:

❖ **Supply, Erection and Commissioning of Machineries & Equipment for Various Government Industrial Training Institute (ITI) in Tamil Nadu.**

- HMT(I) has received order worth Rs. 1.8 Crores from Government of Tamil Nadu (Department of Employment & training) for supply, erection and commissioning of Machineries & Equipment for Various Government Industrial Training Institute (ITI) in Tamil Nadu.

- Major supplies were completed and E&C is in the progress.

❖ **HMT(I) has received an order worth Rs. 2.25 Crores from M/s Dangote Petroleum Refinery & Petrochemicals and M/s. Dangote Fertilizer Limited for the supply of 4 Nos. of HMT High Precision Lathe Conventional Lathe Machine (NH32/3000) to Nigeria.**

❖ **HMT(I) has received an order worth Rs. 5.68 Crores from M/s Nigeria Machine Tools for the supply of 1 No. of HMT Vertical Turning Lathe Machine (VTL - 1500) to Nigeria.**

❖ **HMT(I) has received an order worth Rs. 48.28 Lacs from M/s Indorama ICS for the supply of 1 No. of Radial Drilling Machine (RM-65) to Senegal.**

2.2 Strategies

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

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

2.3 Marketing efforts

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

- 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.

2.4 Performance Details

(Rs. Lakh)

Particulars	2022-23	2021-22
Sales Turnover		
HMT Products & Technical Services	62	58
Agency & Others	-	360
Projects & Services	1353	673
High-sea sales	-	-
Total	1415	1091

3. Reserves

An amount of Rs. 20.22 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 the requirement of funds for operations, the Directors are not in a position to recommend any Dividend to Shareholders.

6. Deposits

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

7. Particulars of Employees

The total number of employees as on March 31, 2023 stood at 19 (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. A.K. Jain ceases to be Chairman & Managing Director (Additional Charge) of the Company on completion of term on 24th August, 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, Solar Business 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.

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.

Shri. S. Velpandiyan ceased to be Independent Director in view of completion of term of three years on close of business hours on 26th January 2023.

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, Ministry of Heavy Industries vide letter No. F. No. 1-05/3/2020-P.E.X (e.20871) dated 8th June, 2023 has informed that Appointment Committee of the Cabinet (ACC) has approved the appointment of Smt. Anju Makhija as Non-Official Independent Director on the Board of HMT International Limited for a period of three years, from the date of notification of her appointment, or until further orders, whichever is earlier. Subsequent to the inclusion in the Independent Directors Database, inducted on the Board of Directors of the Company w.e.f. 10th June, 2023 and for a period of three years from the date of Government Order dated 8th June, 2023, or until further order, whichever is earlier.

Ministry of Heavy Industries vide letter No.1-05/15/2019-P.E.X (e.20170) dated 31st August, 2023 has informed the appointment of Shri. Vipul Bansal, Joint Secretary, Department of Commerce, Ministry of Commerce & Industry, as Part-time Official Director on the Board of HMT (International) Limited, Bengaluru with immediate effect, until further orders in place of Shri. Srikar K Reddy, Joint

Secretary, Department of Commerce, Ministry of Commerce & Industry.

Ministry of Heavy Industries vide letter No.1-05/15/2019-P.E.X (e.20170) dated 4th September 2023 has informed the appointment of Ms. Mukta Shekhar, Joint Secretary, Ministry of Heavy Industries, as Government Nominee Director on the Board of HMT (International) Limited, Bengaluru with immediate effect, until further orders in place of Dr. Renuka Mishra, Economic Adviser, Ministry of Heavy Industries.

Ms. Mukta Shekhar (DIN: 10118859), Shri. Vipul Bansal (DIN: 02687229), Smt. Anju Makhija (DIN: 02414138) 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.

Shri. Pankaj Gupta, Chairman and Managing Director (Addl. charge) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment.

Shri. Pankaj Gupta, Chairman and Managing Director (Addl. Charge) is the Key Managerial Personnel as defined under Section 2 (51) of the Companies Act, 2013 as on 31.03.2023.

9. Auditors

M/s Nagachandra & Associates, Chartered Accountants, Bangalore were appointed by the C&AG as Statutory Auditors of the Company for the financial year 2022-23.

10. Auditors' Report

The Statutory Auditors have submitted the Independent Auditor's Report for the year 2022-23. 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 2022-23. 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	2022-23	2021-22
1.	Foreign Exchange earned		
	FOB value of Exports	394	418
	Technical Services	-	-
	TOTAL	394	418
2.	Outgo of Foreign Exchange		
	Expenditure in Foreign Exchange on professional, consultancy fees, travelling and other matters	94	9

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 2022-23, 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 31.03.2023, 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 with 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 a declaration form from Shri. S. Velpandiyan, Independent Director 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. Shri. S. Velpandiyan, Independent Director of the Company has completed an online proficiency self-assessment test on 23rd December, 2022.

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 2023 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 the 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 as **Annexure-1**.

29. Corporate Governance

A Report on the Corporate Governance is appended as **Annexure-2** to this Report along with the Certificate on Corporate Governance from the Statutory Auditor as **Annexure-3**.

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 2022-23. The report of the Secretarial Auditor is appended as an **Annexure-4** to this report. The reply to observations of Secretarial Auditor is attached as addendum to Director's report as **Annexure-5**.

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, 2023 is appended to this report as **Annexure-6**.

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 2022-23.

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 2022-23.

35. Internal Financial Controls

With reference to financial statements, the Company has in place adequate internal financial controls. A detailed note with respect to Internal Financial Controls is given in the Management Discussion and Analysis report.

36. Corporate Social Responsibility

The provisions relating to Corporate Social Responsibility are not applicable to the Company as per Section 135 of Companies Act, 2013.

37. Maintenance of Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013

The provisions relating to maintenance of cost records are not applicable to the Company as per Section 148 of Companies Act, 2013

38. 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.

39. 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

Place : Bengaluru
Date : 11.09.2023

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

MANAGEMENT DISCUSSIONS & ANALYSIS**Annexure-1****A. EXPORT SECTOR & STRATEGIES**

The country's overall exports during the year 2022-23 have exhibited a positive growth of 13.84 percent over the same period last year. 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 a noticeable percentage of global growth. To sustain export growth, 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 2022-23 of the Company is as under -

Sector	Rs. in Lakh
Machine Tools	62
Projects & Services	1353
TOTAL	1415

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 2022-23 is Rs.1415 Lakh as compared to Rs.1091 Lakh of the previous year. During the year, the Company has generated a profit (PAT) of Rs. 20 Lakh as against a profit of Rs. 21 Lakh during the previous year.

I. HUMAN RESOURCES

As on March 31, 2023, the Company has manpower strength of 19 personnel. The standard force of the company is 40 and young professionals in the areas of Technical, Commercial and marketing areas were inducted recently. The Company aims at continuous upgradation of skills to ensure that employees at all levels are fully equipped to deliver a wide variety of services to the growing customers base of your Company. The Company has undertaken a Number of training initiatives during the year covering Junior and Middle- level Managers. The programmes for the employees were aimed to refresh the employees with the current business practices, financial matters, export management, and programmes on Corporate Social Responsibility.

J. CORPORATE SOCIAL RESPONSIBILITY

HMT Group has set up Hospitals and Playgrounds 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

Annexure-2

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, 2023, the Board of Directors comprised of Chairman & Managing Director, Two

part-time Official Directors (Government Nominee Director).

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

During the year 2022-23, Four (4) Board Meetings were held on May 18, September 02, December 23 in the calendar year 2022 and on March 27 in the calendar year 2023.

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. Pankaj Gupta (DIN: 09716028)	C	3	Yes	4	6	1
Shri. A.K Jain (DIN: 09262984)	C	1	N/A	7	4	1
Dr. Renuka Mishra (DIN: 08635835)	NENI	1	No	6	7	3
Shri. Vijay Mittal (DIN: 09548096)	NENI	2	N/A	5	4	1
Dr. Srikar K Reddy (DIN: 08822924)	NENI	3	No	1	-	-
Shri. S. Velpandiyan (DIN: 08700752)	NEI	3	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 PROPOSED FOR APPOINTMENT AND RE-APPOINTMENT

Smt. Anju Makhija, aged 64 years holds Bachelor of Science from MG Science College, Ahmedabad, Gujarat.

Smt. Anju Makhija worked as the only female passenger service committee member under the Union Railway Ministry from the year 2015-2017 and led the initiative to improve facilities available to India's women, such as baby-feeding rooms on all platforms (A and B grade) set up vending machines for sanitary napkins and much more.

Smt. Anju Makhija served as Elected Corporator from the year 1995 to 2000. Smt. Anju Makhija worked as BJP Mahila Morcha Leader in various capacities and as the Chairperson of the Western Zone of National Institute of Public Cooperation and Child Development (Women and Child Development Department) from the year 1995 to 2010.

Smt. Anju Makhija is an active member of the National Sindhi Samaaj for 3 decades and highly motivated, a self-starter and a visionary leader. Smt. Anju Makhija has proven leadership skills, disciplined & focused attitude & extraordinary people skills, attributes that are imperative to cause a breakthrough in governance.

Shri. Vipul Bansal aged 46 years a 2005-batch Indian Administrative Service (IAS) officer of the Karnataka cadre. He is presently holding the post of Joint Secretary in the Department of Commerce, Ministry of Commerce and Industry. Vipul Bansal holds a B Com (Hons) degree and is a CA. Prior to joining as Joint Secretary in the Ministry of Commerce and Industry, he held the portfolio of Personal Secretary to Minister of Commerce & Industry from February 2017 to August 2017 and Personal Secretary to Minister of Defence from September 2017 to March 2019. He has also held the position of Personal Secretary to Finance Minister from June 2019 to October 2021. He also held various positions with the state government of Karnataka, the last one

being Commissioner (Rural Development), Rural Development & Panchayati Raj Department, Govt of Karnataka.

Ms. Mukta Shekhar aged 54 years is an IRAS officer of 1994 batch. She has completed her M.Phil. in Defence and Strategic Studies from University of Madras at the National Defence College, New Delhi and Masters in History from St. Stephen's College, Delhi. Her area of expertise is Financial Management and project finance. She has worked at various levels in the Indian Railways, Government of India as Financial Advisor specializing in financial appraisal and project finance. She also worked at the Joint General Manager level in DMRC where she was the associate Finance Officer for projects of Phase II of DMRC.

She has wide experience in the Public Private Partnership area having steered fund management and other contract related activities for pioneer PPP projects of Western Railway, Ministry of Railways, Government of India. Ms. Mukta Shekhar has also a varied experience in the International Cooperation arena and worked for 5 years in Ministry of External Affairs wherein she was looking after implementation of projects under India's Development assistance programme with other countries, Investment and Trade promotion, international arbitration disputes, investment and trade agreements, and civil aviation matters. She also formulated modalities for innovative schemes like concessional financing packages for externally aided projects.

Ms. Mukta Shekhar also worked as Joint Secretary in Department of Food, Ministry of Consumer Affairs, wherein she looked after International Cooperation which entailed interface with multi-lateral agencies, the edible oil sector, monitoring of prices of essential commodities and quality control of foodgrains procured under the Central pool stock in conjunction with other stakeholders.

Shri Pankaj Gupta aged 59 years has rich experience in wide range of business segments with working

in various capacities at BHEL. Presently, Shri Pankaj Gupta is Executive Director at BHEL heading the Solar Business Division (SBD) Bengaluru. Under his leadership, more than 270MW of Solar Plants were commissioned during the last financial year. In the last 10 months, 147MW of three floating solar plants were commissioned each having unique and state of the art anchoring & mooring arrangements with distinction of commissioning of largest floating solar plant having capacity of 100MW at NTPC Ramagundam. Earlier as Head of Defence & Aerospace Business sector of BHEL, he was instrumental in introduction of various new products, entering into collaboration with ISRO for manufacturing of Li-Ion space grade cells & MOUs with Russia and Ukraine for supply of Defence equipment. In various capacities he had previously worked in functions of Manufacturing, Technology, Production and Material Planning and spearheaded the successful establishment and indigenization of frontline Naval equipment manufacturing at BHEL Haridwar. He has done B. Tech. in Production Engineering from Punjab Engineering College, Chandigarh.

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. Velpandiyan, Independent Director could not attend any familiarization programmes.

However, Shri. S. Velpandiyan, Independent Director attended the following interactions/Conference/Meet.

1. "Directors Meet on Corporate Governance" at Vigyan Bhavan, New Delhi on 07th April 2022 chaired by Hon'ble Minister Dr. Mahendra Nath Pandey, Ministry of Heavy Industries.
2. National Conference on "Industry 4.0-Challenges Ahead" at Kevadia, Gujarat on 07th October, 2022 organized by Ministry of Heavy Industries.

Committees of the Board

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

Remuneration of Directors

Since there is no Whole Time Director during the financial year 2022-23, the details of remuneration of Whole Time Director are Nil.

No sitting fee is payable to any of the directors except Non-Official Independent Directors. Sitting fees of Rs. 5000/- per Board Meeting is paid to the Non-Official Independent Director for attending Board Meetings. Conveyance for attending Meetings is reimbursed by the Company as per actual.

Apart from receiving sitting fee and reimbursement of expenses incurred in the discharge of their duties, none of the Non-Official Independent Directors had any pecuniary relationship or transactions with the Company during the year 2022-23.

Details of sitting fees paid to the Independent Directors during the year 2022-23 are given below.

(Amount in Rs.)

Name	Sitting Fees paid for Board Meetings
Shri. S. Velpandiyan	15000/-

General Body Meetings

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

Financial year	Date	Time	Venue
2019-2020	15.09.2020	02.00 p.m.	Registered Office of the Company
2020-2021	22.10.2021	11.00 a.m.	
2021-2022	20.09.2022	04.30 p.m.	

Special Resolution, if any

The Annual General Meeting for the current year is scheduled on or before September 30, 2023 at the Registered Office of the Company.

Whistle Blower Policy

HMT Limited, Holding Company has formulated a Vigil Mechanism/ Whistle Blower Policy for Directors and Employees to report genuine concerns which is applicable to Company as well. The Policy provides adequate safeguards against victimization of Director/s or employee/s and also provides for direct access to the Chairperson of the Audit committee in appropriate or exceptional cases.

Presidential Directives and Guidelines

Your Company has been following the Presidential Directives and guidelines issued by the Govt. of India from time to time.

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 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.

The Company is making endeavors to move towards a regime of unqualified financial statements.

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.



CERTIFICATE ON CORPORATE GOVERNANCE**Annexure-3**

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 2023, 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 Nagachandra & Associates
(Chartered Accountants)
(FRN 002258S
UDIN : 23253681BGYTR11471

POOJITHA. S
Partner
(M No.253681)

Place: Bangalore
Date: 17.05.2023

FORM NO. MR 3

Annexure 4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[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.**

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' having its 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, the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March 2023 (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 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Depositories Act, 1996 and the Rules made thereunder (Not applicable to the Company, as company's equity shares are maintained in physical form for the period under review);
- iii. Foreign Exchange Management Act, 1999 and the Rules made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable for the period under report);
- 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 for period under review);
- v. Other laws as applicable to the Company. 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 clauses of 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 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

- i) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;

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, and is a wholly owned subsidiary of a Listed Government Company, and a 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 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 except the following:

Company being an unlisted material Subsidiary of listed entity i.e. HMT Limited (Public Listed Holding Company-a Government of India Enterprise) has not complied with the requirement that there shall be at least one Independent Director of the listed entity on the board of unlisted material subsidiary as per the Regulation 24(1) of SEBI (LODR) Regulations, 2015.

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 inasmuch as minutes of the Meetings are self explanatory and no dissenting views have been recorded.

There were no amendment/modification of the Memorandum and Articles of Association of the Company during the period under report.

We also 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:

1. There were no instances of following during the audit period:
 - Public/Rights /Preferential issue of shares/ Debentures/Sweat equity.
 - Buy-Back of securities.
 - Merger/Amalgamation /Reconstruction.
 - Foreign Technical Collaborations
 - Major decisions by Members in pursuant to Section 180 of the Act.
2. 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.

For G Haritha & Associates

G. Haritha
Company Secretary in Practice
FCS 5521 | CP No.10749
Peer Review Certificate No.: 1434/2021
UDIN: **F005521E000502545**

Place : Bengaluru
Date : 26th June 2023

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.**

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-check 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., as the some were dealt with under separate audit/s.
4. Wherever required, we have obtained the Management representations about the compliance of applicable Laws, Rules and Regulations and happening of events.
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-check 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

G. Haritha
Company Secretary in Practice
FCS 5521 | CP No.10749

Peer Review Certificate No.: 1434/2021

UDIN: **F005521E000502545**

Place : Bengaluru
Date : 26th June 2023

Annexure - 5

ADDENDUM TO SECRETARIAL AUDIT REPORT FOR THE YEAR 2022-23 IN RESPECT OF OBSERVATIONS MADE BY SECRETARIAL AUDITOR ON THE SECRETARIAL AUDIT OF HMT (INTERNATIONAL) LIMITED FOR THE YEAR ENDED 31ST MARCH 2023

Ref.	SECRETARIAL AUDITORS' OBSERVATIONS	COMPANY'S REPLY
01	Company being an unlisted material Subsidiary of listed entity i.e., HMT Limited (Public Listed Holding Company - a Government of India Enterprise) has not complied with the requirement that there shall be at least one Independent Director of the listed entity on the board of unlisted material subsidiary as per the Regulation 24(1) of SEBI (LODR) Regulations, 2015.	Administrative Ministry has been requested to appoint one Independent Director of HMT Limited, Holding Company as Director on the Board of HMT (International) Ltd, material subsidiary to comply with listing requirements.

Annexure-6

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, 2023.

Place: Bangalore

Date: 17.05.2023

(Pankaj Gupta)

Chairman & Managing Director

Addl. Charge

DIN: 09716028

INDEPENDENT AUDITOR'S REPORT

To The Members of HMT (INTERNATIONAL) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of HMT (International) Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, 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 2023, 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) 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.

- (e) The company has not declared or paid any dividend during the year in compliance with section 123 of the Companies Act, 2013.
- (f) 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 trail feature has not been tampered with and the audit trail 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 Nagachandra & Associates

Chartered Accountants

FRN - 002258S

UDIN: 23253681BGYTRI1471

Poojitha .S]

Partner

M No - 253681

Place: Bengaluru
Date: 17-05-2023

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, 2023 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, 2023, 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 Nagachandra & Associates

Chartered Accountants

FRN - 002258S

UDIN: 23253681BGYTRI1471

Poojitha. S

Partner

M No - 253681

Place: Bengaluru

Date: 17-05-2023

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)

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of audit, we state that:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- b. These property, plant and equipment 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 property, plant and equipment 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, 2023

- 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, Seciton 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 Nagachandra & Associates

Chartered Accountants

FRN - 002258S

UDIN: 23253681BGYTRI1471

Poojitha S.

Partner

M No - 253681

Place: Bengaluru

Date: 17-05-2023

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, FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of HMT (International) Limited, for the year ended 31 March 2023 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 under Section 139(5) of Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of HMT (International) Limited, for the year ended 31 March 2023 under section 143(6)(a) of the Act.

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

M.S. Subrahmanyam

(M.S. Subrahmanyam)

Director General of Commercial Audit
Hyderabad

Place : Hyderabad
Date : 06 June 2023

NOTE - 2

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MAR 2023**1. SIGNIFICANT ACCOUNTING POLICIES****i. Basis of preparation**

The financial statements have been prepared to comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 ("the Act"), read the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company and other provisions of the Act.

The financial statements have been prepared on the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. Summary of Significant Accounting Policies:**a) Use of estimates:**

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to accounting estimates is recognized prospectively.

b) Property, Plant & Equipment

Property, Plant and Equipment ("PPE") are stated at cost of acquisition or construction, net of vatable taxes, 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.

Expenditure in connection with the development of land is capitalised in the year in which the expense is incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

The cost of an item of PPE shall be recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

Items of PPE which is held for sale within 12 months from the end of reporting period is disclosed at lower of carrying cost or fair value less cost of sale

The carrying amount of an item of PPE is derecognised:

(a) on disposal; or

(b) where no future economic benefits are expected from its use or disposal.

The gain or loss arising from the de-recognition of an item of PPE shall be included in statement of profit or loss when the item is derecognised.

Special Tools:

Expenditure on manufactured and bought out special tools held for use in the production or supply of the goods or services and whose use is greater than one period is considered as an item of PPE and is depreciated over its useful life of 5 years.

c) Leases

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Operating Leases as a Lessor

- a) Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.
- b) Operating lease payments in case of intermediate lease are recognized as an expense in the Profit and Loss Account on a straight line basis over the term of the relevant lease.

The Company as a lessee

Leases for which the Company is a lessee is classified as a finance or operating lease.

- a) Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.
- b) Leases are classified as operating lease when there is no right of use of an asset and payments on such lease are recognised as expenses in Profit & Loss Account on a straight line basis over the term of relevant lease.
- c) The Company, as a lessee, recognizes a right-of-use asset [ROU] and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset except leases with a term of 12 months or less and low value leases, the company recognises the lease payments as an operating expenses on a straight line basis over the term of the lease.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of

the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

d) Borrowing Cost:

Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to acquisition of PPE which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

All other borrowing costs are expensed in the period in which they occur.

e) Investment Property:

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company depreciated building component of investment property as per the useful life prescribed in Schedule II of the Act.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement profit or loss in the period of de-recognition.

f) Intangible Assets:

i) Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their

respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

ii) Expenditure on Technical Know-how is recognized as an Intangible Asset and amortized on straight line method based on technical assessment for a period not exceeding ten years. The amortization commences when the asset is available for use.

iii) The cost of software internally generated / purchased for internal use which is not an integral part of the related hardware is recognized as an Intangible Asset and is amortized on straight line method based on technical assessment for a period not exceeding ten years.

iv) *Research and Development Expenditure:*

Research Phase:

Expenditure on research including the expenditure during the research phase of Research & Development Projects is charged to profit and loss account in the year of incurrence.

Development Phase:

Expenditure incurred on Development Costs, which relate to Design, Construction and Testing of a chosen alternative for new or improved material, devices, products, processes, systems or services are recognized as an intangible asset. Such Intangible assets are amortized based on technical assessment over a period not exceeding ten years using straight line method.

g) Depreciation and Amortisation:

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

Each part of an item of PPE (also known as 'Component') 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.

Special Tools capitalised as PPE is depreciated over the period of five years and items those costing less than Rs.750 is depreciated in the year of acquisition/manufacture.

Amortisation methods and useful lives of intangible assets are reviewed periodically including at the end of each financial year.

h) Non-current assets held for distribution to owners and discontinued operations:

The Company classifies non-current assets as held for sale/distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Non-current Assets classified as held for sale/ distribution are presented separately in the balance sheet

i) Government Grants:

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expenses. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

j) Inventories:

Raw materials, stores and Spares, Tools and Instruments, Scrap, work in progress and finished goods are valued at the lower of cost and net realizable value. The cost of materials is ascertained by adopting Weighted Average Cost Method.

Cost of work in progress, finished goods and goods-in-transit comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead being allocated on the basis of normal operating capacity.

Provision for slow moving inventories are made considering the redundancy. However, provision for non moving inventories are made when the same are unmoved for more than five years and they are not useful for any other alternative purpose for general or specific orders.

k) Revenue Recognition:

A customer contract exists if collectability under the contract is considered probable, the contract has commercial substance, contains payment terms, as well as the rights and commitments of both parties has been approved.

The Company collects goods and service tax on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

i) Sale of goods:

Revenues are recognised at the point in time that the customer obtains control of the goods or services which is when it has taken title to the products and assumed the risks and rewards of ownership of the product or services. Generally, the transfer of title and risks and rewards of ownership of goods are governed by the contractually defined shipping terms.

ii) 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.

iii) Rental Income:

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

iv) Dividend Income:

Dividend income is recognised when the Companies right to receive the payment is established, which is generally when shareholders approve the dividend.

v) Interest Income:

Interest income, including income arising from other financial instruments measured at amortised cost, is recognized using the effective interest rate method.

vi) Warranty:

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

vii) Extended Warranties:

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.

I) Foreign Currency Translation:

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 cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

m) Retirement & Other Employee Benefits:

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 long-term employee benefit based on actuarial valuation.

Gratuity is provided for, under a defined benefit scheme, to cover the eligible employees, liability being determined on actuarial valuation. Annual contributions are made, to the extent required, to a trust constituted and administered by the Life Insurance Corporation of India under which the Gratuity is fully covered for all eligible employees.

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

The Company recognizes the net obligation of a defined benefit plan i.e. Gratuity and SA in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in Other Comprehensive Income are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

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

In respect of employees who are separated other than under Voluntary Retirement Scheme, the Gratuity, Earned Leave Encashment (ELE), SA is debited to the respective provision

accounts. The provision at the year end for Gratuity, ELE and SA is restated as per the actuarial valuation done at the year-end

Gratuity, ELE, SA and lumpsum compensation paid to employees under Voluntary Retirement Scheme ("VRS") shall be fully written off in the year of incidence.

Expenses incurred in respect of bonds issued for raising funds to meet payments made under the VRS are fully written off in the year of disbursement.

n) Income taxes:

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in OCI or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i) 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.

ii) Deferred Taxes:

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.

o) Provisions:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an

outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized in the statement of Profit and loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

p) Impairment:

i) Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition

ii) Non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

q) Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other

than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i) Cash & cash equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii) Financial assets at amortised cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through other comprehensive income:

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company presents the subsequent changes in fair value in Other Comprehensive Income.

iv) Financial assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

v) Financial Liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

vi) De-recognition of financial instruments:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. On derecognition of any financial assets in its entirety, the difference between Carrying amount (on date of derecognition) and any consideration received (including difference between any new asset and new liability assumed) shall be recognized in profit or loss.

A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

vii) Fair value of financial instruments:

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ❖ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ❖ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ❖ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

v) Significant accounting judgements, estimations and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Judgements:

In the process of applying the Company's

accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements

a *Operating lease- Company as lessor:*

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b *Discontinued Operations:*

As per the CCEA Approval on 27/10/2016 it was decided that the Tractors Divisions operations will be closed. According the Assets have been classified based on the definitions under IND AS16, IND AS 40 and IND AS 105. It is planned that the company will lease out the major portions of the land and buildings to a third party to generate lease rentals for the Company and accordingly, it is classified as Investment Properties

c *Property, plant & equipment:*

Building at Corporate Head Office, where the significant portion of the property is used as Company owner occupied property and certain portion has been leased out by the Company. The management doesn't have any intention to sell the building and the portion of building which has been leased is for a short period and accordingly, it has been classified as PPE.

ii) Estimates and assumptions:

The key assumptions concerning the future and

other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a Deferred Taxes

Deferred Tax Assets must be recognised to the extent that it is probable that future profits will be available against which the deductible temporary difference can be utilised. The company does not recognise Deferred Tax Asset since the company has unused tax losses and there is no convincing evidence about future taxable profit.

b Defined Benefit Obligations:

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those

mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

c Other Long-Term Employee Benefits:

Other Long-Term Employee Benefits like Earned Leave Encashment is determined through the Actuarial Valuation. The Measurement of the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Expenses on non-accumulating compensated absences are recognized in the period in which the absences occur. Service cost, net interest on the net defined benefit liability (asset), remeasurements of the net defined benefit liability (asset) and other expenses related to long term benefit plans are recognized in the Statement of Profit & Loss.

The measurement of long-term employee benefits is not subject to the same degree of uncertainty as the measurement of Defined Benefit Obligation. For this reason- the Remeasurement are not recognized in Other Comprehensive Income.

d Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the NAV/ NRV model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Balance Sheet as at 31st March 2023

(Rs. In Lakhs)

	Note No.	31/03/2023 INR Lakhs	31/03/2022 INR Lakhs
ASSETS			
1			
Non-current assets			
(a) Property, Plant and Equipment	3	426.64	435.25
(b) Other non-current assets	4	36.77	35.00
Financial assets			
Other financial assets	9	-	259.58
		463.40	729.83
2			
Current assets			
(a) Inventories	5	385.33	3.75
(b) Financial assets			
(i) Trade receivables	6	1,416.59	1,147.46
(ii) Cash and Cash Equivalents	7	3,079.45	3,137.88
(iii) Bank Balances other than Cash and Cash Equivalents			
(iv) Loans	8	-	-
(v) Other Financial Assets	9	58.71	44.63
(c) Other current assets	10	480.32	461.18
		5,420.40	4,794.90
TOTAL ASSETS (A + B)		5,883.81	5,524.73
EQUITY AND LIABILITIES			
1			
Equity			
(a) Share Capital	11	72.00	72.00
(b) Other equity	12	3,631.27	3,606.37
Total equity		3,703.27	3,678.37
2			
Non-current liabilities			
(a) Provisions			
(i) Provision for Employee benefits	13	125.72	144.41
(b) Deferred tax liabilities (net)		46.96	42.97
Total Non-Current Liabilities		172.68	187.37

Balance Sheet as at 31st March 2023

(Rs. In Lakhs)

	Note No.	31/03/2023 INR Lakhs	31/03/2022 INR Lakhs
3			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	14	1,190.53	651.47
4			
Other Current Liabilities	15	771.21	957.27
5			
Provisions			
(i) Provision for Employee benefits	13	39.62	43.44
(ii) Current Tax Liabilities (net)		6.50	6.80
Total Current Liabilities		2,007.86	1,658.98
Total liabilities		2,180.54	1,846.36
C			
TOTAL EQUITY AND LABILITIES (A + B)		5,883.81	5,524.73
Notes forming part of Financial Statements	1		
Significant Accounting Policies	2		

For and on behalf of the Board

As per our report of even date
For NAGACHANDRA & ASSOCIATES
Chartered Accountants (FRN 02258S)**PANKAJ GUPTA**Chairman & Managing Director
DIN NO : 09716028**SRIKAR K REDDY**Director
DIN NO : 08822924**POOJITHA S**Partner (M.No 253681)
UDIN : 23253681BGYTRI1471**Y.K. VAISH**

GENERAL MANAGER (O&M)

G. DURGA DEVI

MANAGER (FINANCE)

Place : Bengaluru

Date : 17.05.2023

Statement of Profit and Loss for the Year ended 31st March 2023

(Rs. In Lakhs)

	Note No.	31/03/2023 INR Lakhs	31/03/2022 INR Lakhs
CONTINUING OPERATIONS			
(a) Revenue from operations	16	1,415.45	1,091.24
(b) Other income	17	179.28	265.52
Total Income		1,594.73	1,356.76
EXPENSES			
(a) Cost of Goods Traded, Service and Works	18.a	1,554.33	756.46
(b) (Increase)/decrease in inventories of finished goods and stock in trade	18.b	-381.58	129.01
(c) Employees' benefits expense	19	240.67	303.38
(d) Depreciation and amortization expense	20	13.03	12.66
(e) Finance Cost	21	-	-
(f) Other expenses	22	137.56	126.92
Total expense		1,564.01	1,328.43
Profit/(loss) before exceptional items and tax from continuing operations		30.71	28.33
Share of (profit)/loss of an associate and a joint venture		-	-
Profit/(loss) before exceptional items and tax from continuing operations		30.71	28.33
Exceptional items		-	-
Profit/(loss) before tax from continuing operations		30.71	28.33
(1) Current tax		6.50	6.80
(2) Adjustment of tax relating to earlier periods		-	3.58
(3) Deferred tax		3.99	-3.30
Income tax expense		10.49	7.08
Profit for the year from continuing operations		20.22	21.25
DISCONTINUED OPERATIONS			
Profit/(loss) before tax for the year from discontinued operations		-	-
Tax Income/ (expense) of discontinued operations		-	-
Profit/(loss) from discontinued operations		-	-
Profit/(loss) for the year		20.22	21.25
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Re-measurement of the net defined benefit liability/asset		-	-
Equity instruments through other comprehensive income		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-

Statement of Profit and Loss for the Year ended 31st March 2023

(Rs. In Lakhs)

	Note No.	31/03/2023 INR Lakhs	31/03/2022 INR Lakhs
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans	22	4.68	-60.06
Income Tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		4.68	-60.06
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		24.90	-38.81
Profit/(loss) for the year			
Attributable to:			
Equity holders of the parent		20.22	21.25
Total comprehensive income for the year			
Attributable to:			
Equity holders of the parent		4.68	-60.06
Earnings per share for continuing operations			
Basic, profit from continuing operations attributable to equity holders of the parent		2.81	2.95
Diluted, profit from continuing operations attributable to equity holders of the parent		2.81	2.95
Earnings per share for discontinued operations			
Basic, profit from discontinued operations attributable to equity holders of the parent		-	-
Diluted, profit from discontinued operations attributable to equity holders of the parent		-	-
Earnings per share from continuing and discontinued operations			
Basic, profit for the year attributable to equity holders of the parent		2.81	2.95
Diluted, profit for the year attributable to equity holders of the parent		2.81	2.95
Notes forming part of Financial Statements	1		
Significant Accounting Policies	2		

For and on behalf of the Board

As per our report of even date
For NAGACHANDRA & ASSOCIATES
Chartered Accountants (FRN 02258S)**PANKAJ GUPTA**Chairman & Managing Director
DIN NO : 09716028**SRIKAR K REDDY**Director
DIN NO : 08822924**POOJITHA S**Partner (M.No 253681)
UDIN : 23253681BGYTRI1471**Y.K. VAISH**

GENERAL MANAGER (O&M)

G. DURGA DEVI

MANAGER (FINANCE)

Place : Bengaluru

Date : 17.05.2023

Statement of Cash Flows for the Year ended 31st March 2023

(Rs. In Lakhs)

	31/03/2023	31/03/2022
	INR Lakhs	INR Lakhs
Operating activities		
Profit before tax from continuing operations	30.71	28.33
Profit/(loss) before tax from discontinued operations	-	-
Profit before tax	30.71	28.33
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	13.03	12.66
Profit on sale of assets	-	-
Finance Income (Interest)	151.92	151.63
Working capital adjustments:		
(Increase)/Decrease in Trade Receivables and other receivables	-42.76	459.03
(Increase)/Decrease in Inventories	-381.58	129.01
Increase/(Decrease) in Trade and other payables	353.00	-344.89
Increase/(Decrease) in Net Employee Defined Benefit Liabilities	-17.83	-49.25
	106.49	386.53
Income tax paid	-6.80	-38.58
Net cash flows from operating activities	99.69	347.95
Investing activities		
Purchase of property, plant and equipment	-4.43	
Other Current Assets	-1.77	41.19
Interest received	-151.92	-151.63
Net cash flows used in investing activities	-158.12	-110.44
Financing activities		
Dividend paid	-	-
Interest paid	-	-
Net cash flows from/(used in) financing activities	-	-
Net increase in cash and cash equivalents	-58.43	237.51
Cash and cash equivalents at the beginning of the year	3,137.88	2,900.37
Cash and cash equivalents at year end	3,079.45	3,137.88

For and on behalf of the Board

 As per our report of even date
 For NAGACHANDRA & ASSOCIATES
 Chartered Accountants (FRN 02258S)

PANKAJ GUPTA
 Chairman & Managing Director
 DIN NO : 09716028

SRIKAR K REDDY
 Director
 DIN NO : 08822924

POOJITHA S
 Partner (M.No 253681)
 UDIN : 23253681BGYTRI1471

Place : Bengaluru
 Date : 17.05.2023

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

G. DURGA DEVI
 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	INR Lakhs	INRLakhs	INR Lakhs
At 1 April 2021	676.75	41.61	0.61	101.78	15.67	836.42
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Gross Block at 31st March 2022	676.75	41.61	0.61	101.78	15.67	836.42
At 1 April 2022	676.75	41.61	0.61	101.78	15.67	836.42
Additions	-	-	-	4.43	-	4.43
Disposals	-	-	-	-	-	-
Gross Block at 31st March 2023	676.75	41.61	0.61	106.21	15.67	840.85
Depreciation and impairment						
At 1 April 2021	231.70	41.61	0.61	98.91	15.67	388.52
Depreciation charge for the year	11.27	-	-	1.38	-	12.65
Disposals	-	-	-	-	-	-
Depreciation Reserve at 31st March 2022	242.97	41.61	0.61	100.30	15.67	401.17
At 1 April 2022	242.97	41.61	0.61	100.30	15.67	401.17
Depreciation charge for the year	11.28	-	-	1.75	-	13.03
Disposals	-	-	-	-	-	-
Depreciation Reserve at 31st March 2023	254.25	41.61	0.61	102.05	15.67	414.20
Net Book Value						
At 31st March 2023	422.50	-	0.0	4.16	0.00	426.64
At 31st March 2022	433.78	-	-	1.48	-	435.25

Notes forming part of Financial Statements

	31/03/2023 INR Lakhs	31/03/2022 INR Lakhs
4. Other Non Current Assets		
Gratuity	36.77	35.00
Total Other Current Assets	36.77	35.00
5. Inventories		
Finished Goods- Machineries not Shipped	385.33	3.75
Finished Goods- Machineries not Shipped	385.33	3.75
6. Trade Receivables		
Secured and Considered Good	1,416.59	1,147.46
Unsecured, considered good	-	-
Doubtful	-	-
Receivables from related parties	-	-
Total Trade Receivables	1,416.59	1,147.46

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	801.64	363.92	81.60	-	169.44	1,416.59
Undisputed - Considered doubtful	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	-	-
	-	-	-	-	-	-

6A Trade Receivables Agewise details as at the end of last 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

	31/03/2023 INR Lakhs	31/03/2022 INR Lakhs
7. Cash and Bank Balances		
A. Cash and Cash Equivalents		
In Current accounts	82.39	26.28
Deposits with Maturity Three months or less	101.56	204.15
Cash and Cheques on hand		-
B. Other Bank Balances		
Deposits with maturity more than three months but less than 12 months	2,895.50	2,907.45
Total Cash and Bank Balances	3,079.45	3,137.88
8. Loans		
Non-current	-	-
Current		
Inter-corporate Loan to HMT Limited	-	-
Total Current Loans	-	-
Total Loans	-	-
9. Other Financial Assets		
Non-current		
Deposits with Banks exceeding twelve months of maturity	-	246.53
Interest accrued and due	-	13.05
Total Other Non - Current Financial Assets	-	259.58
Current		
Interest accrued and due	58.71	44.63
Total Other Current Financial Assets	58.71	44.63
Total Other Financial Assets	58.71	304.21
10. Other Current Assets		
Deposit	0.05	0.05
EMD	2.85	0.05
Claims towards refund of service tax	0.27	0.27
Claims receivables	11.27	11.27
Export Incentives receivables	1.78	1.78
Advances to employees	1.07	11.11
Others		
Advances paid to suppliers / services providers	3.06	2.76
Advance Service Tax	27.46	27.46
GST Receivable	116.23	94.90
Income Tax Refundable	291.84	283.99
TDS (AY 2022-23)	20.48	13.34
IGST Tds Under GSTR 7A	3.82	4.30
Prepayments	0.14	9.90
Total Other Current Assets	480.32	461.18

Notes forming part of Financial Statements
11. Equity Share Capital

Authorised share capital

	Equity Shares	
	No. in Lakhs	INR Lakhs
At 31 March 2021	80.00	800.00
Increase/(decrease) during the year	0.00	-
At 1st April 2022	80.00	800.00
Increase/(decrease) during the year	0.00	-
At 31 March 2023	80.00	800.00
Issued equity capital		
Equity shares of INR 10 each issued and fully paid	No in Lakhs	INR Lakhs
At 31 March 2021	7.20	72.00
Increase/(decrease) during the year	-	-
At 1st April 2022	7.20	72.00
Increase/(decrease) during the year		
At 31 March 2023	7.20	72.00

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

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

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
HMT Limited & its nominee	7.2	100	7.2	100

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

	31/03/2023	31/03/2022
	No. in Lakhs	No. in lakhs
Cash	0.005	0.005
Issued for consideration other than cash	0.295	0.295
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	6.900	6.900
TOTAL	7.200	7.200

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
Changes in equity share capital during the year		
At 1st April 2022	7.20	72.00
Changes in equity share capital during the year		
At 31st March 2023	7.20	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
Balance as of 1st April 2021	3,065.26	622.88	-	-42.95	3,645.18
Transfer to General reserve					-
Remeasurement of the net defined benefit liability/asset, net of tax effect				-60.06	-60.06
Dividends including (DDT)					-
Profit for the period		21.25			21.25
At 31 March 2022	3,065.26	644.13	-	-103.01	3,606.37
Balance as of 1st April 2022	3,065.26	644.13	-	-103.01	3,606.37
Transfer to General reserve					-
Remeasurement of the net defined benefit liability/asset, net of tax effect				4.68	4.68
Dividends including (DDT)					-
Profit for the period		20.22			20.22
At 31 March 2023	3,065.26	664.35	-	-98.33	3,631.27

Notes forming part of Financial Statements

(Rs. In Lakhs)

	31/03/2023	31/03/2022
	INR Lakhs	INR Lakhs
13. Provision for Employee Benefits		
Non-Current		
Gratuity	53.98	64.55
Earned Leave Encashment	50.16	54.89
Settlement Allowance	21.58	24.97
Total Non Current	125.72	144.41
Current		
Gratuity	20.43	21.29
Earned Leave Encashment	17.74	20.64
Settlement Allowance	1.45	1.51
Total Current	39.62	43.44
Total Net employee defined benefit liabilities	165.34	187.85
14. Trade payables		
Trade Payables	556.26	270.87
Micro, small and medium enterprises	377.21	273.03
Payable to related parties	257.06	107.57
Total Trade payables	1,190.53	651.47

14 A TradePayable 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	377.21	-		
Others	757.70	3.24	52.38	-
Disputed dues - MSME	-	-	-	-
Disputed dues - Others	-	-	-	-
Total	1,134.91	3.24	52.38	-

14 A TradePayable Agewise details as at the end of last 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	-	-	-	-
Total	172.20	479.27	-	-

Notes forming part of Financial Statements

(Rs. In Lakhs)

	31/03/2023	31/03/2022
	INR Lakhs	INR Lakhs
15. Other Current Liabilities		
Current		
Revenue received in advance	266.49	419.22
Due to Holding Company	246.92	190.22
Salaries and arrears payable	45.67	48.14
Earnest Money Deposits	60.71	60.64
Retention Money from Suppliers	34.34	98.56
Tax Payables	2.40	2.38
Provision for Ex Gratia	0.21	0.24
Sundry Creditors (TA)	0.26	-
Warranty	61.24	80.27
PF Trust Loss payable	38.93	49.84
Company's Contribution to PF Payable	1.51	1.92
Company's Contribution to Pension Fund	0.14	-
Provision for SIB	1.20	-
Provision for contingencies	-	-
Provision for warranty	11.20	-
GST Payable-RCM	-	5.83
TDS GST Payable	-	5.83
Income Tax Provision for A. Y . 23.24	6.50	-
Total Other Current Liabilities	777.71	957.27

NOTE -1 : NOTES FORMING PART OF FINANCIAL STATEMENTS / 31.03.2023
PERTAINING TO BALANCE SHEET

INR in lakhs

Sl. No.	Particulars	As at 31.03.2023	As at 31.03.2022
1	The Company is contingently liable for : Guarantees & Counter Guarantees and Letter of Credits issued to various parties by the Company's bankers to the extent not provided for, which is backed by cent percent margin money.	2,435.00	2,364.88
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)	377.21	273.03
b	Amount of interest paid along with the amounts of payment made to the supplier beyond the appointed day during the year.	NIL	NIL
c	Amount of interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year but without adding the interest under MSMED Act, 2006.	-	-
d	Amount of interest accrued and remaining unpaid as at the end of the accounting period.	-	-
e	Amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises	-	-
3	Short Term Loans and Advances includes Adhoc payments to employees towards Wage/Salary, DA arrears, pertaining to 1992 is pending adjustment & provision to this extent has been made in the accounts	1.03	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 : Executiion of an Arbitration Award of Rs. 69.23 Lakh is pending in various courts at Various Stages b) M/s. Nucor Wires Ltd , Bangalore : Execution of an Arbitration Award of RS. 69.75 /- Lakh is pending in Hon'ble Supreme Court process.		
5	Provision for Taxation has been made under provisions of the Income Tax Act, 1961.		
6	Balances under Trade Receivables, Loans & Advances, Trade Payables are subject to confirmation, although confirmation has been sought in most of the cases.		

- 7 **Proposed Dividend As per IND AS 10 :** Dividends proposed or declared after the balance sheet date but before the financial statements have been approved for issue are not recognized as a liability at the balance sheet date. Accordingly, the figures of proposed dividend have been re-stated under the Note- Other Equity in the attached financial statements.
- 8 Trade Receivable aggregated to Rs.1416.59 Lakhs [2022:Rs1,147.46/-] out of which debtors amounting to Rs.169.44 lakhs pertain to outstanding for a period exceeding 3 years as at the balance sheet date. The above receivables are not supported by specific confirmations from the customers. No Provision is made in the accounts towards Bad & doubtful debts though it is outstanding for more than 3 years as on the balance sheet date.
- 9 Trade payable aggregated to Rs 1,190.53 lakhs (2022:Rs.651.47 lakhs] as at balance sheet date are subject to confirmation, although confirmation has been sought in most of the cases.
- 10 Other Current Liabilities includes Rs.30.98 lakhs which represents unpaid arrears of salary to erstwhile employees of HMTIL & remaining unpaid for over 20 years. The company is not able to disburse the same as where about of employees or their families are not traceable. Steps will be taken to write-in the same upon taking Board approval.

NOTE - 1 : NOTES FORMING PART OF FINANCIAL STATEMENTS / 31.03.2023
DISCLOSURE REQUIREMENT AS PER IND AS - 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	Proposed Dividend	General Services	Inter-Corporate Loan Renewal *
Name of the Transacting Related Party	HMT Machine Tools Limited	HMT Watches Ltd	HMT Bearings Limited	Tractors Unit	ABD / Common service Division	Food Processing Division	Proposed Dividend	General Services	Inter-Corporate Loan Renewal *
Description of the nature of transactions	Purchases	Sharing of Common Expenditure	Sharing of Common Expenditure	Inter-corporate Loan *	Maintenance Services	Purchases and Sales	-	51.64	NIL
Value of the transactions	-	-	-	-	-	-	-	-	-
Other elements of related party transactions necessary for under-standing the Financial Statements	No substantial amounts involved during the year								
Balances Outstanding as at year end	256.73 (CR)	-	-	-	.12(CR)	6.93 (DR)	-	253.73(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 31.03.2023

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 01.04.2022	(42.97)
Charged / (credit) during the year	3.99
Deferred Tax Assets / (Liabilities) as at 31.03.2023	(46.96)

Notes forming part of Financial Statements

(Rs. In Lakhs)

	31/03/2023	31/03/2022
	INR Lakhs	INR Lakhs
16. Revenue from operations		
Sale of products	127.97	418.19
Technical Services	-	-
Projects Sales of Products	940.91	615.65
Projects Services	346.19	56.59
Export Assistance	0.38	0.82
Total	1,415.45	1,091.24
17. Other income		
A. Other Non Operating Income		
Provision No Longer Required	26.63	110.89
Tender Fees	0.73	-
Miscellaneous Income	-	3.00
Net gain/(Loss) on sale of Property, Plant and Equipment	-	-
	27.36	113.89
B. Interest income		
INTEREST ON ADVANCES - GROUP COMPANY'S UNITS		
Interest on Bank Deposits with Banks	151.92	151.63
	151.92	151.63
Total Other income	179.28	265.52
18. Cost of Goods Traded, Service and Works		
a. Cost of Goods Traded, Service and Works		
Purchases	1,194.14	647.62
Training	60.36	-
Fee for Services Rendered	73.63	0.12
Freight	-	31.02
Insurance	95.54	1.41
ECGC Premium	2.25	-
Clearing, handling and inspection	-	15.96
Overseas Agency Commission to agents	0.16	10.12

Notes forming part of Financial Statements

(Rs. In Lakhs)

	31/03/2023	31/03/2022
	INR Lakhs	INR Lakhs
Erection & Commissioning charges	-	-
Travelling Expenses	90.11	-
Warranty Claims	11.20	-
Other expenses (As per below schedule)	26.94	50.22
Cost of Goods Traded, Service and Works	1,554.33	756.46
Other Expenses		
Printing & stationery	-	-
Communication	0.03	0.03
Advertisement & Publicity	1.40	-
Travelling & Conveyance	11.38	11.18
Delegation & export promotion	0.14	0.05
Entertainment Expenses	0.17	-
Bank charges	13.19	38.96
Miscellaneous	0.51	-
Total	26.94	50.22
b. (Increase) / Decrease in Inventories		
Inventory at the beginning of the year	3.75	132.76
Less: inventory at the end of the quarter	385.33	3.75
	-381.58	129.01
Total	1,172.75	885.47
19. Employees' benefits expense		
Salaries, Wages, Bonus and other benefits	183.35	212.41
House Rent Allowance	2.44	3.63
Contribution to Provident Fund	18.34	21.46
Contribution to Pension Fund	1.65	1.65
Earned Leave Encashment	12.83	45.10
Settlement Allowance	1.89	0.65
Gratuity cost	9.28	8.39
Sales Incentive Bonus	1.20	0.01

Notes forming part of Financial Statements

	31/03/2023	31/03/2022
	INR Lakhs	INR Lakhs
Medical Benefits	7.20	8.53
Township	-	0.00
Exgratia	0.21	0.24
Staff Welfare Expenses	2.28	1.31
Total	240.67	303.38
20. Depreciation and amortization expense		
Depreciation of tangible assets	13.03	12.66
Total	13.03	12.66
21. Finance Cost		
Interest on Loan	-	-
Total	-	-
22. Other expenses		
Rates and taxes excluding tax on income	0.50	1.05
Office Maintenance	18.73	23.08
Printing & stationery	5.00	4.42
Recruitment Expenses	-	0.01
Royalty	3.86	2.01
Books, periodicals & membership fees	0.85	0.67
Electricity & water	-	-
Advertisement & Publicity	0.28	0.63
Postage, Telegrams, Courier	1.00	1.43
Communication	1.90	2.93
Audit fee:		
Statutory audit	0.48	0.48
Tax audit	0.21	0.16
Travelling & Conveyance	10.65	9.07
Delegation & export promotion	0.81	0.19
Entertainment Expenses	1.11	1.95
Repairs & Maintenance other than building & machinery	4.37	1.40

Notes forming part of Financial Statements

	31/03/2023 INR Lakhs	31/03/2022 INR Lakhs
Insurance	-	0.05
Training, seminars & conference	-	-
Vehicle maintenance	2.01	0.54
Professional and legal charges	1.39	1.36
Bank charges	17.21	4.30
Fees for services rendered	1.89	1.49
Common expenses paid to Holding Co.	51.64	56.84
Security Charges	4.07	7.31
Board Meeting Expenses	0.22	0.82
Miscellaneous expenses	-	-
PF Trust Loss	5.72	5.88
Grant in Aid	-	-
Exchange Difference (Net)	3.66	-1.16
Total	137.56	126.92
23. Other Comprehensive Income		
Re-measurement gains/(losses) on defined benefit plans for Earned Leave Encashment	-	-
Gratuity	0.71	-42.74
Settlement Allowance	3.97	-17.32
Total	4.68	-60.06

For and on behalf of the Board

As per our report of even date
For NAGACHANDRA & ASSOCIATES
Chartered Accountants (FRN 02258S)

PANKAJ GUPTA

Chairman & Managing Director
DIN NO : 09716028

SRIKAR K REDDY

Director
DIN NO : 08822924

POOJITHA S

Partner (M.No 253681)
UDIN : 23253681BGYTRI1471

Y.K. VAISH

GENERAL MANAGER (O&M)

G. DURGA DEVI

MANAGER (FINANCE)

Place : Bengaluru

Date : 17.05.2023

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

Sl. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022	
1	Revenue from operations includes			
	Project Works including services executed under an agreement with Government of India against which physical exports have been completed up to 31.03.2021	1,287.10	672.23	
2	Other expenses include (Travelling and conveyance)			
	Travelling expenses of Directors	0.93	0.73	
3	Additional information as per the requirement of Schedule III of the companies Act, 2013			
	I. Cost of goods sold			
	Imported	0 %	-	
	Indigenous	100%	1,543.13	756.46
	TOTAL	100%	1,543.13	756.46
	II. CIF Value of Imports:			
	Components & Accessories			
	III. Earnings in Foreign Exchange			
	a) FOB Value of Exports		393.52	418.17
	b) Technical / project services		-	-
	TOTAL		393.52	418.17
	IV Particulars of turnover:			
		Qty. Nos.	VALUE	Qty. Nos.
	Machine tools, spares & accessories	-	127.19	4
	Project Service & Supplies	101	940.91	28
	Income from Technical services		346.19	
	Export Incentives		0.38	
			1415.45	
				1,091.24
	V Expenditure in Foreign Currency:			
	Travelling Expenses		28.57	9.07
	Others		65.50	-

Note to Financial Statements for the year ended 31.03.2023

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 31.3.2023	Year Ended 31.3.2022
Employer's Contribution to Pension Fund	1.65	1.65

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

	31.3.2023	31.3.2022
Discount rate:		
Gratuity plan	7.53	7.33
Settlement Allowance	7.53	7.33
Earned Leave Encashment	7.53	7.33
Future salary increases:		
Gratuity plan	10.00	10.00
Settlement Allowance	10.00	10.00
Earned Leave Encashment	10.00	10.00

	Gratuity Plan		Settlement Allowance		Leave Encashment	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022	31.3.2023	31.3.2022
Summary of Demographic Assumptions						
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%	100%	100%	100%	100%
Disability Rate (as % of above mortality rate)	0.00%	0.00%	5%	5%	0.00%	0.00%
Withdrawal Rate	1% to 3%	1% to 3%	1% to 3%	1% to 3%	1% to 3%	1% to 3%
Attrition Rate						
Normal Retirement Age	60 yrs	60 yrs	60 yrs	60 yrs	60 yrs	60 yrs
Average Age	36.61	38.16	36.61	38.16	36.61	38.16
Average Past Service	8.54	10.99	8.54	10.99	8.54	10.99
Average Future Service	23.39	21.84	23.39	21.84	23.39	21.84
Adjusted Average Future Service	17.13	15.53	23.44	15.53	17.11	15.53
Leave Encashment Rate during Employment					10%	10%
Leave Availability Rate					2%	2%

Employee Benefit Obligations

The cost of the defined benefit gratuity plan, Earned Leave Encashment and Settlement Allowance and the present value of the gratuity 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 are reviewed at each reporting date.

A. Gratuity

31 March 2023 changes in the defined benefit obligation and fair value of plan assets

1-Apr-22	Gratuity cost charged to profit or loss		Remeasurement gains/(losses) in other comprehensive income						Contributions by employer		31-Mar-23
	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	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
(85.83)	(6.35)	(5.56)	(11.91)	20.00		1.37	1.97	3.34			(74.40)
		2.64	2.64	(20.00)	(2.63)					21.77	36.76
										0.71	(37.64)

Defined benefit obligation

Fair value of plan assets
(50.84)

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	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
(99.41)	(7.59)	(5.05)	(12.64)	52.46		(7.30)	(18.94)	(26.24)			(85.83)
		4.26	4.26	(52.46)	(16.49)					23.50	34.99
										(42.73)	(50.84)

Defined benefit obligation

Fair value of plan assets
(23.22)

B. Earned Leave Encashment

31 March 2023 changes in the long term employee benefit obligation and fair value of plan assets

1-Apr-22	Defined Benefit cost charged to profit or loss		Remeasurement gains/(losses) in profit or loss						Contributions by employer		31-Mar-23	
	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	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
(75.52)	(2.98)	(4.79)	(7.77)	20.46	0.52	(5.58)	(5.06)					(67.89)

Defined benefit obligation

Fair value of plan assets

Benefit liability **(75.52)**

(5.06) **0.00** **(67.89)**

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	Sub-total	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
(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)**

C. Settlement Allowance

31 March 2023 changes in the defined benefit obligation and fair value of plan assets

1-Apr-22	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contributions by employer		31-Mar-23	
	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
	(26.48)	(1.89)	(1.89)	1.37		0.96	2.99	3.95					(23.05)
Defined benefit obligation													
Fair value of plan assets													
Benefit liability													
										3.95	0.00	(23.05)	

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 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	
	(10.17)	(0.65)	(0.65)	1.65		(10.26)	(7.05)	(17.31)					(26.48)	
Defined benefit obligation														
Fair value of plan assets														
Benefit liability														
										(0.65)	1.65	(17.31)	0.00	(26.48)

HMT (INTERNATIONAL) LIMITED**Note to Financial Statements for the year ended 31.03.2023****Earnings per share (EPS)**

	31.3.2023	31.3.2022
	INR Lakhs	INR Lakhs
Profit attributable to equity holders:		
Continuing operations	20.22	21.25
Discontinued operation	0.00	0.00
Total Profit including OCI	20.22	21.25
Less Other Comprehensive income	0.00	0.00
Profit attributable to equity holders for basic earnings	20.22	21.25
Profit attributable to equity holders of the parent adjusted for the effect of dilution	20.22	21.25
Weighted average number of Equity shares for basic EPS*	7,20,000	720,000
Effect of dilution:		
Convertible preference shares		
Weighted average number of Equity shares adjusted for the effect of dilution *	7,20,000	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 2023		As at 31 March 2022	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	7.50	6.04	7.27	5.88
Change in rate of salary increase	3.14	3.17	3.23	2.91
Change in withdrawal rates	0.45	0.28	0.19	0.23

(ii) Settlement Allowance

(Rs. In lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	5.38	4.16	6.07	4.68
Change in rate of salary increase	4.28	5.32	4.72	6.00
Change in withdrawal rates	-	4.46	-	5.00

The expected contributions for gratuity for the next financial year will be Rs.37.64lacs 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 2022-23, 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 Nagachandra & Associates

Chartered Accountants

FRN - 002258S

UDIN : 23253681BGYTR1471

Poojitha.S

Partner

M No: 253681

Place: Bangalore

Date: 17.05.2023

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

Statement of Impact of Audit Qualifications for the Financial Year ended March 31, 2023 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In lacs)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total income (Rs. in Lakhs)	1594.73	-
	2.	Total Expenditure (Rs. in Lakhs)	1564.01	-
	3.	Net Profit /(Loss) (Rs. in Lakhs)	30.71	-
	4.	Earnings Per Share (in Rs.)	2.81	-
	5.	Total Assets (Rs. in Lakhs)	5883.81	-
	6.	Total Liabilities (Rs. in Lakhs)	2180.54	-
	7.	Net Worth (Rs. in Lakhs)	3703.27	-
	8.	Any other financial item (s) (as felt appropriate by the Management)	-	-
II Audit Qualification (each audit qualification separately):				
a. Details of Audit Qualification : NOT APPLICABLE				
b. Type of Audit Qualification : Qualified Opinion/Disclaimer of Opinion/Adverse Opinion - N.A.				
c. Frequency of Qualification : Whether appeared first time/repetitive/since how long continuing- N.A.				
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : N.A.				
e. For Audit Qualification(s) where the impact is not quantified by the auditor: NOT APPLICABLE				
(i) Management's estimation on the impact of Audit Qualification:				
(ii) If Management is unable to estimate the impact, reasons for the same :				
(iii) Auditors Comments on (i) or (ii) above :				
III Signatories :				
• Chairman & Managing Director				
• GM (O&M)				
• Manager (Finance)				
• Audit Committee Chairman				
• Statutory Auditor				
Place : Bangalore				
Date : 17.05.2023				



GM(O&M), HMT(I) Shri. Y.K.Vaish meeting with Honorable Union Minister for Industry, Myanmar Dr. Charlie Than to discuss future collaborative initiatives, upgrading industrial training schools, timely opening of Industrial Training Centre (Monywa) and Industrial Training Centre (Thaton).



GM(O&M), HMT(I) Shri. Y.K.Vaish meeting with Honorable Minister, Dr. Mahendra Nath Pandey, Ministry of Heavy Industries, Government of India.



GM(O&M), HMT(I) Shri. Y.K.Vaish meeting with Honorable Minister Madam Mariama Sarr, Ministry of Vocational Training, Apprenticeship and Integration (MFPAI), Govt. of Senegal during his review visit for the Project Upgradation and Modernisation of "Centre D'Entrepreneuriat Et De Developement Technique (CEDT), Le G15", Dakar, Senegal (Phase II).



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




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

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