

एसईसीएल.S-5
Secl. S-5

16 अक्टूबर, 2025
16th October, 2025

बीएसई लिमिटेड
BSE Limited
फिरोज जीजीभोय टावर्स
Phiroze Jeejeebhoy Towers
25वीं मंजिल, दलाल स्ट्रीट
25th Floor, Dalal Street
मुंबई - 400 001
Mumbai - 400 001
स्क्रिप कोड: 500191
Scrip Code: 500191

नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड
National Stock Exchange of India Limited
"एक्सचेंज प्लाजा"
"Exchange Plaza"
बांद्रा-कुर्ला कॉम्प्लेक्स
Bandra-Kurla Complex
बांद्रा (पूर्व), मुंबई - 400 051
Bandra (E), Mumbai - 400 051
स्क्रिप प्रतीक: HMT
Scrip Symbol: HMT

प्रिय महोदय / महोदया,
Dear Sir / Madam,

Sub: Notice of 72nd Annual General Meeting and Annual Report FY2024-25

We would like to inform you that the 72nd Annual General Meeting (AGM) of HMT Limited will be held on **Friday, November 07, 2025 at 11:00 A.M (IST)** through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM).

Pursuant to Regulation 34(1) of the SEBI (LODR) Regulations, 2015, please find enclosed herewith copy of the 72nd AGM Notice and Annual Report for the financial year 2024-25. The same is being sent to the members of the Company at their registered email addresses.

This is for your kind information and record.

भवदीय / Yours faithfully

एचएमटी लिमिटेड के लिए / For HMT Limited

Kishor
Shankar
Kumar

Digitally signed by
Kishor Shankar
Kumar
Date: 2025.10.16
18:13:41 +05'30'

(किशोर कुमार एस / KISHOR KUMAR S)

कंपनी सचिव / Company Secretary

संलग्न : ऊपरोक्त
Encl: As above



एचएमटी लिमिटेड

HMT LIMITED

(CIN No: L29230KA1953GOI000748)

Regd. Office: HMT Bhavan, No.59, Bellary Road, Bengaluru-560032

Ph: 080 – 23330333, e-mail: cosey@hmtindia.com

Website: www.hmtindia.com

NOTICE

Notice is hereby given that the 72nd Annual General Meeting of the members of HMT Limited will be held on **Friday, November 7, 2025 at 11.00 A.M IST** through Video Conferencing / Other Audio-Visual Means to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The Audited Standalone Financial Statements for the financial year ended March 31, 2025 and the reports of the Directors' and Auditors' thereon;
 - b. The Audited Consolidated Financial Statements for the financial year ended March 31, 2025 and the report of Auditors' thereon;
2. To appoint a director in place of Shri. Rajesh Kohli (DIN:10333951), who retires by rotation and being eligible has offered himself for re-appointment.
3. To authorize the Board of Directors to fix the remuneration of the Independent Auditors appointed by C&AG of India for the year 2025-26.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Special Resolution:**

“RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Ministry of Heavy Industries order dated 28th March, 2025, Dr. Kartik Chandulal Bhadra (DIN: 09453387), be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and on the terms and conditions as stipulated by the Government of India.”
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Special Resolution:**

“RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Ministry of Heavy Industries order dated 07th July 2025, Shri. Datania Dineshbhai Ramjibhai (DIN: 11193263), be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and on the terms and conditions as stipulated by the Government of India.”

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Ministry of Heavy Industries order dated 14th July 2025, Shri. Prem Chandra Maurya (DIN: 11198433), be and is hereby appointed as Government Nominee Director of the Company, liable to retire by rotation and in terms and conditions as may be stipulated by the Government of India.”

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and on the basis of the recommendation of the Board of Directors of the Company, M/s. M & A Associates (FRN: P2019WB076400), a peer reviewed firm of Practicing Company Secretaries be and are hereby appointed as Secretarial Auditors of the Company for a term of five consecutive Financial years commencing from the financial year 2025-26 to till the financial year 2029-30, on such terms & conditions as approved by the Board of Directors of the Company.”

Reg. Office: HMT Bhavan, No.59,
Bellary Road, Bengaluru-560032

**By Order of the Board
For HMT Limited**

Sd/-

Date: 13.10.2025
Place: Bengaluru

**(S Kishor Kumar)
Company Secretary**

1. The Members of the Company
2. All Directors
3. Statutory Auditors
4. Secretarial Auditor

Notes: -

1. Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020, January 13, 2021, May 5, 2022, December 28, 2022, September 25, 2023, September 19, 2024 and September 22, 2025 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM herein after called as “e-AGM”. The deemed venue for the AGM shall be the registered office of the Company.
2. The relevant explanatory statement pursuant to section 102 of the Companies Act, 2013 which sets out the details relating to Special Business at the AGM is annexed hereto and forms part of the notice as **Annexure A**.

3. Pursuant to provisions of the Regulations 26 (4) & 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief resume / profile of the Directors eligible for appointment / re-appointment vide Item Nos. 2, 4, 5 & 6 is enclosed herewith as **Annexure B**.
4. The Company has appointed M/s KFin Technologies Limited ("KFintech"), Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM. Members can attend the meeting through login credentials provided to them to connect to Video conference. The instructions for attending e-AGM through Video Conference & remote e-voting/e-voting during the AGM are appended to this Notice as **Annexure C**.
5. The Company has fixed **October 31, 2025** as the 'Cut-off Date' to record the entitlement of the shareholders to cast their voting through remote e-voting/e-voting during the AGM. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. The remote e-voting period will commence from **November 04, 2025 at 9.00 a.m. IST** and will end on **November 06, 2025 at 5.00 p.m. IST**. Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
6. Members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting by VC but shall not be entitled to cast their vote again.
7. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. The Company has appointed Shri D. Venkateswarlu, Practicing Company Secretary to act as a scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes, cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total number of votes cast in favour of or against or invalid if any, not later than 48 hours after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith. The results declared along with the Scrutinizer's Report shall be available on the Company's website and on the website of M/s. KFin Technologies Ltd (e-voting agency) and same shall be communicated to the stock exchanges.
9. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
10. The Share Transfer Books and Register of Members of the Company shall remain closed from **November 01, 2025 to November 07, 2025** (both days inclusive) in connection with the AGM.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, January 15, 2021, May 13, 2022, January 05, 2023, October 07, 2023 and October 03, 2024, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those

Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website, www.hmtindia.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of M/s. KFin Technologies Ltd, at <https://evoting.kfintech.com>.

13. Pursuant to Section 139 (5) read with Section 142 (1) of the Companies Act, 2013, the Auditors of a Government Company are appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration is fixed by the Company in the Annual General Meeting. The members may authorize the Board of Directors to fix up an appropriate remuneration of Auditors for the year 2025-26 as may be deemed fit by the Board.
14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
15. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members. The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or Arrangements in which the directors are interested and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to cosey@hmtindia.com
16. The Members holding shares in electronic form are requested to update PAN, Address with PIN, Email, mobile number, bank account details and nomination details with their Depository Participants (DPs) with whom they are maintaining their demat accounts.

Members holding shares in physical form are requested to advise for any change/updates to M/s KFin Technologies Limited. We draw your kind attention that SEBI, vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023, November 17, 2023, Master circular dated May 7, 2024 and June, 10, 2024) mandated that the security holders (holding securities in physical form), whose folio(s) are not updated with the KYC details excepting nomination choice (viz., PAN; Contact Details; Mobile Number, Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode. However, you are requested to still update the "choice of Nomination" to secure your holdings for smooth transmission of securities and prevent accumulation benefits in future .

Accordingly, as mandated vide captioned circulars, the dividend payable against your holdings are liable to be withheld if the KYC details are not updated against your holding.

For the purpose of updation of KYC details against your folio, you are requested to download the forms & SEBI Circulars, which are uploaded on the website of Kfin Technologies Limited - <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>

Please forward the duly executed KYC documents in any of the following modes to our RTA, M/s. KFin Technologies Limited (Unit: HMT), Selenium Tower-B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032, Telangana

i. For registering/updating your email address with the Company permanently and to keep receiving all communication electronically:

- a. Physical shareholders are hereby notified to update the KYC details if not already updated. KYC Forms can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>. The Physical KYC Forms along with self attested supporting proof to be forwarded to : Kfin Technologies Limited, Address Selenium Building, Tower-B, Plot No 31& 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032 Or may contact M/s. KFin Technologies Limited at einward.ris@kfintech.com
- b. Members holding shares in dematerialized mode are requested to register/ update their email addresses with their respective Depository Participant.

ii. In case of queries, Members are requested to write to einward.ris@kfintech.com or call at the toll-free number 1800 309 4001.

- 17. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfer of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
- 18. Members may visit the website of the Company www.hmtindia.com for more information on the Company.
- 19. The Company has assigned an e-mail ID: cosey@hmtindia.com to enable investors to register their complaints, if not adequately addressed by the RTA.
- 20. Queries on accounts and operations of the Company, if any, may please be sent to the Company atleast ten days in advance of the AGM so that the replies may be made available at the AGM.
- 21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 22. Upto 2000 members will be able to join on a FIFO basis to the e-AGM.
- 23. No restrictions on account of FIFO entry into e-AGM in respect of large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following explanatory statement sets out the material facts relating to the business mentioned in Item No. 4, 5, 6 & 7 of the accompanying Notice.

ITEM NO.4

In terms of the Articles of Association of the Company, the President of India is vested with the power to appoint the Directors of the Company from time to time and also shall determine the terms of office of such Directors.

Ministry of Heavy Industries vide its order dated 28th March, 2025, has conveyed approval of competent authority for appointment of Dr. Kartik Chandulal Bhadra as Non-Official Independent Director on the Board of Directors of HMT Limited for a period of one year, from the date of notification of his appointment, or until further orders, whichever is earlier. Accordingly, pursuant to Article 67(D) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013, Dr. Kartik Chandulal Bhadra (DIN: 09453387) has been inducted as Non-Official Independent/Independent Director on the Board of Directors of the Company w.e.f., 01st April, 2025 and holds office upto the date of this Annual General Meeting.

Further, pursuant to SEBI (LODR) Regulations, 2015, every public sector listed Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at next general meeting. Therefore, approval of the shareholders is sought for regularization of the appointment of Dr. Kartik Chandulal Bhadra as Independent Director on the same terms and conditions as determined by the Government of India.

Dr. Kartik Chandulal Bhadra, if appointed, shall not be liable to retire by rotation. Dr. Kartik Chandulal Bhadra is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Dr. Kartik Chandulal Bhadra does not hold any shares in HMT Limited. Except Dr. Kartik Chandulal Bhadra being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution financially or otherwise.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 4 as a Special Resolution.

The Board recommends the resolution for approval of the Shareholders.

ITEM NO.5

In terms of the Articles of Association of the Company, the President of India is vested with the power to appoint the Directors of the Company from time to time and also shall determine the terms of office of such Directors.

Ministry of Heavy Industries vide its order dated 07th July, 2025, has conveyed approval of competent authority for appointment of Shri. Datania Dineshbhai Ramjibhai as Non-Official Independent Director on the Board of Directors of HMT Limited for a period of three years, from the date of notification of his appointment, or until further orders, whichever is earlier. Accordingly, pursuant to Article 67(D) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013, subsequent to the obtaining of Director Identification Number, Shri. Datania Dineshbhai Ramjibhai (DIN: 11193263) has been inducted as Non-Official Independent/Independent Director on the Board of Directors of the

Company w.e.f., 15th July, 2025 and holds office upto the date of this Annual General Meeting.

Further pursuant to SEBI (LODR) Regulations, 2015, every public sector listed Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at next general meeting. Therefore, approval of the shareholders is sought for regularization of the appointment of Shri. Datania Dineshbhai Ramjibhai as Independent Director on the same terms and conditions as determined by the Government of India.

Shri. Datania Dineshbhai Ramjibhai, if appointed, shall not be liable to retire by rotation. Shri. Datania Dineshbhai Ramjibhai is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Shri. Datania Dineshbhai Ramjibhai does not hold any shares in HMT Limited. Except Shri. Datania Dineshbhai Ramjibhai being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution financially or otherwise.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 5 as a Special Resolution.

The Board recommends the resolution for approval of the Shareholders.

ITEM NO.6

In terms of the Articles of Association of the Company, the President of India is vested with the power to appoint the Directors of the Company from time to time and also shall determine the terms of office of such Directors.

Ministry of Heavy Industries vide its order dated 14th July, 2025, appointed Shri. Prem Chandra Maurya (DIN: 11198433), Joint Secretary, Ministry of Heavy Industries as Government Nominee Director of the Company, until further orders. Accordingly, Shri. Prem Chandra Maurya has been inducted on the Board of Directors of the Company as a Government Nominee Director/Additional Director pursuant to Article 67(D) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013, subsequent to the obtaining of Director Identification Number, w.e.f., 17th July 2025 and holds office upto the date of this Annual General Meeting.

Further pursuant to SEBI (LODR) Regulations, 2015, every public sector listed Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at next general meeting. Therefore, approval of the shareholders is sought for regularization of the appointment of Shri. Prem Chandra Maurya as Government Nominee Director on the same terms and conditions as determined by the Government of India.

The Nomination & Remuneration Committee of the Board of Directors has recommended the appointment of Shri. Prem Chandra Maurya as Government Nominee Director of the Company.

Shri. Prem Chandra Maurya, if appointed, shall be liable to retire by rotation. Shri. Prem Chandra Maurya is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Shri. Prem Chandra Maurya does not hold any shares in HMT Limited. Except Shri. Prem Chandra Maurya being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution financially or otherwise.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 6 as an Ordinary Resolution.

The Board recommends the resolution for approval of the Shareholders.

ITEM NO.7

The amended Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 alongwith other applicable statutory provisions as well as circulars issued by SEBI in this regard, w.e.f. 01.04.2025,) requires every listed entity to appoint a peer reviewed Company Secretary or a Firm of Company Secretary(ies) as a Secretarial Auditor on the basis of recommendation of the board of directors.

The Board of Directors of your Company at its meeting held on 29.09.2025 has considering the experience and expertise, recommended to the members, appointment of M/s. M & A Associates, a peer reviewed firm of Practicing Company Secretaries, (Registration Number: P2019WB076400) as Secretarial Auditor for a term of five consecutive Financial years commencing from the FY 2025-26 to till the FY 2029-30 and the proposed fees & terms of appointment are below. M/s. M & A Associates, Practicing Company Secretaries are selected through tender process by the Company.

The proposed fee is as under:

FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30
Rs. 35000	Rs. 40000	Rs. 45000	Rs. 50000	Rs. 55000

The proposed fee is inclusive of all charges, out-of-pocket expenses etc., excluding GST.

M/s. M & A Associates, is a reputed firm of Practicing Company Secretaries with its office in Bengaluru has consented to be appointed as Secretarial Auditors, if appointed and has confirmed that, its appointment will be in accordance with Regulation 24A of the SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated 31 December 2024 and other relevant applicable SEBI Circulars issued in this regard. M/s. M & A Associates have confirmed that:-

- (a) they are eligible for appointment as the Secretarial Auditor;
- (b) they have not incurred any disqualification specified by the Securities and Exchange Board of India; and
- (c) they are peer reviewed in terms of the guidelines issued by ICSI.

In accordance with the provisions of Regulation 24A of the Listing Regulations, the appointment of Secretarial Auditor is required to be approved by the members of the Company. Accordingly, approval of the members is sought by passing the Ordinary Resolution as set out at Item No. 7 of this Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at item no. 7.

The Board of Directors of your Company recommends the Ordinary resolution as set out at Item No. 7 of this Notice for approval of the Shareholders.

Reg. Office: HMT Bhavan, No.59,
Bellary Road, Bengaluru-560032

**By Order of the Board
For HMT Limited**

Sd/-

Date: 13.10.2025
Place: Bengaluru

**(S Kishor Kumar)
Company Secretary**

BRIEF RESUME OF DIRECTORS PROPOSED FOR APPOINTMENT/ RE-APPOINTMENT AS PER SEBI (LODR) REGULATIONS, 2015**Director seeking re-appointment in this AGM****SHRI. RAJESH KOHLI**

Shri. Rajesh Kohli, Executive Director, Bharat Heavy Electricals Limited (BHEL), has been entrusted with the additional charge of the post of Chairman & Managing Director, HMT Limited by the Ministry of Heavy Industries w.e.f. 05.04.2024 (A/N) for a period of one year or till the joining of a regular incumbent, or until further orders, whichever is earliest, subject to the ex-post facto approval of the Appointments Committee of the Cabinet (ACC). Ministry of Heavy Industries vide its Order dated 28th April, 2025 and 26th June, 2025 has extended the entrustment of additional charge of the post of Chairman & Managing Director of HMT Limited to Shri. Rajesh Kohli for a period w.e.f. 05th April, 2025 to 30th June, 2025 and for a period beyond 30th June, 2025 to 24th March, 2026 i.e. date of his attaining the age of superannuation in BHEL respectively, or till the joining of a regular incumbent, or until further orders, whichever is earliest, subject to the approval of the Appointment Committee of the Cabinet (ACC).

Shri. Rajesh Kohli, aged 59, is Executive Director in M/s. Bharat Heavy Electricals Limited (BHEL). Shri. Rajesh Kohli is a Mechanical Engineer with Honours from N.I.T Kurukshetra (Haryana) with more than 37 years of industry experience. He joined BHEL's Heavy Electrical Equipment Plant at Haridwar (Uttarakhand) in 1987. He has worked in diverse areas of advanced technologies like Superconducting machines, large electrical machines and defence business at BHEL including R&D, and IPR portfolios.

He joined BHEL Corporate Office at New Delhi in 2016 in Corporate Technology Management division. He carries a wide exposure in international practices of Original Equipment Manufacturers and state-of-art technologies. His recent charge as Executive Director with BHEL at its Corporate Office, New Delhi included diverse roles including Technology Licensing, Joint Ventures, M&A, R&D & Innovation Strategy, Knowledge Management, Cost Optimisation etc. Under his leadership, BHEL successfully forged partnerships with global OEMs in diverse business areas; and working on new partnerships in hydrogen value chain, coal to chemicals and Rail transportation areas.

Recently, he pursued to promote BHEL's in-house technology for coal gasification and its further conversion to chemicals for diverse industrial use, leading to BHEL signing an Agreement with Coal India Limited for a Joint Venture Company. He worked actively on many other such alliances for furthering BHEL's interest in diversifying its portfolio. He actively worked with the management fraternity, under the aegis of All India Management Association. He is a certified Total Quality Management Assessor and also a certified Product Lifecycle Management (PLM) Lead through CIMDATA USA.

Shri. Rajesh Kohli is not holding Directorship/Membership in Committees of the Board in other listed entities. Shri. Rajesh Kohli is holding the additional charge of posts of Chairman & Managing Director in HMT Machine Tools Limited, HMT (International) Limited and HMT Watches Limited, Subsidiary Companies and is holding directorship in Raichur Power Corporation Limited.

Shri. Rajesh Kohli does not hold any shares in HMT Limited, either in his individual capacity or on a beneficial basis for any other person and no relationship is shared between Directors inter-se and Key Managerial Personnel of the Company.

Directors seeking appointment in this AGM

DR. KARTIK CHANDULAL BHADRA

Dr. Kartik Chandulal Bhadra (DIN: 09453387) has been appointed as Non-Official Independent Director on the Board of HMT Limited w.e.f. 01st April, 2025 and for a period of one year from the date of Government Order dated 28th March, 2025, or until further order, whichever is earlier.

Dr. Kartik Chandulal Bhadra is an MBBS, DCH and is a Pediatrician Doctor in Kalarav Children Hospital in Valsad, Gujarat since 1991.

He is an eminent pediatrician of South Gujarat and has a well-equipped Hospital with state-of-the-art facilities where he has been practicing medicine and serving the community for the past 29 years. He was the President of Indian Medical Association of Valsad and has also been the President of Indian Academy of Pediatrics, Valsad for five consecutive years.

He is a philanthropist who believes in serving the society and strengthening the community as demonstrated by his numerous initiatives. He is actively associated with more than 10 social organisations. He is the Vice President trustee of Vidhyabharti affiliated school "Shree Saraswati Shishu Mandir" where over 800 students from lower socioeconomic status come to receive an education of a higher standard. He is actively doing so many programmes for parents on the subject 'IDEAL PARENTING FOR NATION BUILDING". He is a Motivational Speaker for Doctors on the subject – Ideal Life of a Doctor". He is a Poet and has written poetries in HINDI, GUJARATI and KUTCHHI language and taken part as a poet in many Kavi Sammelan with PATRIOTISM as the main subject.

He is a HIMALAYAN TREKKER and GOOD STAGE ARTIST (acting) also. He has established UDAN (Unnat Desh-Adarsh Nagrik) foundation, a unique awareness programme managed and operated by him and his patriotic team of stalwarts from different spheres of life.

Dr. Kartik Chandulal Bhadra is not holding directorship in other Companies.

Dr. Kartik Chandulal Bhadra does not hold any shares in HMT Limited, either in his individual capacity or on a beneficial basis for any other person and no relationship is shared between Directors inter-se and Key Managerial Personnel of the Company.

SHRI. DATANIA DINESHBHAI RAMJIBHAI

Shri. Datania Dineshbhai Ramjibhai (DIN: 11193263) has been appointed as Non-Official Independent Director on the Board of HMT Limited w.e.f. 15th July, 2025 and for a period of three years from the date of Government Order dated 07th July 2025, or until further order, whichever is earlier.

Shri. Datania Dineshbhai Ramjibhai, aged 60 years holds Bachelor of Commerce from Gujarat University. Shri. Datania Dineshbhai Ramjibhai is an active full time Social Worker and Agriculturist. He has completed Entrepreneurship Development program from Entrepreneurship Development Institute of India, Gujarat. Participated in the Interstate Training Program of Farmers from Anand district (Gujarat) to Gurukul Kurukshetra (Haryana) & Rajasthan on Natural Farming and Advanced Agriculture / Horticulture Technology under Gujarat Prakritik Krushi Vikas Board in 2023. On "Natural Farming" subject, he has given participation in M/s. Natural Farming Training Institute Gurukul, Kurukshetra & also from Gujarat Vidyapith, Krishi Vigyan Kendra (Agriculture Science Center) in 2023.

Shri. Datania Dineshbhai Ramjibhai held the position of Secretary in M/s Lal Darwaja Cooperative Credit Society, Khambhat, Gujarat from 1989 to 1993 and ORG. Secretary of BJP, Ahmedabad City, Gandhinagar

District, Kheda District, Gujarat from March 1995 to 2004 and served as Secretary of BJP State OBC Morcha from 2006 to 2010.

Shri. Datania Dineshbhai Ramjibhai is not holding directorships in other Companies.

Shri. Datania Dineshbhai Ramjibhai does not hold any shares in HMT Limited, either in his individual capacity or on a beneficial basis for any other person and no relationship is shared between Directors inter-se and Key Managerial Personnel of the Company.

SHRI. PREM CHANDRA MAURYA

Shri. Prem Chandra Maurya (DIN: 11198433) has been appointed as Government Nominee Director on the Board of HMT Limited w.e.f. 17th July, 2025. He belongs to 1995 batch of Indian Revenue Service. Presently Joint Secretary in Ministry of Heavy Industries, Government of India.

Shri. Prem Chandra Maurya, aged 57 years, holds a Bachelor of Arts from Allahabad University. Joined the Income Tax Department in 1995 and held various positions in Central Government including Deputy Director (Investigation)/Deputy Commissioner, Additional Director (Investigation) with Settlement Commission of Income Tax (ITSC), CIT in National Faceless Assessment Centre, Delhi, Additional Director (Investigation) in SFIO, a Department of Ministry of Corporate Affairs and Principal Commissioner of Income Tax (PCIT).

Shri. Prem Chandra Maurya has 29 years of rich experience in handling Tax Administration and Investigation which includes representation of tax matters before Tribunal, Head of range in Income Tax, exposure of working in faceless assessment directorate as CIT, exposure of working in Income Tax Department as PCIT, Investigation in various matters in Serious Fraud Investigation Office etc.

Shri. Prem Chandra Maurya is not holding Directorship/Membership in Committees of the Board in other listed entities. Shri. Prem Chandra Maurya is holding directorship in Rajasthan Electronics and Instruments Limited, Cement Corporation of India Limited, Bridge & Roof Company (India) Limited, HMT Machine Tools Limited, HMT (International) Limited and HMT Watches Limited.

Shri. Prem Chandra Maurya does not hold any shares in HMT Limited, either in his individual capacity or on a beneficial basis for any other person and No relationship is shared between Directors inter-se and Key Managerial Personnel of the Company.

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PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING, ATTENDING THE E-AGM THROUGH VIDEO CONFERENCE AND E-VOTING DURING THE E-AGM SESSION

A. PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING

- I. Instructions for remote e-voting by Individual shareholders holding shares of the company in Demat mode.

As per SEBI circular on e-voting Facility, dated December 9, 2020, all individual shareholders holding shares of the Company in the demat mode can cast their vote, by way of single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Accordingly, the procedure to login and access remote e-voting, as devised by the Depositories/ Depository Participant(s), is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. User already registered for IDeAS facility: I. Visit URL: https://eservices.nsdl.com II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com II. Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1 3. Alternatively by directly accessing the e-Voting website of NSDL I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon “Login” which is available under ‘Shareholder/ Member’ section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.

Individual Shareholders holding securities in demat mode with CDSL	1. Existing user who have opted for Easi / Easiest - Visit https://web.cdslindia.com/myeasitoken/home/login or Click on the “Login” icon and opt for “My Easi New (Token)” (only applicable when using the URL www.cdslindia.com) - Login with your registered user id and password. - The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. - Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest - Option to register is available at https://web.cdslindia.com/myeasitoken/home/login - Proceed with completing the required fields. - Follow the steps given in point 1. 3. Alternatively, by directly accessing the e-Voting website of CDSL - Visit URL: www.cdslindia.com. click on E voting. - Provide your demat Account Number and PAN No. - System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. - After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress
Individual Shareholders holding securities in demat mode with CDSL Individual Shareholder login through their demat accounts / Website of Depository Participant	- You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. - Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. - Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Individual Members who are voting through the facilities provided by their Depository Participants, contact their respective Depository Participants on their helpline/contact details.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 18002109911

II Login method for e-voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) In case of Members receiving an e-mail from KFintech [applicable to members whose email IDs are registered with the Company / Depository Participant(s)]:

- i. Launch an internet browser and open <https://evoting.kfintech.com>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 9269, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering the above details Click on - Login.
- iv. Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
- v. On successful login, the system will prompt you to select the EVEN of 'HMT Limited' and click on 'Submit'.
- vi. On the voting page, enter the number of shares (which represents the number of votes) as on the Cutoff Date i.e. **October 31, 2025** under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- vii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- viii. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- ix. You may then cast your vote by selecting an appropriate option and click on "Submit".
- x. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

- xi. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email ID: venkat_acs@yahoo.com with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

(B) In case of Members who have not registered their e-mail address:

- i. Please follow the steps for registration of e-mail address as mentioned in Notes to the AGM Notice.
- ii. Please follow all steps above to cast your vote by electronic means after registration of Email ID.

III. In case of any queries, you may refer to the Help & Frequently Asked Questions (FAQs) and e-voting user manual available in the downloads section of KFintech's website <https://evoting.kfintech.com> or contact Ms. Swati Reddy (Unit: HMT LIMITED), at einward.ris@kfintech.com and evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. Members who have acquired shares after the dispatch of the Annual Report and on or before the cut-off date i.e. **October 31, 2025**, may obtain the User ID and Password for exercising their right to vote by electronic means as follows:

- a. If the e-mail or mobile number of the member is registered against Folio No./ DP ID Client ID:

The member may send SMS: MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> 92691234567

OR

The member may go to the home page of <https://evoting.kfintech.com>, and click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

- b) Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at einward.ris@kfintech.com.

B. INSTRUCTIONS FOR ATTENDING THE E-AGM THROUGH VIDEO CONFERENCE AND E-VOTING DURING THE E-AGM SESSION

1. Members may access the platform to attend the AGM through VC at <https://emeetings.kfintech.com/> by clicking "Video Conference tab" and login through the user id and password provided in the mail received from KFintech. The link for the AGM will be available in the shareholder/ members login where the "Event" and the "Name of the company" can be selected. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the Members who have not registered their e-mail address or do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice.

2. The facility for joining the AGM shall open 30 minutes before the scheduled time for commencement of the AGM
3. Members are encouraged to join the Meeting using Google Chrome (preferred browser) for better experience.
4. Members will be required to grant access to the web-cam to enable two-way video conferencing.
5. Members are advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC in a smooth manner. Participants may experience audio/video loss due to fluctuation in their respective networks.
6. Members who may want to express their views or ask questions may visit <https://emeetings.kfintech.com/> and click on the tab **“Post Your Questions”** to post their queries in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall remain active from **November 02, 2025 at 9:00 am IST to November 03, 2025 at 5:00 pm IST.**
7. In addition to the above mentioned step, the Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. Accordingly, the Members may visit <https://emeetings.kfintech.com/> and click on **‘Speaker Registration’** during the period from **November 04, 2025 at 9:00 am IST to November 05, 2025 at 5:00 pm IST.** The company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
8. Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC platform. Members may click on the voting icon (“Thumb sign”) on the left side of the screen to cast their votes.
9. **Members who may require any technical assistance or support before or during the AGM are requested to contact M/s. KFin Technologies Limited at toll free number 1-800-309- 4001 or write to them at evoting@kfintech.com.**

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72nd
Annual Report
2024 - 2025



Skill India
कौशल भारत - कुशल भारत

CORPORATE MISSION

- ❖ To establish ourselves as one of the world's premier companies in the engineering field having strong international competitiveness.
- ❖ To achieve market leadership in India through ensuring customer satisfaction by supplying internationally competitive products and services.
- ❖ To achieve sustained growth in the earnings of the group on behalf of shareholders.

CORPORATE OBJECTIVES & GOALS

- ❖ To encourage the modernization of Indian Industry through the supply of engineering goods and services of world class excellence.
- ❖ To maintain technological leadership through continuous efforts to update product technology and manufacturing methods.
- ❖ To globalize our operations by developing a mix of international markets and businesses.
- ❖ To ensure a satisfactory return on capital employed, to meet the growth needs and the aspirations of our stakeholders.
- ❖ To provide an active, pleasant and productive working environment.

Chairman's Address

72nd Annual General Meeting of HMT Limited



My Dear Shareholders,

I am honored to present to you the Annual Report of HMT Limited for the year 2024-25. 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 economy is entering a phase of modest but uneven expansion. According to the IMF's World Economic Outlook (April 2025), world GDP growth is expected to edge up slightly from 3.2 percent in 2024 to 3.3 percent in 2025, with headline inflation continuing its gradual decline despite lingering upside risks from trade tensions and tighter monetary policy in several advanced economies. Global trade growth, however, is forecast to slow markedly to just 1.7 percent in 2025 reflecting both supply-chain reconfiguration and rising policy uncertainty, which together may dampen investment and cross-border demand over the near term.

Indian Economy

India's economic outlook from 2025 to 2030 is robust and optimistic, with GDP growth projected around 6.2-6.7% annually. India is expected to surpass Japan to become the world's third-largest economy by 2030, reaching a GDP of about \$7.3 trillion. Key growth drivers include strong domestic demand, rising private consumption, increased investment, and a digitally skilled workforce. Inflation is moderating, providing the Central Bank room to support growth. Structural reforms, improved trade policies, and a growing middle class are expected to boost consumption and export growth. Challenges remain from global uncertainties, but India's long-term trajectory is positive and transformative.

Manufacturing impact on future of Indian Economy

Manufacturing will play a pivotal role in shaping India's economic future by driving higher value-addition, job creation and export competitiveness. Although the sector's share in GDP has hovered modestly between 15-17% in recent years, it is forecast to rise to around 21% of Gross Value Added by 2032, supported by substantial capital expenditure in infrastructure and the Production-Linked Incentive (PLI) scheme. Enhanced domestic capacity in precision engineering, helped by digital-twin technologies and Industry 4.0 adoption, will enable Indian firms to meet global quality standards and capture "China + 1" supply-chain shifts in low-cost manufacturing hubs. Moreover, by absorbing a large segment of India's expanding workforce including semi-skilled and skilled labor—manufacturing expansion is set to boost household incomes and spur urban and rural demand, underpinning sustained consumption growth even as traditional agriculture's share moderates.

Business Scenario

India's economy in FY 2024-25 continues to be characterized by resilient growth, driven by strong domestic demand, robust public infrastructure spending, and a youthful demographic dividend. Simultaneously, government initiatives such as production-linked incentives and enhanced credit support for micro, small, and medium enterprises are fostering fresh investment cycles. Despite global challenges including commodity-price volatility and geopolitical tensions, India's diversified growth drivers and ongoing structural reforms position it well to remain among the fastest-growing large economies in 2025.

Sectorial Trend

Manufacturing

Manufacturing activity has picked up pace, with the sector expected to expand by around 6.2% in

FY 2024-25. Capacity utilization reached a 22-quarter high of 75.8% in Q1, driven by strong order books in machinery, chemicals, and metals. The “Make in India” initiative and rising private infrastructure investments are further incentivizing manufacturers to modernize and diversify outputs.

Services

The services sector remains the backbone of India’s economy, contributing over half of Gross Value Added. In early 2025, the Services PMI climbed to 59.0, reflecting robust growth in IT, financial services, and business-process outsourcing. The sector is projected to grow at nearly 7%, supported by digital adoption, export demand, and expanding domestic consumption.

Technology & Innovation

Technology and innovation continue to be the key growth drivers, with IT spending forecast to rise by over 11% to nearly USD 160 billion in 2025. IT services exports are expected to account for around 18% of global outsourcing volumes. Venture capital activity remains strong, particularly in AI, fintech and deep-tech startups, reflecting growing investor confidence in India’s innovation ecosystem.

Performance & Business Accomplishments

Company’s main business portfolios included product range of Food Processing Machines. The Company recorded a Production of Rs. 12.58 Crore as against Rs. 8.31 Crore in the previous year, and sales of Rs. 11.34 Crore compared to Rs. 36.05 Crore in the previous year. Auxiliary Business Division, Bengaluru, has registered a production (Assembly of Watches) of Rs.9.05 Crores and registered sales of Rs. 14.83 Crore during the year 2024-25 as against Rs. 7.95 Crore and Rs. 11.86 Crore during the previous year.

The total turnover of the Company for the year 2024-25 stands at Rs.26.17 Crore as against Rs.47.91 Crore during 2023-24. The Profit Before Tax during the year 2024-25 is Rs. 18.94 Crore as against Rs. 17.47 Crore in the previous year.

Revenue from operations is reported as Rs.142.31 Crore for the year 2024-25 against Rs. 163.39 Crore of previous year. HMT Group has reported a loss of Rs.143.05 Crore in the current year from continuing business against a loss of Rs.130.08 Crore from continuing operation of previous year. Previous year, the HMT Group had a profit from discontinued operation of Rs.2680.84 Crore from HMT Watches Limited, due to waiver of Government of India (GoI) liabilities.

The Company desires to expand its dairy machinery business and sale of watches. In the dairy machinery business, the Company is focusing on product upgradation, manufacturing collaborations, and turnkey projects to strengthen its position in the market. Similarly, in the watches’ business, the company is appointing distributors and launching new series to increase sales and market presence.

FUTURE OUTLOOK

Dairy Processing Equipment Market

The Government of India has undertaken several major initiatives to modernize and expand dairy-processing infrastructure, thereby directly supporting the dairy machinery segment. In 2018–19, it launched the **Dairy Processing & Infrastructure Development Fund (DIDF)** with a total outlay of Rs. 11,184 Crore (2018–23), of which Rs. 8,004 Crore is earmarked as low-interest loans (at 6.5% p.a.) to cooperatives and private processors for installing equipment such as bulk milk coolers, pasteurizers, membrane-filtration units and automated packing lines (loan component capped at 80% of project cost)

In addition, the **National Programme for Dairy Development (NPDD)** revised by Cabinet approval in early 2025 provides grants to set up or upgrade milk-testing laboratories, primary chilling centers and village-level collection points, strengthening cold-chain linkages and quality-control infrastructure across all dairy-producing States.

Together, these schemes backed by both NABARD and the Department of Animal Husbandry, Dairying

& Fisheries have substantially de-risked large-ticket investments in dairy machinery, accelerated technology adoption (e.g., automated milking, IoT-enabled monitoring) and laid the groundwork for scaling up India's dairy-processing capacity.

In summary, the Indian dairy-machinery market is set to sustain strong growth over the next decade, driven by rising milk output, shifting consumer preferences toward value-added products, and ongoing technological advancements in automation and quality monitoring.

Machine Tools Market

The Indian machine-tools market is poised for sustained expansion, underpinned by both domestic modernization drives and rising demand from key end-use industries. According to IMARC Group, the market reached USD 1.7 billion in 2024 and is forecast to grow at a Compound Annual Growth Rate (CAGR) of 7.8% between 2025 and 2033, reaching an estimated USD 3.4 billion by the end of that period. This robust trajectory reflects the ongoing transition from conventional to CNC technologies, as well as significant capacity-enhancement projects across sectors such as automotive, aerospace, defence and the burgeoning electric-vehicle industry.

Nonetheless, the sector faces several challenges. India remains dependent on imports for critical sub-systems especially high-precision spindles, control units and guideways exposing OEMs to currency fluctuations and supply-chain bottlenecks. Skill shortages among operators trained in advanced CNC and additive-subtractive hybrid platforms can inhibit full utilization of new equipment. Additionally, volatility in raw-material prices (notably steel and specialty alloys) adds cost uncertainty to both machine-tool builders and end-users.

The Indian machine-tools industry is set to ride a wave of modernization over the coming decade. Continued integration of digital technologies, reinforced by government-backed competitiveness initiatives, will be essential to narrowing import dependence, upskilling the workforce and capturing a growing share of both domestic and global equipment markets.

Initiatives of the Subsidiaries

The Subsidiaries of the Company also took several initiatives during the year 2024-25.

Machine Tools Business

During the financial year 2024-25, HMT Machine Tools Limited undertook several significant initiatives, reinforcing its commitment to manufacturing excellence and strategic collaboration with both domestic and international clients.

HMT Machine Tools Limited obtained a prestigious export order valued at Rs. 2.5 Crores from a reputed defence company based in Europe. This prestigious order not only highlights HMT's capabilities in delivering world-class machine tools but also strengthens its footprint in the global defence manufacturing sector.

HMT supplied 62 machines to the **Odisha Skill Development Authority (OSDA) in Bhubaneswar** valued at Rs.12.5 Crores. This initiative supports skill development in the region and aligns with the national objective of enhancing vocational training infrastructure.

HMT Machine Tools Limited also completed a key domestic order involving the supply of 20 Stallion-200 CNC machines to the **Directorate of Technical Education and Training (DTET), Odisha**. Valued at Rs.9.5 Crores, this project was successfully executed, contributing to the modernization of technical education facilities in the State.

Further, HMT supplied and commissioned six machines comprising three SBCNC-30 machines and three Shell Turn machines for bomb shell machining to the **Ordnance Factory Ambajhari (OFAJ)**. This initiative is a testament to HMT's continuing contribution to the defence manufacturing ecosystem in India.

Additionally, seven machines comprising of Vertical Turning Centre (VTC 1600), CNC Machine (L45 CNC 3000), and CNC Turning Centre (Stallion 200) were supplied by HMT Machine Tools Limited to the **Directorate General of Naval Procurements (DGNP), Mumbai**. This multi-unit supply demonstrates the integrated capabilities and coordination across

HMT's production centers to meet specialized customer requirements.

HMT Machine Tools Limited had its best ever presence in **IMTEX- 2025 (January 23rd to 29th 2025)**, the biggest Machine Tools exhibition in South-East Asia. HMT pavilion was inaugurated by Hon'ble Minister of Heavy Industries & Steel, Government of India. A major highlight of HMT's participation was the official launch of **HMT I-Connect, a cloud-based integration platform** designed to provide centralized visibility into CNC machine performance. Company highlighted its strategic relevance and commitment to technological innovation in the machine tool sector.

Memorandum of Understanding (MoUs) were signed with **Visvesvaraya Technological University (VTU), Belagavi (Karnataka)** and also with **IIT, Roorkee** for joint working in areas of Machine Tools and to accelerate the development of Industry Academia Collaboration, Knowledge sharing and Capability Building.

HMT Machine Tools Limited completed a prestigious order for supply of 39 pairs of Three-Piece Manipulators (TPMs) for **Bhabha Atomic Research Centre (BARC), Mumbai**.

HMT Machine Tools Limited successfully completed development of first of its kind of Three-Piece Manipulator- Z(TPM-Z) for **Indira Gandhi Centre for Atomic Research (IGCAR), Kalpakkam**.

Under Ministry of Heavy Industries (MHI) Capital Goods Scheme-2 (CG Scheme-2), HMT Machine Tools Limited is developing, **first time in India**, RAM type Boring Machine, Roll Grinding Machine in collaboration with IIT- BHU, Varanasi.

MHI constituted a high-level **Technical Committee for Revival of HMT Machine Tools Limited** considering various factors related to business, market, product profile, employees, infrastructure, finance, etc. The Committee under the Chairmanship of **Dr. V K Saraswat, Member (S&T), Niti Aayog** has worked out the recommendations and circulated the draft report for comments.

Exports of HMT (International) Limited (HMTI)

HMT (International) Limited serves as the export arm of the HMT Group, marketing a wide array of Indian-made products ranging from engineering goods and agricultural machinery to turnkey project services and training-centre setups across Africa, Latin America, the CIS and other emerging markets. HMTI's export stands to Rs. 1.79 Crore for the year 2024-25. The company's strong balance sheet being debt-free with positive net worth since inception and its receipt of over 50 EEPC Export Promotion Awards underscore both its financial robustness and its reputation in overseas markets. Looking ahead, HMT (International) Limited is expanding its role as a nodal agency for the Ministry of External Affairs (MEA), pursuing new contracts for demonstration-cum-training centres and MSME production facilities, which should further diversify and deepen its export footprint.

HMT (International) Limited received **54th EEPC India National Awards** in the category- Project Exports (Large Enterprise). The award ceremony was held on February 18, 2025, at New Delhi. Shri Jitin Prasada, Hon'ble Minister of State of Commerce and Industry, Government of India, presented the award.

HMT (International) signed an agreement with MEA for the project 'Three Years Maintenance Plan to **Gandhi Mandela Centre of Specialisation (GMCOS)**, Pretoria, South Africa' valued at Rs. 3 Crore. HMT (International) Ltd has been consistently winning EEPC award for Project Export since the year 2018-2019.

HMT(International) Limited has successfully completed the training in India of final batch of 14 Myanmar Instructors on Maintenance activities for a period of 3 months as part of the project - Five Years Comprehensive Maintenance Plan to **Indo-Myanmar Industrial Training Centre (IMITC), Myingyan, Myanmar**.

SUBSIDIARY COMPANIES

HMT Machine Tools Limited

The Subsidiary achieved Sales of Rs.110.77 Crore against Rs. 99.70 Crore and attained Production of

Rs. 96.46 Crore as against Rs. 92.20 Crore, in the previous year. Net loss reported is Rs. 160.99 Crore during the year 2024-25 against reported loss of Rs. 155.24 in the previous year.

HMT (International) Limited

The Subsidiary achieved a turnover of Rs. 15.35 Crore during the year 2024-25 as against Rs.17.59 Crore recorded in the previous year 2023-24. The Subsidiary reported Profit Before Tax (PBT) of Rs. 1.99 Crore against Rs. 4.81 Crore reported in previous year.

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 and Steel, Hon'ble Minister of State for Heavy Industries & Steel, the Secretary (Heavy Industries), Additional

Secretary & Financial Adviser, the Joint Secretary, Economic Adviser and other Officers in the Ministry of Heavy Industries as well as the Ministry of External Affairs for their immense support and guidance rendered towards the Company. I am also grateful to the officers in the Ministry of Finance, the Comptroller & Auditor General of India, the Statutory Auditors etc., for all their support for the 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 their 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 continued support and patronage and assure them of our commitment to meet their expectations.

I also thank all the other stakeholders for their valuable support, co-operation 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!

Sd/-

(Rajesh Kohli)

Chairman & Managing Director
(Addl. Charge)

Bengaluru

This does not purport to be a record of the proceedings of the 72nd Annual General Meeting of the Company.

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HMT LIMITED

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BOARD OF DIRECTORS (As on 13.10.2025)

Shri. Rajesh Kohli	Chairman & Managing Director (Addl. Charge) (w.e.f. 05.04.2024)
Shri. Prem Chandra Maurya	Government Nominee Director (w.e.f. 17.07.2025)
Smt. Sameena Kohli	Director (Finance) (Addl. Charge) (w.e.f. 10.06.2024)
Dr. Kartik Chandulal Bhadra	Independent Director (w.e.f. 01.04.2025)
Shri. Datania Dineshbhai Ramjibai	Independent Director (w.e.f. 15.07.2025)

CHIEF VIGILANCE OFFICER

Shri. Vikas Agarwal, ITS (1997) (w.e.f. 01.08.2024)

CHIEF FINANCIAL OFFICER

Smt. Aparna R

COMPANY SECRETARY

Shri. Kishor Kumar S

STATUTORY AUDITOR

M/s. GRSM & Associates
Chartered Accountants
8/90, Pampa Mahakavi Road,
Chikkanna Garden, Shankarapura,
Bengaluru, Karnataka 560004

SECRETARIAL AUDITOR

D Venkateswarlu
Practicing Company Secretary
No.170, 2nd Floor, 2nd Cross, 1st Block,
Koramangala, Bengaluru 560 034

BANKERS

UCO Bank

REGISTERED OFFICE

"HMT BHAVAN"
59, Bellary Road
Bengaluru - 560 032

CORPORATE IDENTIFICATION NUMBER

L29230KA1953GOI000748

REGISTRAR AND SHARE TRANSFER AGENTS

KFin Technologies Ltd
(Previously KFin Technologies Pvt Ltd)
Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy,
Telangana, India – 500032

PERFORMANCE HIGHLIGHTS
(Rs in lakhs)

	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
OPERATING STATISTICS										
Sales	2617	4791	5159	1258	2346	2613	1960	1480	1043	726
Other Income *	5898	5127	4838	6916	6510	4331	3731	1730	1634	10448
Materials	1028	3415	4286	473	1439	1738	1137	818	267	246
Employee Costs	672	755	734	1012	1101	1375	1003	1194	1026	1106
Other Costs	4844	3893	3441	1730	1422	1010	1065	894	5042	470
Depreciation	146	211	211	195	202	27	25	25	32	27
Earnings before Interest	1973	1747	1504	4685	4888	2806	2595	578	(3728)	9348
Interest	79	-	13	850	1730	2	29	212	288	297
Earnings/(Loss) before Tax	1894	1747	1491	3835	3158	2804	2566	366	(4016)	9051
Taxation (net off withdrawal/refunds)	284	(695)	785	(1)	409	-	-	-	(1861)	-
Discontinued Operations (Tractors)	-	-	-	-	-	22014	(841)	(1083)	(21794)	(10765)
Net Earnings	1610	2442	706	3836	2749	24818	1725	(717)	(23949)	(1714)
FINANCIAL POSITION										
Net Fixed Assets	1061	1206	1352	1117	1251	1393	1616	1723	1956	2229
Current Assets (incl .Non current)	61508	59790	58966	48673	44239	41552	32000	18983	18832	9345
Current Liabilities & Provisions (incl..Non Current)	19196	19238	21045	11244	10896	10966	23981	11878	20950	35387
Working Capital	42312	40552	37921	37429	33343	30586	8019	7105	(2117)	(26041)
Capital Employed	43373	41758	39273	38546	34594	31979	9635	8828	(161)	(23812)
Investments	71978	71978	71978	71978	71978	71978	71978	72042	72029	76425
Borrowings	64172	64172	64172	64172	64172	64172	66206	67155	57948	15094
Preference Share Capital (PSC)	3686	3686	3686	3686	3686	3686	3686	3686	3686	3686
Net Worth	47493	45878	43393	42666	38714	36099	11721	10029	10234	33833
OTHER STATISTICS										
Capital Expenditure	1	64	151	61	61	2	124	10	13	65
Internal Resources Generated	2040	1958	1702	4030	3360	24845	1750	(692)	(25778)	(1687)
Working Capital Turnover Ratio	0.06	0.12	0.14	0.03	0.07	0.09	0.24	-	-	-
Current Ratio	3.2	3.11	2.8	4.33	4.06	3.79	1.33	1.60	0.90	0.26
Return on Capital(%)	4.64	4.31	3.87	12.81	14.68	13.49	28.11	13.34	-	-
Employees (Nos)	45	55	63	66	81	91	101	103	118	128
Per Capita Sales	58.16	87.11	81.89	19.06	28.96	28.71	19.41	14.37	8.84	5.67

* Includes Extra Ordinary & Exceptional Items

DIRECTORS' REPORT

To
The Members
HMT Limited
Bengaluru

Dear Members,

The Board of Directors take pleasure in presenting the 72nd Annual Report on the Business & Operations of your Company and Annual Accounts of the Company for the year 2024-25 along with the Auditors' Report. The Comments of the Comptroller & Auditor General of India are attached to this Report.

Financial Highlights / Performance of the Company (Standalone)

Particulars	Rs. in Crores	
	2024-25	2023-24
Gross Revenue from Continuing Operations	26.17	47.91
Other Income	58.98	51.27
Total Income	85.15	99.18
Profit Before Depreciation and Finance Costs	21.19	19.58
Depreciation	1.46	2.11
Gross Profit/(Loss)	19.73	17.47
Finance Cost	0.79	-
Net profit before exceptional Items	18.94	17.47
Add: Exceptional Items	-	-
Net Profit Before Tax	18.94	17.47
Provision for Tax	2.84	(6.95)
Net Profit After Tax	16.10	24.42
Profit/Loss from discontinued operations	-	-
Net Profit/(Loss) for the year	16.10	24.42
Other Comprehensive Income	0.05	0.43
Total Comprehensive Income	16.15	24.85

OPERATING RESULTS

The company's main business portfolios included a product range of Food Processing Machines.

The Food Processing Unit recorded a Production of Rs.12.58 Crore as against Rs. 8.31 Crore in the previous year, and Sales of Rs. 11.34 Crore compared to Rs.36.05 Crore (including Revenue from Powder Project Rs.26.80 Cr.) in the previous year. The decrease in sales in FPA comparatively with FY 2023-24 is mainly on account of completion of 3 Lakhs Tonnes per day milk powder project in Indore, Madhya Pradesh, during the FY 2023-24. However, Revenue from operation is up by 22% (i.e. from Rs.9.25 Crore to Rs.11.34 Crore) in the unit sales.

Auxiliary Business Division, Bangalore has registered a Production (Assembly of Watches) of Rs.9.05 Crore and registered Sales of Rs.14.83 Crore during the year 2024-25 against Rs.7.95 Crore and Rs.11.86 Crores during the previous year respectively and sales includes the Sale of Watches and tractor spare parts (registering a growth of 25% in sales).

The Profit Before Tax during the year 2024-25 is Rs. 18.94 Crore as against Rs.17.47 Crore in the previous year.

Revenue from operations is reported as Rs.142.31 Crore for the year 2024-25 against Rs. 163.39 Crore of previous year. HMT Group has reported a loss of Rs.143.05 Crore in the current year from continuing business against a loss of Rs.130.08 Crore from continuing operation of previous year. Previous year, the HMT Group had a profit from discontinued operation of Rs.2680.84 Crore from HMT Watches Limited, due to waiver of Government of India (GoI) liabilities.

FUTURE OUTLOOK

Dairy Processing Equipment Market

The global dairy-processing-equipment market is expected to grow steadily over the next decade (typical forecasts show mid-single-digit CAGRs ~5–6.5%), driven by rising demand for value-added dairy (cheese, yogurt, UHT), plant modernization, automation and stronger growth in Asia-Pacific. Market estimates generally place 2024–2025 size in the low-teens of USD billions with forecasts toward roughly USD 18–20 billion by around 2030.

Machine tools market:

The machine tools market is substantial but shows considerable variation in size depending on the various market sources. Growth projections vary as well, generally ranging from low to high single-digit compound annual growth rates (CAGR), depending on the market segment and geographic scope considered. Key factors driving this growth include increasing demand from the electric vehicle (EV) sector, aerospace, semiconductors, and battery production, as well as the trend toward reshoring manufacturing. In addition, ongoing adoption of Industry 4.0 technologies such as CNC automation, machine connectivity, and hybrid machining is playing a critical role. Despite these positive trends, the market remains cyclically sensitive to fluctuations in automotive and industrial capital expenditures.

SHARE CAPITAL

The Authorized Equity Share Capital of the Company is Rs.1230 Crore and paid-up Equity Share Capital is Rs. 355.60 Crore (355601640 Equity Shares of Rs.10/- each fully paid up).

DEPOSITS

The Company has not accepted any deposits from the public and hence there is no violation of Chapter V of the Companies Act 2013, and the corresponding rules made thereunder.

DIVIDEND

In view of the operating conditions of the Company, the Board has decided not to propose any dividend to the Shareholders. Dividend Distribution Policy is available at link <https://www.hmtindia.com/policies/>.

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

The Company is complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013 and following information are submitted.

- i. Number of complaints of sexual harassment received in the year - NIL
- ii. Number of complaints disposed off during the year - NIL
- iii. Number of cases pending for more than ninety days – NIL

FRAUD REPORTING

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board level CSR Committee was constituted on 12th August 2019. The composition of the CSR Committee is provided in the Corporate Governance Report. The CSR policy is placed on the website of the Company at <https://www.hmtindia.com/policies/>.

The average net profits of the Company during the three immediately preceding financial years is Rs.2357.55 Lakhs, as such, the Company is required to spend at least two per cent of Rs.2357.55 Lakhs, i.e., Rs.47.15 Lakhs on CSR activities during the FY2024-25 as per the provisions of section 135 (5) of the Companies Act, 2013.

The CSR Annual report for FY 2024-25 is provided as **Annexure-1** in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments. Details of the CSR activities undertaken during FY2024-25 are enclosed as **Annexure-1A**.

ENTERPRISE RISK MANAGEMENT

In terms of section 134 (3) (n) of the Companies Act, 2013 & the SEBI (LODR) Regulations 2015, the Company has formulated a "Risk Management Policy" which is placed on the Company's website <https://www.hmtindia.com/policies/>.

The Board of Directors of the Company constituted the Risk Management Committee of the Board on 12.07.2021. The composition of the Risk Management Committee is provided in the Corporate Governance Report.

PARTICULARS OF EMPLOYEES

No employees of the Company received remuneration in excess of the limits prescribed under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the Financial Year 2024-25.

SUBSIDIARY COMPANIES / ASSOCIATE / JOINT VENTURE COMPANY

A. SUBSIDIARY COMPANIES

HMT Machine Tools Limited

The Subsidiary achieved Sales of Rs.110.77 Crore during 2024-25 against Rs. 99.70 Crore in the previous year and registered Production of Rs.96.46 Crore as against Rs. 92.20 Crore in the previous year. Net loss reported is Rs.160.99 Crore during the year 2024-25 against reported loss of Rs. 155.24 Crore in the previous year.

HMT (International) Limited

The Subsidiary achieved a turnover of Rs. 15.35 Crore during the year 2024-25 as against Rs.17.59 Crore recorded in the previous year 2023-24. The Subsidiary reported Profit Before Tax (PBT) of Rs. 1.99 Crore against Rs. 4.81 Crore reported in previous year.

Subsidiary Company under Closure

As per the Cabinet Committee of Economic Affairs (CCEA) decision during the year 2016, the operation of HMT Watches Limited, wholly owned Subsidiary Company, has been closed.

During FY 2024-25, there are no operating sales or income or expenses as closure activities under process.

B. ASSOCIATE /JOINT VENTURE COMPANY

SUDMO-HMT Process Engineers (India) Limited

The Joint Venture Company could not transact any business during the year under review. For the Financial Year 2024-25, this company incurred Net Loss of Rs.0.99 lakhs

Gujarat State Machine Tools Corporation Limited (GSMTC)

This Associate Company between HMT Limited and GILC Limited discontinued its operations since long. Now, the Board of Directors of GILC Limited has approved for liquidation of GSMTC which will be subject to approval from Government of Gujarat. The Board of Directors of the Company has also approved in-principle for Liquidation of GSMTC subject to the approval of the Administrative Ministry. Matter is under process.

Salient features of the financial statement of subsidiaries/associate companies/joint ventures are provided in Form AOC-1 in the consolidated financial statements for the FY2024-25.

INDIAN ACCOUNTING STANDARDS

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 read with Companies (Indian Accounting Standard) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company and other provisions of the Act.

REDUCTION IN SHARE CAPITAL

Hon'ble National Company Law Tribunal (NCLT) vide its Order dated 16.10.2018 has confirmed/approved reduction in share capital of the Company from Rs.1204.09 Crores to Rs.355.60 Crores by reduction of 848490000 Equity Shares of Rs.10/- each held by President of India (as per the Cabinet Approval). Registrar of Companies, Karnataka (ROC)

has registered the NCLT order on 17.11.2018 and issued "Certificate of Registration confirming the Reduction of Share Capital of HMT Ltd". However, the process of reduction of share capital in the records of Stock Exchanges and Depositories is pending for procedural compliances which are under process in consultation with Registrar and Share Transfer Agent ("RTA"). The shareholding of President of India is 279566626 of Rs.10/- each, equivalent to 78.62% shareholding in the Company as against 1128056626 equity share of Rs.10/- each shown as per RTA records. Hence there is a difference between Paid up Share Capital of the Company as per Audited Financial Statements and Shareholding Pattern provided by RTA.

CONSOLIDATED FINANCIAL STATEMENTS

As required under the Companies Act 2013 and SEBI (LODR) Regulation, 2015, Consolidated Financial Statements of the Company along with that of the Subsidiaries for the financial year 2024-25, conforming to the applicable Accounting Standards, are attached to this Report along with the Auditors' Report on the same.

The financial information of each of the Subsidiary Companies has been furnished as part of the Consolidated Balance Sheet of the Company. Separate audited accounts of the Subsidiary Companies will be made available upon request by any member of the Company interested in obtaining the same. The annual accounts and other information of each of the Subsidiary Companies will be available for inspection by any member at the Registered Office of the Company & on the Company's website www.hmtindia.com.

HUMAN RESOURCES

The employee strength of the Company (HMT Limited) as on March 31, 2025, stood at 45 Nos. comprising of various categories of employees in manufacturing plants and other offices.

The number of employees on the rolls of the Company as on March 31, 2025 in SC/ST, Ex-

servicemen, Physically Handicapped and Women Employee Categories etc. is detailed below:

Scheduled Castes	10
Scheduled Tribes	03
Other Backward Classes	08
Ex-Servicemen	0
Persons with Disabilities	0
Women employees	14
Minorities	03

PERSONNEL AND INDUSTRIAL RELATIONS

The Personnel and Industrial Relations situation in the Company during the year, remained cordial.

IMPLEMENTATION OF OFFICIAL LANGUAGE

The Company continues to make consistent efforts to implement the Official Language Act, Rules, and Policy as per the directives of the Government, with the objective of enhancing the use of Hindi in all operations. An Official Language Implementation Committee has been constituted at the Units, Subsidiaries, and the Corporate Office, Bengaluru, to monitor and ensure compliance.

To promote the use of the Official Language, Hindi Diwas / Hindi Week was observed during September 2024 across all Units of the Company. Various competitions, including **Chitrakatha, Impromptu Speech, Official Language Written Quiz, and Vividha**, were organized for employees of HMT Limited and its Subsidiaries at the Corporate Office. Prizes were distributed during the Grand Hindi Day celebrations, and a workshop was also conducted as part of the Hindi Week.

As a regular practice, the *Hindi Word of the Day* is displayed prominently, and Hindi newspapers are procured daily to encourage employees to use the Official Language. Employees are also encouraged to sign in Hindi. Further, Hindi Officers and executives actively participate in meetings, programmes, online webinars, and Hindi Month celebrations organized by the Town Official Language Implementation Committee (TOLIC).

VIGILANCE ACTIVITIES

The Chief Vigilance Officer appointed by the government of India heads the Corporate Vigilance Department of the company. Ministry of Heavy Industry vide its order No. 5(47)/2010-P.E.X dated 30th August 2024 has assigned the charge of CVO HMT Limited to Shri. Vikas Agarwal, ITS (1997), for an initial period of 03 years from the date of assumption of charge of the post or until further orders, whichever is earlier.

The Corporate Vigilance Department carries out vigilance function in the Holding Company as well as Subsidiary Companies. Vigilance function in the manufacturing Units and Marketing Offices are looked after by Vigilance Officers, under the guidance of Chief Vigilance Officer.

All the Unit Vigilance Officers send their monthly Vigilance/Inspection Reports and Surprise Inspection reports to CVO. Reports so received are scrutinized at CVO Office for further action. Unit Vigilance Officers also verify Annual Property Returns submitted by the employees of the Unit.

Apart from regular inspections by Unit Vigilance Officers, CVO conducts CTE (Chief Technical Examiner at CVC) type inspections of high value purchase/contracts and systems by visiting various subsidiaries and Units.

Violations of rules and procedures observed during the inspection of files by CVO/ Unit VO's were recorded and depending upon the seriousness of the deviations further actions are taken. Unit Vigilance Officers are advised to discuss deviations noticed by them during their inspection; in the quarterly Vigilance Workshop and advise the concerned officers that the violations of rules and procedures pointed out by the Vigilance Department should not be repeated.

Vigilance Awareness Week 2024, Preventive Vigilance Measures cum housekeeping activities

was campaigned for 3 months from 16th Aug 2024 to 15th Nov 2024 as a precursor to VAW with the theme **"Culture of Integrity for Nations, Prosperity"** **"सत्यनिष्ठा की संस्कृति से राष्ट्र की समृद्धि"** was observed in all Units and Offices of HMT Limited and Subsidiary Companies as per the guidelines of CVC.

As a part of capacity building program the employees of HMT Limited and Its Subsidiaries employees were trained and details are given below:

Training Name	No. Of Officers / Employees Trained
Ethics and Governance	04
Procurement	85
Cyber hygiene and Security	100
Ethics and Governance	84
Public Procurement	2
Conduct Rules	85
Systems and Procedures of the organization	23
Integrity & Ethics	04
CTE Type Inspection and Preventive Vigilance on Public Procurement	02

VAW Integrity Pledge: (Online & Offline mode)

Integrity Pledge	430
------------------	-----

Competition during VAW week:	
Quiz	225
Slogan	
Essay	
Cartoon	
Short Speech	

Sl. No.	Activities	Details
1	Distribute Pamphlets/Banners	Pamphlets were made and distributed among the employees of the organization
2	Conduct of Workshop / Sensitization programs	HMT Machine Tools Limited, Ajmer (MTA) - Conducted workshop on Vigilance Awareness for Newly Recruited Officers. HMT Machine Tools Limited, Kalamassery (MTK) – Conducted workshop on Roles & Responsibilities in Association with HR department for newly joined Project Associates.
3	Issue of Journal/ Newsletter	NIL
4	Any other activities	Walkathon was conducted on 14.11.2024 at 10:00AM at HMT Machine Tools Limited, Bangalore for 2Kms to create and spread awareness on Vigilance. Around 40 employees participated in the event

Emphasis was laid on preventive vigilance by striving towards strict adherence to all rules and procedures and all norms of transparency in tendering process. Some of the systems improvement suggested are:

- Suggested online filling of APAR of the officials.
- Suggested online filling of property returns of the officials
- Proposed to update HMT Purchase manual.
- Digitalization of Old drawings, Record of Land, HR documents.
- Online transaction for making payments and receipt of payment.
- Maximizing procurement through GeM Portal.
- Suggested Periodic inspection on Audit Report (Finance).
- Management is being persuaded to adopt integrity Pact. The matter was taken up in the 326th meeting of Board of Directors of HMTL held on 8.6.2017 and the decision of the board was “Adoption of Integrity pact in HMT Limited and subsidiary companies and authorized the Chairman and Managing Director of the company to decide the basis for adoption of integrity pact and to do necessary acts and things as may be required for implementation of integrity pact and to inform the Board”. Subsequently, HMT Limited in its 374th Board Meeting held on 05th June 2025 has approved for amendment to the existing Purchase Manual by inserting Integrity Pact Clause at Para No: 21 and vide Office Order No. 13/25 dated 12th June, 2025 has been implemented in HMT Limited & its Subsidiaries.
- Suggested for SOP for allotment of quarter to HMT and Non-HMT officials.
- SOP may be made for verification / passing of medical bills in future for prescription received from hospital.
- Advisory Note - regarding Discrepancies in Imprest Account.
- Suggested for updation of Delegation of power and policy of gifting of watches.
- Suggested more awareness initiatives (Training, Workshop etc.) on Vigilance to fight corruption in the organization.

MANAGEMENT DISCUSSION AND ANALYSIS

A Report on Management Discussion and Analysis is appended to this Report separately as **Annexure-2**.

CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI (LODR) Regulation, 2015, a Report on Corporate Governance is appended as **Annexure-3** to this Report along with the Compliance Certificate from the Auditor as **Annexure-3A**.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under the Companies (Accounts) Rules, 2014 are appended as **Annexure-4**.

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 31.03.2025, 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 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;

ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as on March 31, 2025 on its website at <https://www.hmtindia.com/investor-relation/ar/>

AUDITORS

M/s. G R S M & Associates, Chartered Accountants, Bengaluru were appointed as Statutory Auditors of the Company and its Auxiliary Business Division (ABD) for the year 2024-25 by the Comptroller & Auditor General of India. M/s. R K Muley & CO., Chartered Accountants, was also appointed as Branch Auditor for the Food Processing Machinery Division, Aurangabad of the Company.

Replies to the observations by the Statutory Auditors in their Report are given as **Annexure-5**.

SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act 2013 and the rules made thereunder, the Company has appointed Shri. D. Venkateswarlu, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the year 2024-25. The report of the Secretarial Auditor is appended as **Annexure-6** to this report. The replies to observations of Secretarial Auditor are attached as **Annexure-6A**.

SECRETARIAL AUDIT REPORT OF UNLISTED MATERIAL SUBSIDIARY

Pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Audit Report for

the Financial Year 2024-25 of HMT Machine Tools Limited & HMT (International) Limited, an Unlisted Material Subsidiaries of the Company along with replies to observations are appended as **Annexure-7, 7A, 8 & 8A** to this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

As per BSE circular no. 20240510-48 & NSE circular no. NSE/CML/2024/11 dated: May 10, 2024, the BRSR can be provided as a LINK in the Annual Report of the Company instead of publishing the whole report. As such the BRSR 2024-25 can be accessed from the link <https://www.hmtindia.com/business-responsibility-and-sustainability-report/>

EVALUATION OF THE PERFORMANCE OF BOARD

Being a Government Company, HMT is exempted in terms of the MCA Notifications dated June 5, 2015 & July 5, 2017, from the evaluation of performance of all members of the Board of the Company which is being done by the Administrative Ministry i.e., the Ministry of Heavy Industries and/or by the Department of Public Enterprises (DPE).

BOARD MEETINGS

During the financial year, Eight Board Meetings were held and the details are given in the Corporate Governance Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Being a Government Company, the appointment and fixation of terms and conditions of all Directors (including tenure & remuneration of Functional Directors) are made by the Government of India.

The appointment/ remuneration in respect of KMPs and Senior Management Personnel are governed by the policies covered in HMT's personnel manual in line with DPE guidelines.

The following changes have taken place in composition of the Board of Directors / Key Managerial Personnel:

Ministry of Heavy Industries vide its order dated 26th March, 2024 has entrusted the additional charge of the post of Chairman & Managing Director of HMT Limited to Shri. Rajesh Kohli, Executive Director, Bharat Heavy Electricals Limited (BHEL), in place of Shri. K. Ravishankar, Executive Director, Bharat Heavy Electricals Limited, with immediate effect and from the date of his assumption of charge of the posts, for a period of one year or till the joining of a regular incumbent, or until further orders, whichever is earliest, subject to the ex-post facto approval of the Appointments Committee of the Cabinet (ACC). Accordingly, Shri. Rajesh Kohli (DIN:10333951) has been inducted as Chairman & Managing Director (Additional Charge) on the Board of Directors of the Company w.e.f 5th April, 2024 (A/N) on his assumption of charge in place of Shri. K Ravishankar.

Ms. Rita Saxena (DIN: 10294769), General Manager (Internal Audit), M/s Bharat Heavy Electricals Limited, ceases to be Director (Finance) (Additional Charge), HMT Limited, on completion of term from 25th May, 2024.

Ministry of Heavy Industries vide its order dated 7th June, 2024 has entrusted the additional charge of the post of Director (Finance), HMT Limited, Bengaluru to Smt. Sameena Kohli, General Manager (Finance-SBD & ISG), BHEL, Bengaluru for a period of one year or till the joining of regular incumbent to the post or until further order, whichever is earliest, subject to the approval of Appointment Committee of Cabinet (ACC). Accordingly, Smt. Sameena Kohli (DIN: 10663362) has been inducted as Director (Finance), (Additional Charge) on the Board of Directors of the Company w.e.f 10th June, 2024 on her assumption of charge.

Ministry of Heavy Industries vide its order dated 23rd July, 2024 has appointed Dr. Renuka Mishra, Economic Advisor, Ministry of Heavy Industries as Government Nominee Director on the Board of HMT Limited with immediate effect and until further orders, vice Ms. Mukta Shekhar, ex-Joint Secretary, Ministry of Heavy Industries. Accordingly, Dr.

Renuka Mishra (DIN: 08635835) has been inducted as Government Nominee Director on the Board of Directors of the Company w.e.f 23rd July, 2024.

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

Subsequent to the financial year, Ministry of Heavy Industries vide its order dated 28th March 2025 has conveyed approval of competent authority for appointment of Dr. Kartik Chandulal Bhadra as Non-Official Director / Non-Official Independent Director on the Board of Directors of HMT Limited for a period of one year, from the date of notification of his appointment, or until further orders, whichever is earlier. Dr. Kartik Chandulal Bhadra (DIN: 09453387) has been inducted as Independent Director on the Board of Directors of the Company w.e.f 01st April, 2025.

Ministry of Heavy Industries vide its Order dated 28th April, 2025 and 26th June, 2025 has extended the entrustment of additional charge of the post of Chairman & Managing Director of HMT Limited to Shri. Rajesh Kohli, Executive Director, Bharat Heavy Electricals Limited (BHEL), for a period w.e.f. 05th April, 2025 to 30th June, 2025 and for a period beyond 30th June, 2025 to 24th March, 2026 i.e. date of his attaining the age of superannuation in BHEL respectively, or till the joining of a regular incumbent, or until further orders, whichever is earliest, subject to the approval of the Appointment Committee of the Cabinet (ACC).

Ministry of Heavy Industries vide its order dated 23rd May, 2025 conveyed the extension of additional charge of the post of Director (Finance), HMT Limited to Smt. Sameena Kohli, General Manager (Finance), Bharat Heavy Electricals Limited (BHEL), for a further period of one year w.e.f. 25.05.2025 to 24.05.2026, or till the joining of a regular incumbent, or until further orders, whichever is earliest, subject to approval of the Appointments Committee of the Cabinet (ACC).

Ministry of Heavy Industries vide its order dated 7th July 2025 has conveyed approval of competent authority for appointment of Shri. Datania Dineshbhai Ramjibhai as Non-Official Director / Non-Official Independent Director on the Board of Directors of HMT Limited for a period of three years, from the date of notification of his appointment, or until further orders, whichever is the earlier. Subsequent to the obtaining of Director Identification Number, Shri. Datania Dineshbhai Ramjibhai (DIN: 11193263) has been inducted as Independent Director on the Board of Directors of the Company w.e.f. 15th July, 2025.

Ministry of Heavy Industries vide Order dated 14th July, 2025 has informed the appointment of Shri. Prem Chandra Maurya, Joint Secretary, Ministry of Heavy Industries as Government Nominee Director on the Board of HMT Limited, Bengaluru with immediate effect and until further orders in place of Dr. Renuka Mishra, Economic Adviser, Ministry of Heavy Industries. Subsequent to the obtaining of Director Identification Number (DIN), Shri. Prem Chandra Maurya (DIN: 11198433) has been inducted on the Board of Directors of the Company w.e.f. 17th July, 2025.

Dr. Kartik Chandulal Bhadra (DIN: 09453387), Shri. Prem Chandra Maurya (DIN: 11198433) and Shri. Datania Dineshbhai Ramjibhai (DIN: 11193263) are proposed for appointment as Director in terms of Article 67(4) of the Article of Association of the Company read with Section 160 of the Companies Act, 2013 in the ensuing Annual General Meeting. The Nomination and Remuneration Committee/ Board has recommended their appointments, as applicable.

Shri. Rajesh Kohli, Chairman & 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. Rajesh Kohli, Chairman and Managing Director (Additional Charge), Smt. Aparna R., Chief Financial

Officer and Shri. Kishor Kumar S, Company Secretary are the Key Managerial Personnel's (KMP's) as defined under Section 2 (51) of the Companies Act, 2013 as on 31.03.2025.

DECLARATION FROM INDEPENDENT DIRECTOR & REGISTRATION IN THE DATA BANK MAINTAINED BY IICA

During FY2024-25, there were no Independent Directors on the Board of the Company, hence declaration from Independent Directors & registration in the data bank maintained by IICA is not applicable to the Company.

CODE OF CONDUCT

A declaration by the Chairman & Managing Director (Additional Charge) for having obtained affirmation of compliance of the Code of Conduct by the Board Member (s) and Senior Management for the year ended on March 31, 2025 is appended to this report as **Annexure-9**.

INTERNAL FINANCIAL CONTROLS

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

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no Material changes and commitments affecting the financial position of the company which occurred between 31st March 2025 and date of signing of this Report.

RELATED PARTY TRANSACTIONS

The details of related party transactions are given in the notes to the Financial Statements.

All Related Party Transactions entered into 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 annual consolidated turnover as per the last audited financial statement, were entered into 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.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS

During FY2024-25, there were no instances of providing Guarantees and making Investments covered under the provisions of Section 186 of the Companies Act, 2013. Details of Loans covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

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 2024-25.

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 during the financial year 2024-25.

OTHER DISCLOSURES

The Register of Members and Share Transfer records both in respect of the shares held in physical and depository form are maintained by M/s. KFin Technologies Limited, the Registrars & Share Transfer Agents of the Company.

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.

As on 31st March 2025, no amount is required to be transferred to Investor Education and Protection Fund (IEPF).

During FY 2024-25, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is applicable to the Company. Accordingly, such records have been made and maintained by the Company.

The Company has complied with the provisions relating to the Maternity Benefit Act 1961.

ACKNOWLEDGEMENTS

Your Directors gratefully acknowledge and are thankful to the various Departments and Ministries in the Government of India, particularly the Ministry

of Heavy Industries, Ministry of Corporate Affairs, Comptroller and Auditor General of India, Principal Director-Commercial Audit, Statutory and Branch Auditors, various State Governments, Foreign Collaborators, the Subsidiary Companies, Suppliers, Reserve Bank of India, UCO Bank and the valued Customers of the Company both in India and abroad for their continued co-operation and patronage.

Your Directors would also like to take this opportunity to express their appreciation for the hard work and sincere contributions and commitment of all the HMT employees and look forward to their continued services in pursuit of building a world class HMT.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 29.09.2025

Sd/-
(Rajesh Kohli)
Chairman & Managing Director
(Addl. Charge)
DIN: 10333951

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief Outline on CSR Policy of the Company:

CSR Vision: To contribute the sustainable development and inclusive growth while taking care of People, Planet and organizational goals / growth.

CSR Mission

- To become socially responsible corporate entity committed to improving the quality of life of the society at large.
- To create and develop facilities for the communities we engage with.
- To balance economic, environmental and welfare development objectives through collective and unified effort of all stakeholders.

Objective: The policy is framed with the objective(s) stated herein below:

- To provide framework for carrying out the CSR projects or programs or activities including the modalities of execution and transparent monitoring mechanism for its implementation undertaken by the Company which is within the scope of the Companies Act 2013 and the rules made therein; the DPE Guidelines, as amended from time to time;
- To create awareness on CSR practices across all the levels in the Company, operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- Through its CSR Initiatives, generate community goodwill and help reinforce a positive & socially responsible image for HMT.

Main Features of the Policy

- This policy broadly covers all relevant clause(s)/ sections of the Companies Act, 2013, the Companies Amendment Rules, 2014 and the DPE Guidelines.
- This Policy relates to the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of the Company.
- The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.
- The CSR and Sustainability budget expenditure shall be fixed in accordance with the provisions of the Act, Rules and the Guidelines.
- The Company will endeavor at all times to build and develop the skills of its CSR team and enhance level of CSR awareness within the organization.
- Execution of CSR projects can be taken up generally by in-house teams or through suitable partnerships with State Governments, PSUs, NGOs, Private Companies. As far as possible, HMT's manpower should be committed only for monitoring and supervision.
- To assist and take up CSR activities forward, the Corporate CSR Committee & Unit CSR Committee (on need basis) has been constituted.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri. Rajesh Kohli ¹	Chairperson / Chairman & Managing Director (Addl. Charge)	4	4
2	Shri. Krishnaswami Ravishankar ²	Chairperson / Chairman & Managing Director (Addl. Charge)	-	-
3	Ms. Arti Bhatnagar ³	Member / Govt. Nominee Director	-	-
4	Dr. Renuka Mishra ⁴	Member / Govt. Nominee Director	3	3
5	Ms. Mukta Shekhar ⁵	Member / Govt. Nominee Director	1	1
6	Smt. Sameena Kohli ⁶	Member / Director (Finance) (Addl. Charge)	3	2
7	Ms. Rita Saxena ⁷	Member / Director (Finance) (Addl. Charge)	1	1

1. Appointed as Chairperson w.e.f. 05.04.2024

2. Ceased to be Chairperson w.e.f. 05.04.2024

3. Appointed as Member w.e.f. 25.05.2024 and Ceased to be Member w.e.f. 10.06.2024

4. Appointed as Member w.e.f. 23.07.2024

5. Ceased to be Member w.e.f. 23.07.2024

6. Appointed as Member w.e.f. 10.06.2024

7. Ceased to be Member w.e.f. 24.05.2024

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Committee Composition: <https://www.hmtindia.com/investor-relation/share-holder-information/>

CSR Policy: <https://www.hmtindia.com/policies/>

CSR Projects: <https://www.hmtindia.com/investor-relation/csr/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135:

Rs. 23,57,55,121/-

(b) Two percent of average net profit of the company as per sub-section (5) of section 135:

Rs. 47,15,103/-

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years:
NIL #

Funds to be spent as part of on-going CSR projects of previous financial years are detailed in Table No.7. below.

(d) Amount required to be set off for the financial year, if any: NIL

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 47,15,103/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):
Rs. 44,80,103/-

(b) Amount spent in Administrative Overheads: Rs. 2,35,000/-

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 47,15,103/-@

@ Total CSR amount earmarked during the reporting FY2024-25.

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (In Rs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,79,000/-*	45,36,103/-	29.04.2025	=	=	=

*Amount spent pertaining to FY2024-25 as on 31.03.2025.

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	47,15,103/-
(ii)	Total amount spent for the Financial Year	1,79,000/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.) *	Amount Spent in the Financial Year (in Rs) **	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs) ***	Deficiency, if any
					Amount	Date of Transfer		
1	2021-22	4103000	Nil	Nil	Nil	Nil	Nil	Nil
2	2022-23	4271260	82019	82019	Nil	Nil	Nil	Nil
3	2023-24	2780000	2780000	2780000	Nil	Nil	Nil	Nil

* As on 01.04.2024, ** spent in the reporting FY2024-25 *** Balance as on 31.03.2025.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
N/A							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: N/A

Sd/-

Rajesh Kohli

{Chairman & Managing Director (Addl. Charge)}

&

(Chairperson, CSR Committee)

Date: 29.09.2025

Annexure-1A

DETAILS OF THE CSR ACTIVITIES UNDERTAKEN DURING FY2024-25
(Status of Ongoing & other than Ongoing CSR projects)

Sl. No.	CSR Amount allocated as on 31.03.2025 (In Rs.)	CSR Amount incurred on completion of project (In Rs.)	Name of the Project	Item from the list of activities in Schedule VII to the Act	Location of the project	Mode of Implementation	Project duration / Date of Completion
1	*Rs. 24,39,740 approx. Inclusive of miscellaneous expenses subject to actual	Rs.23,55,740.20	Contribution of GeneXpert 4/4 Module 10 Optic Channel Cartridge Based Nucleic Acid Amplification Test (CBNAAT) Machine to Government District TB Center, Mandya, Karnataka	Item No. I (Health Care)	Mandya, Karnataka	Direct	30.09.2025 --- Ongoing project completed on 19.04.2025
2	*Rs. 3,53,500 approx. Inclusive of miscellaneous expenses subject to actual	Rs.3,34,500.00	Contribution of One Medical Equipment 2-Channel Electrotherapy with laser and Ultrasound to M/s. Shri Gururji Seva Nyas	Item No. I (Health Care)	Indore, Madhya Pradesh	Direct	30.09.2025 --- Ongoing project completed on 19.04.2025
3	*Rs. 13,27,863 approx. Inclusive of miscellaneous expenses subject to actual	Rs.12,95,600.00	Contribution of Medical Instruments to Mandya Institute of Medical Sciences, Mandya, Karnataka	Item No. I (Health Care)	Mandya, Karnataka	Direct	30.09.2025 --- Ongoing project completed on 02.09.2025
4	*Rs. 1,80,000 approx. Inclusive of miscellaneous expenses subject to actual	Rs. 1,76,970.00	Contribution of Educational related items to M/s. Bless Society of Rural and Urban Development in Bangalore, Karnataka	Item No. ii (Education)	Bangalore Karnataka	Direct	30.09.2025 --- Ongoing project completed on 14.05.2025
5	Rs. 1,79,000	Rs. 1,79,000.00	Contribution to Prime Minister's National Relief Fund	Item No. VIII (Contribution to the Prime Minister's National Relief Fund)	-	Direct	28.03.2025 --- Completed
6	-	**Rs. 3,58,955.80 (Balance Amount)	Contribution to Prime Minister's National Relief Fund	Item No. VIII (Contribution to the Prime Minister's National Relief Fund)	-	Direct	22.09.2025 --- Completed
7	*Rs. 2,35,000	Rs. 14,337.00	Administrative Expenses				
	Rs. 47,15,103.00	Rs. 47,15,103.00					

***Balance amount remaining after completion of ongoing CSR projects for the FY2024-25 shall be transferred to Prime Minister's National Relief Fund, a Central Government Fund as prescribed in Point No. VIII of Schedule VII of Companies Act 2013 to ensure completion of the project for the FY2024-25 and full utilization of CSR amount.*

***Balance amount after completion of the CSR projects has been transferred to Prime Minister's National Relief Fund, a Central Government Fund on 22.09.2025*

For and on behalf of the Board of Directors

(Rajesh Kohli)
Chairman & Managing Director
(Addl. Charge)
DIN: 10333951

Place: Bengaluru
Date: 29.09.2025

MANAGEMENT DISCUSSIONS AND ANALYSIS

GLOBAL ECONOMIC ENVIRONMENT

The global dairy-processing-equipment market is experiencing steady, mid-single-digit growth as rising demand for value-added dairy products, expanding cold-chain infrastructure and modernization of processing lines drive capital expenditure across regions. Automation, IoT integration and sustainability (energy-efficient pasteurization and waste-reduction systems) are the principal near-term growth enablers, while trade-policy shifts and supply-chain re-routing shape regional investment patterns.

INDUSTRY STRUCTURE AND DEVELOPMENT

The industry is broadly bifurcated between a handful of global system integrators and OEMs that dominate premium, full-line turnkey solutions (e.g., packaging, membrane filtration and automated metering) and a large base of regional and local suppliers that compete on cost, customization and after-sales support. Large players continue to invest in R&D and digital services, accelerating consolidation at the top end, while domestic manufacturers (including Indian capital-goods firms) focus on import substitution, modular systems and service networks to win smaller plants and emerging-market contracts. Recent development trends emphasize modular, scalable processing blocks, cloud-enabled performance monitoring, and partnerships between equipment makers, dairy co-operatives and financing agencies to lower adoption barriers for SMEs.

OUTLOOK OF DAIRY MACHINERY INDUSTRY IN INDIA

The dairy industry in India is the largest globally, accounting for 23% of global milk production. The nation's milk production increased at a CAGR 6.2% from 146.31 million tonnes in 2014-15 to 209.96 million tonnes in 2020-21. The Indian dairy machinery market is projected to see strong growth in the coming years, driven by increased

milk production and processing and the adoption of advanced technologies.

According to a report of Expert Market Research, the Indian dairy machinery market is expected to reach INR 57001 Billion by 2033, with a CAGR of 12.35% between 2025 and 2033.

The Indian Government is implementing several schemes and policies to boost the dairy sector, focusing on infrastructure development & quality improvement. Dairy Processing and Infrastructure Development Fund is aimed to modernizing milk and milk product processing plants and machineries.

Future outlook of the dairy machineries in India looks promising, with strong growth projected due to increasing demand, technological advancements and government support.

NEW OPPORTUNITIES

The Food Processing Machinery Division (FPA) at Aurangabad is well-positioned to capitalize on the rapid expansion of India's food-processing industry, which is projected to grow from USD 3.10 billion in 2022 to USD 4.57 billion by 2030 at a 5 percent CAGR. Rising consumer demand for processed dairy, beverage and convenience foods, coupled with stricter food-safety and quality regulations, is driving investment in turnkey plant solutions and advanced equipment such as homogenizers, plate heat exchangers and continuous butter-making machines. Government financing schemes most notably the Dairy Processing & Infrastructure Development Fund (DIDF) and the Animal Husbandry Infrastructure Development Fund (AHIDF) offer low-interest credit for installing pasteurizers, separators and cold-chain systems, further de-risking capex and improving access for both cooperatives and private processors. Moreover, emerging export opportunities in South Asia and Africa, evidenced by turnkey dairy projects (e.g., the Khulna, Bangladesh facility), provide a ready market for Aurangabad's turnkey and OEM offerings under the HMT banner.

CHALLENGES

Despite these opportunities, FPA unit faces significant challenges. The global food-processing machinery space is increasingly competitive, with established players such as Alfa Laval, GEA and SPX capturing premium segments and exerting pricing pressure on domestic manufacturers. A persistent shortage of technically skilled operators and service engineers essential for commissioning and maintaining hi-tech equipment risks undermining customer satisfaction and limiting aftermarket revenues. Additionally, the Unit must navigate raw-material price volatility (stainless steel, alloyed components) and intermittent supply-chain disruptions, which can inflate manufacturing costs and extend delivery lead times. Finally, evolving environmental and safety regulations demand continuous investment in cleaner, more energy-efficient machinery necessitating sustained R&D spending at a time when financing remains tightly constrained.

RISKS & CONCERNS

Despite the positive outlook, the sector faces several concerns that could temper growth. Price volatility of raw milk remains a persistent risk, as fluctuations in procurement prices can make it difficult for processors to predict margins and justify capital expenditures on new equipment. Supply-chain disruptions, whether due to logistical bottlenecks or shortages of spare parts, can further exacerbate operational uncertainties. Additionally, the high capital intensity associated with advanced dairy machinery poses financing hurdles for smaller cooperatives and private processors, who often lack access to favorable credit terms. Compounding these issues, a shortage of skilled technicians at the farm level can slow the adoption of automated systems, thereby limiting the efficiency gains that modern equipment would otherwise deliver.

SEGMENT WISE / PRODUCT WISE PERFORMANCE

Food Processing Equipment

- i) SS Centrifugal Pumps: Well-accepted in the market, but due to higher cost business is low.

- ii) Cream Separators: Very good market for cream separators with capacity 1 kl & 2 kl. But it could not sustain in the market for higher capacity separator i.e. 5 kl, 10 kl & 20 kl due to its performance problem.
- iii) Homogeniser: Homogeniser with capacity of 1 kl & 2 kl well accepted in the market but 3 kl & 5kl, homogenizer is having less business.
- iv) Milk Pasteurizer/Chiller: Due to the non-availability of CLIP-ON type gaskets, we are out of competition. Even after purchasing PHE plates with CLIP ON type gasket, our prices are very high due to our overheads. Hence, business for Milk Pasteurizers/chillers is very low.
- v) Strong market demand has been identified for Continuous Butter Making Machine, particularly for the production of white butter used in ghee manufacturing. The machine performs efficiently and reliably in this segment. While our current model is optimized for white butter, imported variants also offer the flexibility to handle both white and salted butter, presenting an opportunity for future enhancement based on market needs

Watches

- vi) Automatic Day Date models: Well-accepted in the market because of design aesthetics. Increase in sales need more marketing efforts.
- vii) Quartz: Very good market for quartz watches as the price range of HMT Watches is attractive.
- viii) Hand wound Mechanical watches: Well-accepted in the market, but due to unavailability of components, production of hand wound mechanical watches are limited.

FINANCIAL PERFORMANCE

The turnover of the Company for the year 2024-25 was Rs.26.17 crore with net profit of Rs.16.10 Crore.

Turnover decreased from Rs.36.05 crore for the previous year to Rs.11.34 crore during current year

in respect of Food Processing Machinery Division, Aurangabad, which is mainly on account of Revenue from Powder project during the previous year.

The total borrowing (loan) of the Company from Government of India were Rs.641.72 crore as on 31.3.2025.

RATIO ANALYSIS

	2024-25	2023-24
Trade Receivables Turnover Ratio	1.87	2.92
Inventory Turnover Ratio	2.16	4.46
Interest Coverage Ratio	24.97	Nil
Current Ratio	0.78	0.76
Debt Equity Ratio	1.43	1.48
Operating Profit Margin (%)	75.39%	36.46%
Net Profit Margin (%)	61.53%	50.98%
Return on Net Worth	0.03	0.05

Trade Receivables Turnover has decreased due to reduction in Turnover on account of revenue from powder project in the previous year.

Inventory Turnover has decreased due to reduction in turnover on account of revenue from powder project in the previous year.

Interest coverage ratio due Interest on borrowings during the year.

Current ratio has increased due to increase in Current Assets on account of loan provided to HMT Machine Tools Ltd. during the year.

Debt equity ratio decreased due to increase in Total Equity on account profit earned during the year.

Operating profit margin increased due to reduction in sales.

The decrease in Net Profit Margin is mainly due to decrease in Net profit during the year on account of the reversal of income tax provision during the previous year.

Decrease in return on Net worth is due to decrease in PAT on account of the reversal of income tax provision during the previous year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate systems of Internal control commensurate with its size and nature of its operations. The salient features of internal control systems are

- i) Clear delegation of power with authority limits for incurring capital and revenue expenditure.
- ii) Well laid down corporate policies for accounting, reporting and Corporate Governance.
- iii) Safeguarding assets against unauthorized use or losses or disposition, and ensuring that the transactions are authorized, recorded and reported correctly.
- iv) Process for formulating and reviewing annual and long term business plans have been laid down.
- v) Detailed Annual budget giving further break up of monthly targets under various heads.
- vi) Continuous review of the performance by the Core Committee with reference to the budgets on an ongoing basis.
- vii) Compliance with laws and regulations.

The Internal Audit Department of the Company along with the external firms appointed for carrying out internal audits of Units / Divisions reviews, evaluates and appraises the various systems and procedures / policies laid down by the Company and suggests meaningful and useful improvements.

Internal Audit Department coordinates with the Units / Divisions of the company to ensure coverage of all areas of operations in order to bring a transparency in the whole spectrum of the Company.

The Audit Committee reviews the Audit Report submitted by the Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up on the implementation of corrective actions.

The Audit Committee also discusses with the Company's statutory Auditors to ascertain, inter-alia, their views on the adequacy of internal control system in the Company and keeps the Board of Directors informed of its major observations from time to time.

HUMAN RESOURCES

As on 31.03.2025, the Company and its Subsidiaries had a total workforce of 618 employees, comprising various categories of employees in manufacturing plants and other offices in technical and other professional areas as detailed below.

COMPANY AND SUBSIDIARY WISE QUALIFICATION DETAILS AS ON 31.03.2025									
Sl No	Company and Subsidiary	IP as on 31.03.2025	Engineering Graduates	Diploma Holders	Professionals		ITI/ NAC	General Graduates/Post Graduates	Others
					HR	Finance			
1	HMT Limited	45	13	4	5	2	4	16	1
2	HMT Machine Tools Ltd	559	90	103	4	7	259	38	58
3	HMT (International) Ltd	14	11	0	1	1	0	1	0
	Total	618	114	107	10	10	263	55	59

The Company has taken suitable measures to bring down the Personnel Costs by implementing several austerity measures, rationalization of surplus manpower in the Company.

Statistics on the number of employees separated on availing the VR Scheme in HMT and its Subsidiary Companies during the last four years is NIL.

Surplus manpower in certain areas has been deployed under re-deployment scheme by

providing training and re-training to the employees and posting them at thrust areas to meet the goals of the organization. The Company is trying its best to retain the skilled and professionally qualified personnel to arrest attrition.

PERSONNEL AND INDUSTRIAL RELATIONS

The Personnel and Industrial Relations situation in the Company during the year, remained cordial.

For and on behalf of the Board of Directors

Sd/-
(Rajesh Kohli)
Chairman & Managing Director
(Addl. Charge)
DIN: 10333951

Place: Bengaluru
Date: 29.09.2025

ANNEXURE- 3
REPORT ON CORPORATE GOVERNANCE
I COMPANY'S PHILOSOPHY

In compliance with Regulation 17 of SEBI (LODR) Regulation, 2015 and as per the applicable provisions of the Companies Act, 2013 as amended from time to time, your Directors submit their report on the matters mentioned in the said Regulation and practice followed by the Company.

The Company has a "Code of Conduct for Board Members and Senior Management" i.e., Chairman and Managing Directors, all Directors, Executive Directors and General Managers.

The Company has been following good Corporate Governance practices like striking reasonable balance in the composition of the Board of Directors, setting up of Audit Committee and other Committees, adequate disclosure of information and business to be deliberated by the Board, etc.

II BOARD OF DIRECTORS

As per the listing requirements, the Board of Directors of the Company should consist of minimum Six Directors out of which half shall comprise of

Independent Directors including one Independent Woman Director. As on March 31, 2025, the Board of Directors comprised of Chairman & Managing Director (Additional Charge), two Government Nominee Directors and Director (Finance) (Additional Charge). As Government of India is the appointing authority for Directors, request has been made to appoint Independent Directors to comply with Listing requirements.

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

During the year 2024-25, Eight (8) Board Meetings were held on May 7, July 26, August 9, August 14, September 2, November 14 in the calendar year 2024 and January 15, February 14 in the calendar year 2025.

The composition of Directors and their attendance at the Board Meetings and at General Meetings during the financial year are:

Name	Category	Meetings held during respective tenure of Directors	Attendance particulars		No. of other Directorships and Committee Member /Chairmanship held as on 31.03.2025		
			Board Meetings	AGM/ EGM	Directorship	# Committee	
						Membership	Chairmanship
Rajesh Kohli (DIN: 10333951) (w.e.f. 05.04.2024)	C & MD	8	8	Yes	4	1	-
Krishnaswami Ravishankar (DIN: 10540509) (upto 05.04.2024)	C & MD	-	-	NA	3	1	-
Arti Bhatnagar (DIN: 10065528)	NENI	8	7	-	6	2	3
Renuka Mishra (DIN: 08635835) (w.e.f. 23.07.2024)	NENI	7	7	Yes	9	-	-

Mukta Shekhar (DIN: 10118859) (upto 23.07.2024)	NENI	1	1	NA	8	-	-
Sameena Kohli (DIN: 10663362) (w.e.f. 10.06.2024)	ENI	7	6	-	-	-	-
Rita Saxena (DIN: 10294769) (upto 24.05.2024)	ENI	1	1	NA	-	-	-

C & MD: Chairman & Managing Director, ENI: Executive & Non-Independent, NENI: Non-Executive & Non-Independent, NEI: Non-Executive & Independent

Pursuant to Regulation 26 of the Listing Regulations, the Chairmanship / Membership of Audit Committee and Stakeholders' Relationship Committee in Public Limited Companies are considered.

No Director is holding equity shares in the Company as on 31.03.2025. None of the Directors had any relationship inter-se during the year 2024-25.

Details of Directors holding Directorship in other Listed Entities and the category of their Directorship as on 31.03.2025:

Name of Director	Name of Other Listed Entity where Directorship is held	Category of Directorship
Arti Bhatnagar	Bharat Heavy Electricals Limited	NENI
	MMTC Limited	NENI
	The State Trading Corporation of India Limited	NENI

NENI: Non-Executive & Non-Independent

TRAINING PROGRAMMES FOR DIRECTORS & FAMILIARISATION PROGRAMME TO INDEPENDENT DIRECTORS

Directors are apprised of the Company's business, nature of operations, and other important matters from time to time. A policy for training of the Board of Directors has been formulated. At the convenience of the Directors, they shall be nominated for various trainings, seminars, conferences, conventions etc.

During the financial year, there were no familiarization programmes imparted to Independent Directors as there were no Independent Directors on the Board.

MATRIX ON SKILLS, EXPERTISE AND COMPETENCIES OF THE BOARD OF DIRECTORS

HMT Limited being a Government Company, all the Directors on the Board are selected and appointed

by the Government of India as per a well laid down process for each category of Directors. The skills / expertise / competencies as required in the context of business(es) & sector(s) pertaining to the Company are identified by the Government of India and accordingly selection of Directors on the Board of Directors of the Company is made by the Government as per its own process. At the time of recruitment of the Functional Directors, job description, desirable qualification & experience of candidates are sent to the Public Enterprise Selection Board through the administrative Ministry for announcement of vacancy and recruitment of candidates. Skills/Expertise/Competence of Board of Directors is below.

Sl. No.	Name of Director	Skills/Expertise/Competence
1	Rajesh Kohli (DIN: 10333951)	Shri. Rajesh Kohli is Executive Director in M/s. Bharat Heavy Electricals Limited (BHEL). Shri. Rajesh Kohli is a Mechanical Engineer with Honours from N.I.T Kurukshetra (Haryana) with more than 36 years of industry experience. He joined BHEL's Heavy Electrical Equipment Plant at Haridwar (Uttarakhand) in 1987. He has worked in diverse areas of advanced technologies like Superconducting machines, large electrical machines and defence business at BHEL including R&D, and IPR portfolios. He joined BHEL Corporate Office at New Delhi in 2016 in Corporate Technology Management division. He carries a wide exposure to international practices of Original Equipment Manufacturers and state-of-art technologies. His recent charge as Executive Director with BHEL at its Corporate Office, New Delhi included diverse roles including Technology Licensing, Joint Ventures, M&A, R&D & Innovation Strategy, Knowledge Management, Cost Optimisation etc. Under his leadership, BHEL successfully forged partnerships with global OEMs in diverse business areas; and working on new partnerships in hydrogen value chain, coal to chemicals and Rail transportation areas. Recently, he pursued to promote BHEL's in-house technology for coal gasification and its further conversion to chemicals for diverse industrial use, leading to BHEL signing an Agreement with Coal India Limited for a Joint Venture Company. He worked actively on many other such alliances for furthering BHEL's interest in diversifying its portfolio. He actively worked with the management fraternity, under the aegis of All India Management Association. He is a certified Total Quality Management Assessor and also a certified Product Lifecycle Management (PLM) Lead through CIMDATA USA.
2	Krishnaswami Ravishankar (DIN: 10540509)	Shri. K. Ravishankar was Executive Director in M/s. Bharat Heavy Electricals Limited (BHEL) / Corporate R & D / Hyderabad. Shri. K. Ravishankar completed his B.E in Mechanical Engineering from Motilal Nehru Regional Engineering Collage Prayagraj, Uttar Pradesh in the year 1985, M.E in Manufacturing Technology from REC, Trichy in 1989, MBA from IGNOU, New Delhi in 1995 and M.A. (English) from Annamalai University, Tamil Nadu in the year 2016. Shri. K. Ravishankar joined BHEL as an Engineer Trainee at Tiruchirappalli Unit in October 1985. He has served in Product Engineering Department in various capacities in Pressure Parts & Boiler Layout groups and in the Material Management group as head of procurement / Raw materials. He subsequently served as General Manager / Engineering/ Boilers from 2015 to 2018. In May 2018, he was transferred to BHEL- Corporate Office in the Mission Directorate for Advanced Ultra Super Critical Technology development constituted under Ministry of Heavy Industries, where he was responsible for development of projects for the Boiler Island technology establishment. He was also Head of Hydrogen Business Group under the new growth areas of Corporate Strategic Management wherein he addressed the business potential, the technology requirements and the road map for business development in BHEL. As Head of Corporate R&D, he has been instrumental in focusing and addressing the technical development needs of the organization through in house Development and focusing on the new and upcoming business areas of Coal to Chemicals and Hydrogen value chain. In Nov 2023, he was elevated as Executive Director, Corporate R&D.

3	Arti Bhatnagar (DIN: 10065528)	Ms. Arti Bhatnagar is a Civil Servant of the Indian Defence Accounts Service of the 1990 batch. She is presently working as Special Secretary & Financial Adviser, Ministry of Commerce & Industry, Ministry of Heavy Industry and Ministry of MSME. Ms. Arti Bhatnagar has a postgraduate degree in Economics and M. Phil in Defence Strategic Studies from Madras University. She is an alumni of the National Defence College. With about 25 years of experience in dealing with Finance, Accounts and Audit of the Defence Forces, her expertise is in handling defence acquisition and procurement contracts. Ms. Arti Bhatnagar has worked as Joint Secretary (Security), Cabinet Secretariat handling SPG for five years. Ms. Arti Bhatnagar has also worked as a Chief Vigilance Officer for Air India, Pawan Hans Ltd. and Airport Authority of India.
4	Renuka Mishra (DIN: 08635835)	Dr. Renuka Mishra is presently Economic Adviser in Ministry of Heavy Industries, Government of India. Dr. Renuka Mishra, PhD, MA (Economics) is an officer of Indian Economic Service (2003 Batch). She has previously served in offices of Government of India at Office of Development Commissioner (MSME), Department of Economic affairs, Department of Commerce, Ministry of Overseas Indian Affairs and Department of Higher Education. Dr. Renuka Mishra has been regular author of many articles/papers published in various journals/magazines on the areas covering taxation, forestry, renewable energy, climate change and vulnerability of women.
5	Mukta Shekhar (DIN: 10118859)	Ms. Mukta Shekhar worked as Joint Secretary, Ministry of Heavy Industries. Ms. Mukta Shekhar 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 the 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

6	Sameena Kohli (DIN: 10663362)	Smt. Sameena Kohli brings in 32 years of rich experience in wide range of Finance operations with working in various capacities at BHEL. Presently, Smt. Sameena Kohli is General Manager at BHEL heading the Finance function of Solar Business Division and Industrial Systems Group. She brings along a rich & versatile experience in manufacturing and service sector over a span of 3 decades. As Head Finance, she has been instrumental in expeditious project execution and cost control through close monitoring and fast resolution of issues involved. She had previously worked in various capacities in finance function at BHEL's Corporate Office & Power Sector also. Being the process savvy person, has spear headed the digitization initiative across various areas related to Finance and Accounting. She has handled areas like Budgeting, Working Capital Management, Operations management, Project Accounting, Taxation, Auditing, Receivable Management, Trade Payables etc., She is a qualified Cost Accountant & Company Secretary.
7	Rita Saxena (DIN: 10294769)	Ms. Rita Saxena has 35 years of rich experience in wide range of Finance operations with working in various capacities at BHEL. She is a qualified Cost Accountant and postgraduate in Commerce. Ms. Rita Saxena was General Manager at BHEL heading the Internal Audit function of South based Units/Region/Divisions. Earlier as Head Finance of Industrial Systems Group of BHEL, she was instrumental in expeditious project execution and cost control through close monitoring and fast resolution of issues involved. In various capacities she had previously worked in finance functions of Project Engineering & Management Division (PEM) and BHEL Corporate office and handled areas like Project Accounting, Indirect Taxation, Auditing, Receivable Management etc. She was instrumental in the computerization of finance function in PEM division of BHEL. She had also served as Associate Project Director (Fin) of prestigious Advance Ultra Super Critical (AUSC) R&D project, a MHI funded project where BHEL was lead execution agency along with IGCAR & NTPC and had experience of Total Project Management.

BRIEF RESUME OF DIRECTORS PROPOSED FOR APPOINTMENT AND RE-APPOINTMENT AS PER SEBI (LODR) REGULATION, 2015

Dr. Kartik Chandulal Bhadra, Shri. Datania Dineshbhai Ramjibhai and Shri. Prem Chandra Maurya are proposed for appointment as Directors in terms of Article 67 of the Article of Association of the Company read with Section 160 of the Companies Act, 2013 in the ensuing Annual General Meeting. In terms of the provisions of the Companies Act, 2013, Shri. Rajesh Kohli, Chairman and Managing Director (Addl. Charge) will be retiring by rotation and being eligible, offer himself for re-appointment at the ensuing AGM. The Nomination and Remuneration Committee & Board of Directors of the Company recommends the appointment/re-appointment of said Directors.

In terms of Regulation 36(3) of the Listing Regulations, brief resume of the Directors proposed for appointment and re-appointment is appended to the notice of the AGM.

III Committees of the Board

AUDIT COMMITTEE

As on 31.03.2025, the Audit Committee consists of three Directors i.e., Dr. Renuka Mishra, Government Nominee Director as Chairperson, Shri. Rajesh Kohli, Chairman & Managing Director (Addl. Charge) and Smt. Sameena Kohli, Director (Finance) (Addl. Charge) as members. The Company Secretary shall be the Convener of the Committee Meetings. On the spirit of the law, Audit Committee was retained with available Directors as there was no Independent Directors during the FY 2024-25.

In terms of section 177(8) of the Companies Act, 2013, the Board accepted all the recommendations made by the Audit Committee during the year.

The terms of reference of Audit Committee are as enumerated under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the DPE guidelines on Corporate Governance which includes Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommendation of remuneration of statutory auditors appointed by CAG, recommendation for appointment, remuneration and terms of appointment of internal auditors, approval of payment to statutory auditors

for any other services rendered by the statutory auditors, reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, reviewing, with the management, the quarterly financial statements before submission to the board for approval, Scrutiny of inter-corporate loans and investments, Valuation of undertakings or assets of the listed entity, wherever it is necessary, Evaluation of internal financial controls and risk management systems etc.

During the year 2024-25, Seven (7) Audit Committee Meetings were held on May 7, August 9, August 14, September 2, November 14 in the calendar year 2024 and January 15, February 14 in the calendar year 2025.

DETAILS OF ATTENDANCE OF MEMBERS AT THE AUDIT COMMITTEE MEETING HELD DURING 2024-25

Name of the Member	Category	Meetings held during respective tenure of Directors	No of Meetings attended
Shri. Rajesh Kohli ¹	C & MD	7	7
Shri. Krishnaswami Ravishankar ²	C & MD	-	-
Ms. Arti Bhatnagar ³	NENI	-	-
Dr. Renuka Mishra ⁴	NENI	6	6
Ms. Mukta Shekhar ⁵	NENI	1	1
Smt. Sameena Kohli ⁶	ENI	6	5
Ms. Rita Saxena ⁶	ENI	1	1

1. Appointed as Member w.e.f. 05.04.2024
2. Ceased to be Member w.e.f. 05.04.2024
3. Appointed as Member w.e.f. 25.05.2024 and Ceased to be Member w.e.f. 10.06.2024
4. Appointed as Chairperson w.e.f. 23.07.2024
5. Ceased to be Chairperson w.e.f. 23.07.2024
6. Appointed as Member w.e.f. 10.06.2024
7. Ceased to be Member w.e.f. 24.05.2024

A. NOMINATION & REMUNERATION COMMITTEE

As on 31.03.2025, the Nomination and Remuneration Committee consists of Three Directors i.e., Dr. Renuka Mishra, Government Nominee Director as Chairperson, Ms. Arti Bhatnagar, Government Nominee Director and Shri. Rajesh Kohli, Chairman & Managing Director (Addl. Charge) as members.

The Company Secretary shall be the Convener of the Committee Meeting. On the spirit of the law, Nomination and Remuneration Committee was retained with available Directors as there was no Independent Directors during FY 2024-25.

The Nomination and Remuneration Committee shall comply with the terms of reference as enumerated under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the DPE guidelines on Corporate Governance which includes recommend to the Board of Directors matters relating to the appointment and remuneration of the key managerial personnel and senior management personnel, Recommend on Performance Related Pay in line with relevant Guidelines of the Department of Public Enterprises, Recommend the

annual bonus/ variable pay pool and policy for its distribution across executives and non-unionized supervisors and carrying out any other functions as enumerated under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE guidelines

and directions of the Board of Directors of the Company.

During the year 2024-25, One (1) Nomination and Remuneration Committee Meeting was held on September 2 in the calendar year 2024.

Details of attendance of members at the Nomination and Remuneration Committee Meeting held during 2024-25

Name of the Member	Category	Meetings held during respective tenure of Directors	No of Meetings attended
Shri. Rajesh Kohli ¹	C & MD	1	1
Shri. Krishnaswami Ravishankar ²	C & MD	-	-
Ms. Arti Bhatnagar	NENI	1	1
Dr. Renuka Mishra ³	NENI	1	1
Ms. Mukta Shekhar ⁴	NENI	-	-

1. Appointed as Member w.e.f. 05.04.2024

2. Ceased to be Member w.e.f. 05.04.2024

3. Appointed as Chairperson w.e.f. 23.07.2024

4. Ceased to be Chairperson w.e.f. 23.07.2024

Being a Government Company, the appointment and fixation of terms and conditions of all Directors (including tenure & remuneration of Functional Directors) are made by the Government of India.

The appointment/ remuneration in respect of KMPs and Senior Management Personnel are governed by the policies covered in HMT's personal manual.

Ministry of Corporate Affairs vide Notification dated June 5, 2015 provided that Section 178 (2), (3) & (4) of the Companies Act, 2013 with regard to

performance evaluation of Directors shall not apply to Government Company.

Remuneration to Directors

Shri. Krishnaswami Ravishankar and Shri. Rajesh Kohli as Chairman & Managing Directors (Addl. Charge) and Ms. Rita Saxena as Director (Finance) and Smt. Sameena Kohli as Director (Finance) were not drawing any remuneration & perquisites from the Company during the Financial Year. Hence details of remuneration of Whole Time Directors are NIL as below.

Amount in Rs.

Particulars of Remuneration	Shri. Krishnaswami Ravishankar	Shri. Rajesh Kohli	Ms. Rita Saxena	Smt. Sameena Kohli
Gross Salary	NIL	NIL	NIL	NIL
Value of perquisites / Commission / Stock Option	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL

Part-time Official (Government Nominee) Directors are not paid any remuneration or sitting fees for attending Board/Committee meetings.

No sitting fee is payable to any of the directors except Non-Official (Independent) Directors. An amount of Rs.5000/- per meeting of the Board and Rs.3000/- for each Committee Meetings is paid as sitting fee to the Non-Official (Independent) Director for attending the Board and Committee Meetings.

The Company does not pay any commission to Directors. The Company has not issued any stock options to its Directors.

Apart from receiving sitting fee and reimbursement of expenses incurred in the discharge of their duties, none of the Non-executive Directors had any pecuniary relationship or transactions with the Company during the year 2024-25.

There were no Independent Directors during the financial year 2024-25. Hence, sitting fees paid to the Non-Official Independent Directors during the year 2024-25 is Nil.

B. SHAREHOLDER COMMITTEE:

(i) Share Transfer Sub-Committee

During the FY 2024-25, the Share Transfer Sub-Committee comprised of Shri. Krishnaswami

Ravishankar, Chairman & Managing Director (Additional Charge) upto 05.04.2024, and Shri Rajesh Kohli, Chairman & Managing Director (Additional Charge) w.e.f., 05.04.2024 as a single member to look after transfer/ transmission of shares issued by the Company etc. Three (3) meetings were held during the FY 2024-25.

(ii) Name & Designation of the Compliance Officer:

Shri Kishor Kumar S, Company Secretary

(iii) The Stakeholders Relationship Committee of Board/ Investors Grievance Committee

As on 31.03.2025, the Stakeholders Relationship Committee consists of three Directors i.e., Dr. Renuka Mishra, Government Nominee Director as Chairperson, Shri. Rajesh Kohli, Chairman & Managing Director (Addl. Charge) and Smt. Sameena Kohli, Director (Finance) (Addl. Charge) as members. The Company Secretary is the Convener of the Committee Meeting. On the spirit of the law, Stakeholders Relationship Committee was retained with available Directors as there was no Independent Directors during the FY 2024-25.

During FY 2024-25, Two Meetings were held on November 14 in the calendar year 2024 and February 14 in the calendar year 2025.

DETAILS OF ATTENDANCE OF MEMBERS AT THE STAKEHOLDER'S RELATIONSHIP COMMITTEE MEETING HELD DURING 2024-25

Name of the Member	Category	Meetings held during respective tenure of Directors	No of Meetings attended
Shri. Rajesh Kohli ¹	C & MD	2	2
Shri. Krishnaswami Ravishankar ²	C & MD	-	-
Ms. Arti Bhatnagar ³	NENI	-	-
Dr. Renuka Mishra ⁴	NENI	2	2
Ms. Mukta Shekhar ⁴	NENI	-	-
Smt. Sameena Kohli ⁶	ENI	2	1
Ms. Rita Saxena ⁷	ENI	-	-

1. Appointed as Member w.e.f. 05.04.2024

2. Ceased to be Member w.e.f. 05.04.2024

3. Appointed as Member w.e.f. 25.05.2024 and Ceased to be Member w.e.f. 10.06.2024

4. Appointed as Chairperson w.e.f. 23.07.2024

5. Ceased to be Chairperson w.e.f. 23.07.2024

6. Appointed as Member w.e.f. 10.06.2024

7. Ceased to be Member w.e.f. 24.05.2024

The terms of reference would include review and timely redressal of all the grievance of security holders of the Company and carrying out any other function mentioned in the SEBI (LODR) Regulations, 2015.

During the financial year 2024-25, 16 complaints were received from shareholders which has been resolved to the satisfaction during the year itself. There are no pending complaints.

Number of pending Share Transfers - NIL

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

To comply with the provisions of section 135 of the Companies Act, 2013, the Board of Directors has constituted the Corporate Social Responsibility Committee (CSR Committee).

As on 31.03.2025, CSR Committee consists of Three Directors i.e., Shri. Rajesh Kohli, Chairman & Managing Director (Addl. Charge) as Chairperson, Dr. Renuka Mishra, Government Nominee Director and Smt. Sameena Kohli, Director (Finance) (Addl. Charge) as Members of the Committee. The Company Secretary is the Convener of the Committee Meeting. On the spirit of the law, CSR Committee was retained with available Directors as there was no Independent Directors during the FY 2024-25.

Terms of reference of the CSR Committee shall be as enumerated under the provisions of the Companies Act, 2013 & DPE Guidelines.

During the year 2024-25, Four (4) CSR Committee Meetings were held on May 7, September 2, November 14 in the calendar year 2024 and February 14 in the calendar year 2025.

DETAILS OF ATTENDANCE OF MEMBERS AT THE CSR COMMITTEE MEETING HELD DURING 2024-25

Name of the Member	Category	Meetings held during respective tenure of Directors	No of Meetings attended
Shri. Rajesh Kohli ¹	C & MD	4	4
Shri. Krishnaswami Ravishankar ²	C & MD	-	-
Ms. Arti Bhatnagar ³	NENI	-	-
Dr. Renuka Mishra ⁴	NENI	3	3
Ms. Mukta Shekhar ⁵	NENI	1	1
Smt. Sameena Kohli ⁶	ENI	3	2
Ms. Rita Saxena ⁷	ENI	1	1

1. Appointed as Chairperson w.e.f. 05.04.2024

2. Ceased to be Chairperson w.e.f. 05.04.2024

3. Appointed as Member w.e.f. 25.05.2024 and Ceased to be Member w.e.f. 10.06.2024

4. Appointed as Member w.e.f. 23.07.2024

5. Ceased to be Member w.e.f. 23.07.2024

6. Appointed as Member w.e.f. 10.06.2024

7. Ceased to be Member w.e.f. 24.05.2024

E. RISK MANAGEMENT COMMITTEE

As on 31.03.2025, Risk Management Committee consists of Three Directors i.e., Dr. Renuka Mishra, Government Nominee Director as Chairperson, Shri. Rajesh Kohli, Chairman & Managing Director (Addl. Charge), Shri. S.K. Kadbe, General Manager (Operations & Marketing), HMT Limited as

Members of the Committee. Company Secretary is the Convener of the Committee. On the spirit of the law, Risk Management Committee was retained with available Directors as there was no Independent Directors during the FY 2024-25.

The terms of reference of the Risk Management Committee are as enumerated under the provisions

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which includes formulation of detailed risk management policy, to ensure appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, to monitor and oversee implementation of the

risk management policy, including evaluating the adequacy of risk management systems, etc.

During the year 2024-25, Two (2) Risk Management Committee Meetings were held on July 26 in the calendar year 2024 and February 14 in the calendar year 2025.

Details of attendance of members at the Risk Management Committee Meeting held during 2024-25

Name of the Member	Category	Meetings held during respective tenure of Directors	No of Meetings attended
Shri. Rajesh Kohli ¹	C & MD	2	2
Shri. Krishnaswami Ravishankar ²	C & MD	-	-
Dr. Renuka Mishra ³	NENI	2	2
Ms. Mukta Shekhar ⁴	NENI	-	-
Shri. S.K. Kadbe	GM(O&M)	2	2

1. Appointed as Member w.e.f. 05.04.2024

2. Ceased to be Member w.e.f. 05.04.2024

3. Appointed as Chairperson w.e.f. 23.07.2024

4. Ceased to be Chairperson w.e.f. 23.07.2024

F. PARTICULARS OF SENIOR MANAGEMENT OF THE COMPANY DURING FY2024-25

Name	Current Designation	Date of Joining	Date of Promotion / Designated to Senior Management	Date of Cessation (Changes if any, since the close of previous FY)
Shri. S.K. Kadbe	General Manager (FPA)	01.02.1993	01.07.2022	-
Shri. J.K. Prasad	General Manager (O&M) HMT Machine Tools Limited, (Addl. Charge), ABD HMT Limited	12.03.1992	18.02.2025	-
Shri. M.R.V Raja	General Manager (Legal)	17.10.1988	01.01.2020	30.09.2024
Smt. Aparna R	Manager (Finance & Accounts)/ CFO	28.01.2016	10.11.2023	-
Shri. Kishor Kumar S	Manager (Company Secretary)	20.03.2017	08.06.2017	-

INDEPENDENT DIRECTORS' MEETING

During FY 2024-25, Independent Directors' Meeting was not held as no Independent Directors were appointed on the Board.

IV GENERAL BODY MEETINGS

a) The details of last three Annual General Meetings held are as under:

Financial year	Date	Time	Venue
2021-2022*	30.09.2022	10.30 a.m.	Registered Office at No. 59, Bellary Road, Bengaluru-560 032.
2022-2023*	29.09.2023	10.30 a.m.	
2023-2024*	22.11.2024	11.00 a.m.	

*Annual General Meeting was held through Video Conferencing. Deemed venue was Registered Office of the Company.

b) DETAILS OF SPECIAL RESOLUTIONS PASSED IN PREVIOUS THREE AGMS

No Special Resolutions were passed during the last three years.

c) POSTAL BALLOT

No special resolutions were passed through postal ballot in the previous year. No special resolutions were proposed to be conducted through postal ballot.

V DISCLOSURES

- i) There were no transactions of a material nature with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict of interest w.r.t Company at large.
- ii) We affirm that no personnel were denied to access the audit committee. The personnel were also provided unrestricted access to the senior management in case of any complaints.
- iii) Policy for determining 'material' subsidiaries & Policy on dealing with related party transactions were placed on the Company's website <https://www.hmtindia.com/policies/>
- iv) Details relating to fees paid to the Statutory Auditors were given in Note 31 to the Standalone Financial Statements and Note 31 to the Consolidated Financial Statements. The Auditors of subsidiary company and joint venture companies were appointed separately by them and were not the same auditors who conducted the audit of financial statements of HMT Limited.
- v) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity: NIL
- vi) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: NIL
- vii) Disclosures with respect to demat suspense account/ unclaimed suspense account: NIL
- viii) List of all credit ratings obtained by Company: NIL
- ix) A Certificate received from Company Secretary in Practice is attached with this report as **Annexure – 10** confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company.
- x) During the year 2024-25, the Board of Directors accepted all the recommendations of its committees which were mandatorily required.
- xi) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the Financial year 2024-25 is below
 - a. number of complaints filed during the financial year: NIL
 - b. number of complaints disposed of during the financial year: NIL
 - c. number of complaints pending as on end of the financial year: NIL
- xii) Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): NA

xiii) Management's reply to observations in Corporate Governance certificate:

Administrative Ministry has been requested to appoint four Independent Directors including one woman Independent Director on the Board of Directors of the Company and one Independent Director of the Company as Director on the Board of material subsidiary to comply with listing requirements. In this regard, Administrative Ministry has nominated two Independent Directors on the Board of Directors of the Company, i.e. Dr. Kartik Chandulal Bhadra and Shri. Datania Dineshbhai Ramjibhai. Efforts are made for timely submission of annual audited financial results to stock exchanges.

xiv) Presidential Directives and Guidelines

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

Details of Presidential Directives issued by the Central Government to Company and their compliance during the year and also in the last three years - NIL

xv) No expenditure has been debited in books of accounts which are not for the purpose of business and no expenses were incurred & accounted which are personal in nature and incurred for the Board of Directors & Top Management.

xvi) Details of Administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase- Administrative and office expenses constitute 8.40% of total expenses and financial expenses as a percentage of total expenses is 1.20%.

VI RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total

admitted equity share capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirmed that the total issued/paid-up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL except for 733420900 equity shares of Rs.10/- each which were allotted to President of India from the year 2005 to 2014 and Listing approval was obtained from Stock Exchanges. Corporate Action and Trading approval from Stock Exchanges is under process.

Hon'ble National Company Law Tribunal (NCLT) vide its Order dated 16.10.2018 had confirmed/ approved reduction in share capital of the Company from Rs.1204.09 Crores to Rs.355.60 Crores by reduction of 848490000 Equity Shares of Rs.10/- each held by President of India (as per the Cabinet Approval). Registrar of Companies, Karnataka (ROC) had registered the NCLT order on 17.11.2018 and issued "Certificate of Registration confirming the Reduction of Share Capital of HMT Limited". However, the process of reduction of share capital in the records of Stock Exchanges and Depositories are pending for procedural compliances which will be taken up subsequent to listing of equity shares in Stock Exchanges for trading. Hence there is a difference between Paid up Share Capital of the Company as per Audited Financial Statements and Shareholding Pattern provided by RTA.

VII SUBSIDIARY COMPANIES

The Minutes of the Board meetings along with a report on significant developments of the Unlisted Material Subsidiary Companies were periodically placed before the Board of Directors of the Company.

Details of material Subsidiary Companies & its Statutory Auditors are below:

Particular	Date and place of Incorporation	Name and date of appointment of Statutory Auditor
HMT Machine Tools Limited	09 th August 1999 Bengaluru	M/s. Rajagopal & Badri Narayanan Chartered Accountants Date of Appointment:21.09.2024
HMT (International) Limited	13 th December 1974 Bengaluru	M/s. Nagaraj & Ajith Chartered Accountants Date of Appointment:13.12.2024

VIII MEANS OF COMMUNICATION

The Company published its Quarterly Results as per the listing requirements in leading newspapers viz., The Financial Express, Hosa Digantha and Rajasthan Patrika. The above results were also displayed at the Company's website <https://www.hmtindia.com/investor-relation/pr/>. Pursuant to the directions of Securities & Exchange Board of India (SEBI), the Company has been submitting documents viz., Shareholding Pattern, Financial Results, Annual Report etc. The Company has not made any presentations to institutional investors or analysts.

IX CEO AND CFO CERTIFICATION

In terms of the SEBI (LODR) Regulation, 2015, the Certification by the CEO (Chairman & Managing Director) and CFO on the Financial Statements and Internal controls relating to financial reporting for the financial year 2024-25 had been obtained and was placed before the Board. **(Refer Annexure – 11)**

X. WHISTLE BLOWER POLICY

The Company formulated a Vigil Mechanism / Whistle Blower Policy for Directors and employees to report genuine concerns. The policy provides for 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. The policy is placed on the Company's website <https://www.hmtindia.com/policies/>

XI GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Date	7 th November, 2025
Time	11.00 A.M
Venue	The Company is conducting meeting through Video Conference/ Other Audio-Visual Means (VC/ OAVM) pursuant to the MCA Circular dated September 22, 2025 read with MCA Circular dated May 5, 2020. The deemed venue for the AGM shall be the registered office of the Company. For details, please refer to the Notice of this AGM

No dividends have been declared.

ii) Financial Calendar

Financial Year, April 01, 2024 to March 31, 2025

iii) Book Closure

Please refer to the Notice of the AGM

iv) The Equity Shares of the Company are listed with the following stock exchanges

BSE Limited
Phiroze Jeejeebhoy
Towers
25th Floor, Dalal Street,
Mumbai – 400 001

Scrip Code: 500191

National Stock
Exchange of India
Limited
"Exchange Plaza",
Bandra-Kurla Complex
Bandra (E), Mumbai –
400 051

Scrip Symbol: HMT

(Annual Listing Fees for the year were paid to the above Stock Exchanges)

v) Corporate Identity Number (CIN) of the Company: L29230KA1953GOI000748

vi) Share Transfer System

In accordance with Regulation 40 of the Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Accordingly, securities of listed companies can be transferred only in dematerialised form.

Further, SEBI has, vide its circular dated 25th January 2022, mandated companies to issue its securities in demat form only while processing various service requests such as issue of duplicate share certificates, subdivision, consolidation, transmission, etc. to enhance ease of dealing in securities markets by investors. Members who are holding shares in physical form are hereby requested to convert their holdings to electronic mode to avail various benefits of dematerialization.

vii) Mandatory & Non-Mandatory Requirements

The Company is compliant to all the mandatory requirements specified in Listing Regulations on Corporate Governance, except to those non-compliances as observed in the Certificate on Corporate Governance and the Secretarial Audit Report. The reasons for non-compliance have been furnished separately as reply to the observations of Secretarial Auditors.

The status on the compliance with the discretionary non-mandatory recommendation in the Listing Regulations is as under:

The Company has the position of the Chairman & Managing Director (Addl. Charge) (Executive) & there is no Non-Executive Chairman. As the Company's financial results are submitted to Stock Exchanges, displayed on the website of the Company and published in the Newspapers, they are not separately circulated to all the shareholders. The Company is making endeavors to move towards a regime of financial statements with unmodified audit opinion. Internal Auditor reports to the Audit Committee.

viii. Performance in comparison to broad-based indices

The details of high/low market price of the shares at the Bombay Stock Exchange Ltd., (BSE) Mumbai and at National Stock Exchange of India Ltd., (NSE) Mumbai and Market Index are as under:

BSE - Company: HMT LTD. (SCRIP CODE – 500191)

Period: April 2024 to March 2025

BSE			Market Index (Close)
Month	High Price	Low Price	S&P BSE SENSEX
Apr-24	63.29	44.01	74482.78
May-24	61.30	50.36	73961.31
Jun-24	72.00	48.95	79032.73
Jul-24	102.60	60.85	81741.34
Aug-24	99.27	83.00	82365.77
Sep-24	95.00	77.95	84299.78
Oct-24	84.00	66.39	79389.06
Nov-24	75.98	61.02	79802.79
Dec-24	72.00	61.25	78139.01
Jan-25	79.50	61.00	77500.57
Feb-25	68.74	48.05	73198.10
Mar-25	53.80	46.61	77414.92

NSE - Company: HMT LTD. (SCRIP CODE – 500191)

Period: April 2024 to March 2025

NSE			Market Index (Close)
Month	High Price	Low Price	NSE NIFTY
Apr-24	63.45	41.85	22604.85
May-24	61.00	51.05	22530.70
Jun-24	71.00	49.25	24010.60
Jul-24	105.00	61.25	24951.15
Aug-24	99.30	82.50	25235.90
Sep-24	95.32	77.76	25810.85
Oct-24	84.50	65.20	24205.35
Nov-24	76.40	60.50	24131.10
Dec-24	72.00	61.50	23644.80
Jan-25	79.80	60.99	23508.40
Feb-25	69.00	48.30	22124.70
Mar-25	54.50	45.50	23519.35

ix) *Distribution of Shareholding:

The shareholding distribution of Equity shares as of 31.03.2025 is given below:

HMT LIMITED					
Distribution of Shareholding as on 31/03/2025 (AMOUNT WISE TOTAL)					
Sl. No.	Category (Amount)	No. of Holders	% To Holders	Amount (Rs.)	% To Equity
1	1 - 5000	24697	91.36	21980670.00	0.18
2	5001 - 10000	1228	4.54	10033550.00	0.09

3	10001 - 20000	569	2.10	8539940.00	0.07
4	20001 - 30000	191	0.71	4949800.00	0.04
5	30001 - 40000	91	0.34	3294680.00	0.03
6	40001 - 50000	58	0.21	2726310.00	0.02
7	50001 - 100000	117	0.43	8501930.00	0.07
8	100001 and above	83	0.31	11980889520.00	99.50
	TOTAL:	27034	100.00	12040916400.00	100.00

HMT LIMITED					
Distribution of Shareholding as on 31/03/2025 (SHARES WISE TOTAL)					
Sl. No	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 – 5000	26834	99.26	5152495	0.43
2	5001 - 10000	117	0.43	850193	0.07
3	10001 - 20000	44	0.16	655704	0.06
4	20001 - 30000	12	0.04	291410	0.02
5	30001 - 40000	9	0.03	320729	0.03
6	40001 - 50000	4	0.01	174546	0.01
7	50001 - 100000	8	0.03	527500	0.04
8	100001 and above	6	0.02	1196119063	99.34
	TOTAL:	27034	100.00	1204091640	100.00

HMT LIMITED				
Shareholding Pattern as on 31/03/2025 (Total)				
Sl. No.	Description	No. of Cases	Total Shares	% Equity
1	H U F	385	561135	0.05
2	Indian Mutual Funds	11	19000	0.00
3	Insurance Companies	1	100	0.00
4	Bodies Corporates	138	67855105	5.63
5	Foreign Portfolio Investor	1	6249	0.00
6	NBFC	1	2750	0.00
7	Non-Resident Indians	225	139920	0.01
8	Promoters	2	1128056626	93.69
9	Resident individuals	26270	7450755	0.62
	Total:	27034	1204091640	100.00

*Hon'ble National Company Law Tribunal (NCLT) vide its Order dated 16.10.2018 confirmed/ approved reduction in share capital of the Company from Rs.1204.09 Crores to Rs.355.60 Crores by reduction of 848490000 Equity Shares of Rs.10/- each held by President of India (as per the Cabinet Approval). Registrar of Companies, Karnataka (ROC) has registered the NCLT order on 17.11.2018 and issued "Certificate of Registration confirming the Reduction of Share Capital of HMT Ltd". However, the process of reduction of share capital in the records of Stock Exchanges, Depositories is pending for procedural

compliances which are under process in consultation with Registrar and Share Transfer Agent ("RTA"). The shareholding of President of India is 279566626 of Rs.10/- each, equivalent to 78.62% shareholding in the Company as against 1128056626 equity share of Rs.10/- each shown as per RTA records. Hence there is a difference between Paid up Share Capital of the Company as per Audited Financial Statements and Shareholding Pattern provided by RTA. Shareholding Pattern after considering Reduction of Share Capital is below

HMT LIMITED				
Shareholding Pattern as on 31/03/2025 (Total)				
(After considering Reduction of Share Capital)				
Sl. No.	Description	No. of Cases	Total Shares	% Equity
1	H U F	385	561135	0.16
2	Indian Mutual Funds	11	19000	0.01
3	Insurance Companies	1	100	0.00
4	Bodies Corporates	138	67855105	19.08
5	Foreign Portfolio Investor	1	6249	0.00
6	NBFC	1	2750	0.00
7	Non-Resident Indians	225	139920	0.04
8	Promoters	2	279566626	78.62
9	Resident individuals	26270	7450755	2.10
	Total:	27034	355601640	100.00

x) Compliance

The Company has duly complied with the Regulations 17 to 27 and clause (b) to (i) of Regulation 46 (2) of SEBI (LODR) Regulations except the following:

1. The Board of Directors of the Company should consist of minimum six Directors out of which half of the Board of Directors shall comprise of Independent Directors including one Independent Woman Director. Strength of the Board of Directors during the financial year was four consisting of Chairman and Managing Director (Addl. Charge), two Government Nominee Directors and Director (Finance) (Addl. Charge). The Composition of the Board and the quorum for the subsequent meetings is not in compliance with the SEBI (LODR) Regulation.
2. Due to vacancy of required number of Independent Directors on the Board of the Company during the FY2024-25, there was no validly constituted Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee and non-compliance with the quorum requirement except for Stakeholders Relationship Committee & Risk Management Committee. However, On the spirit of the law, Board Level Committees were retained.
3. One Independent Director of Company (Listed Entity) has not been appointed as Director on the Board of unlisted material subsidiary Companies as per Regulation 24 of SEBI (LODR) Regulation, 2015.

4. Delay in submission of annual results as per the requirement of SEBI (LODR) Regulations, 2015

Due to some of the above instances of non-compliance by the Company, penalties were imposed on the Company by the Stock Exchanges. The Company has sought a waiver of the penalties with Stock Exchanges along with processing fee in this regard.

xi) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

No loans and/or advances in the nature of loans are given to firms/companies in which Directors are interested other than Subsidiaries.

xii) REGISTRAR AND SHARE TRANSFER AGENTS

Name: KFin Technologies Limited
(Formerly KFin Technologies Pvt Limited)
Address: Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana, India-500 032.
Email ID: einward.ris@kfintech.com
Toll Free/ Phone Number: 1800 309 4001
WhatsApp Number: (91) 910 009 4099
KPRISM (Mobile Application): <https://kprism.kfintech.com/>
KFINTech Corporate Website: <https://www.kfintech.com>
RTA Website: <https://ris.kfintech.com>
Investor Support Centre (DIY Link): <https://ris.kfintech.com/clientservices/isc>

xii) Dematerialization of Shares:

The Company's Shares are compulsorily traded in the electronic mode from June 26, 2000. The Company's shares are admitted into both the depositories i.e., National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on 31st March 2025, the Company's Shares representing 760227891 equity shares were held in dematerialized form and the balance 443863749 shares were in the physical form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE262A01018.

xiii) Investor Education and Protection Fund (IEPF)

In terms of the provisions of the Companies Act, 2013 and read with rules made thereunder, as on 31st March, 2025, no amount and shares are required to be transferred to IEPF.

xiv) Plant Locations

(1) Food Processing Machinery Division

H-2, MIDC, Chikalthana I.A.
Post Box No. 720, Aurangabad - 431 210

(2) Auxiliary Business Division

Jalahalli, Bengaluru – 560 013

xv) Address for correspondence:

Registered Office at:
HMT Bhavan, No.59, Bellary Road,
Bengaluru - 560 032, Karnataka, India

For and on behalf of the Board of Directors

Sd/-

Rajesh Kohli)

Chairman & Managing Director
(Addl. Charge)
DIN: 10333951

Place: Bengaluru
Date: 29.09.2025

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
HMT Limited
59, Bellary Road, Bangalore

We, GRSM & Associates, Chartered Accountants, the Statutory Auditors of HMT Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company for the financial year ended 31st March 2025, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46, and para C, D, and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations™").

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation, and maintenance of adequate internal controls, policies, and procedures to ensure ongoing compliance with the provisions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Management is also responsible for ensuring that the Company's governance framework is aligned with applicable laws, regulatory requirements, and best practices, and that all relevant disclosures, reporting, and certifications are made in a timely and accurate manner to the stakeholders and the stock exchanges.

Auditor's Responsibility

Our responsibility is to examine the procedures and implementation thereof adopted by the management of the Company to ensure compliance with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate

Governance issued by the Institute of Chartered Accountants of India / Institute of Company Secretaries of India, the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC 1), Quality Control for Firms that Perform Audits and Review Historical Financial Information, and Other Assurance and Related Services Engagements. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have carried out such tests and obtained such information and explanations as were considered necessary to enable us to certify the compliance of Corporate Governance requirements by the Company.

Qualified Opinion

Based on our examination of the records and information provided by the management of the Company, we observed the following instances of non-compliance with SEBI Listing Regulations during the year ended 31st March 2025:

- 1) **Regulation 17(1)** — The Company's Board did not have the required number of Independent Directors and did not appoint a Woman Director for the financial year under review, leading to non-compliance.
- 2) **Regulation 17(2A)** — The Company could not meet the required quorum for Board meetings as it lacked the presence of an Independent Director.

- 3) Due to the absence of an Independent Director on the Board, the Company has failed to comply with the requirements for proper constitution of its Board Committees, including the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, and Risk Management Committee, as prescribed under **Regulations 18(1), 19(1), 19(2) 20(2A), and 21(2)** of the SEBI (LODR) Regulations, 2015.
- 4) **Regulation 18(2)** — As the Company did not have the required Independent Director throughout the year, the prescribed quorum was not met in all Audit Committee meetings, leading to continuous non-compliance.
- 5) **Regulation 24(1)** — The Company did not appoint an Independent Director to the Board of its unlisted material subsidiary during the year, leading to non-compliance.

Except for the above, in our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the financial year ended **March 31, 2025**.

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 GRSM & Associates
Chartered accountants
FRN: 000863S

Sd/-

RAJGOPAL A

Partner

M. No. 205296

Place: Bangalore

Date: 25-08-2025

UDIN: 25205296BMIFHP4654

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY:

(i) The steps taken or impact on conservation of energy

- The Machine Shop is now running with 2 shifts instead of 3 shifts without hampering production target. This saved a lot of electricity.
- Outer peripheral lighting has been replaced with LED lighting with fixtures at Corporate Head Office (CHO).
- The loading of machines is pre-planned. Hence, machines idle time is reduced.
- New LED Street light fittings (85 nos.), Energy savings LED bulbs (51 nos.) & LED tube lights (44 nos.) 20W LED Batten Fittings (41 nos.) have been replaced with old non-functional LED lights. No existing fluorescent tube lights have been replaced with LED lights. Presently, there are no sodium vapor lamps or mercury vapor lamps in township.
- Existing old rheostat type fan regulators have been replaced with electronic fan regulators.
- Air conditioners in watch assembly and watch showroom are upgraded to 5-Star BIS ratings.

(ii) Steps taken by the company for utilizing alternate sources of energy

- Company is pursuing utilization of suitable open lands for solar power generation.

(iii) The capital investment on energy conservation equipment

- Company is planning for energy efficient alternative emergency power supply equipment, power transformers etc.

B. TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

- This sector has a vast scope for development & expansion. This unit can be upgraded with Joint Venture.
- Machineries with the latest technology may improve the quality of existing products.
- Based on the Collaboration Agreement Technology for Food Processing Machinery division, various products have been manufactured over the years. The design of the FPA products needs upgradation to compete with technologically upgraded products that are already developed and made available in the market.
- Planning to introduce new models of watches with latest and theme-based designs.

(ii) The benefits derived like product improvement, cost reduction, products development or import substitution:

- Food processing Unit, Aurangabad developed Continuous Butter Making Machine of 1000kg/h capacity, Milk Silo of 60kL capacity, Milk Homogenizer of 250L/h capacity and Road Milk tankers of 9kL & 15kL capacities.
- Updated manufacturing methods & technology to enhance production and to reduce product cost.

(iii) Imported Technology during the last three years reckoned from the beginning of the financial year:

- The company has not imported any technology during the last four years due to financial constraint.

(iv) The expenditure incurred on Research and Development: NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange earnings and outgo

- Earnings: Rs.51.72 Lakhs
- Outgo: Nil

For and on behalf of the Board of Directors

Sd/-

(Rajesh Kohli)

Chairman & Managing Director
(Addl. Charge)
DIN: 10333951

Place: Bengaluru
Date: 29.09.2025

Annexure - 5
MANAGEMENT'S REPLIES TO THE OBSERVATIONS MADE BY STATUTORY AUDITORS ON THE ACCOUNTS OF HMT LIMITED FOR THE YEAR ENDED 31ST MARCH 2025

Audit Observations	Management Replies
1. We draw attention to the audit report of Food Processing Machinery Unit, Aurangabad audited by M/S R. K. MULEY & CO., Chartered Accountants, which includes a qualification relating to inventory valuation. As stated in Note 2(ii)(j) of the Significant Accounting Policies, inventories of raw materials, stores, and spares are valued using the Weighted Average Cost method. However, the branch auditor was unable to verify the accuracy of rates and costs due to inadequate audit evidence. Consequently, we are unable to determine whether there is any material misstatement in the inventory valuation and its consequential impact, if any, on the financial statements.	The inventory is valued using the weighted average cost method except in the case of consumables comprising of low value items which are valued on an estimated basis. Accounting Software is going to be installed in the store department. However, there is no material impact in the valuation of inventories.
2. At the Auxiliary Business Company, Bengaluru, the Company has valued inventories based on the Chartered Valuer's report without adequate supporting evidence for the rates used. This approach is inconsistent with the stated accounting policy of valuing raw materials, stores, and spares using the Weighted Average Cost method. In the absence of sufficient audit evidence and deviation from the stated policy, we are unable to determine whether adjustments, if any, are required to the reported inventory values.	The unit has received Materials from the HMT Watches Ltd, Subsidiary during the year 2016 after closure declaration of the Subsidiary by Government of India. These inventories are segregated and utilize the good inventories for making watches. The remaining inventories which are not usable condition and some of the items required further processing were valued at lower of NRV/Fair Realizable value. In respect of inventory which has been purchased during the last three years, cost of procured value is considered. The watches assembled during the year 2024-25 by utilizing the purchased components. For this category the basic material cost and processing cost of converting to watches are considered.

3. At the Auxiliary Business Company, Bengaluru, the Company has recognized rental income of Rs.845 lakhs and incurred maintenance expenses of Rs.714 lakhs in respect of buildings that belong to a subsidiary under the previously implemented scheme of demerger/ subsidiarization. These buildings are not reflected in the books of the Company as assets, though rental income is recognized. This arrangement is not supported by a formal, legally enforceable agreement to clearly establish the terms of use, rights, and obligations between the Company and the subsidiary.	The unit was formed to look after the Estate maintenance of the Bangalore based units. Consequently, due to an increase in the maintenance cost of the estate, the unit starts generating income. Post subsidization (from 2000) of the Company, the Land and buildings have been transferred to M/s. HMT Machine Tools Limited, in line with the Scheme of Arrangement. Hence the land and buildings are not recorded in the books of accounts of the unit. However, the mutation of Title Deeds is yet to be done in the name of HMT Machine Tools Limited, in the revenue records to this effect. Fresh Lease deeds in respect of Land are pending for the execution. Since the ABD is looking after estate and employees of Bangalore based offices including HMT Machine Tools Division, Bangalore, the rental income recorded in the unit books and also incurring expenses etc. towards maintaining the estate.
4. The Auxiliary Business Company, Bengaluru, is still in the process of reconciling the input tax credit under the Goods & Services Tax for the current as well as the past periods, as accounted in the books of accounts with the GST portal. Adjustment entries and reversal of ineligible input tax credit may be required upon completion of such reconciliation. In the absence of such reconciliation, we are unable to comment on the impact of the same on the result or financial position of the Company.	Noted, the reconciliations with GSTR 2B will be completed before filing 9 & 9 C Forms and necessary adjustment entries if any, will be made as required.
5. Ind AS 109 requires the application of an expected credit loss (ECL) model for measuring and recognizing impairment of financial assets. However, based on the information and explanations provided, no ECL matrix was prepared during the audit period to determine the loss allowance. Consequently, we are unable to assess the potential impact, if any, on Standalone Ind AS financial statements.	The provisions are recognised as per best judgement of the management based on the current available information. Provisions made in the books are reviewed by the management on an ongoing basis.

6. No allowance for expected credit losses have been made in respect of outstanding receivable from a subsidiary HMT Machine Tools Limited, which in our opinion has significant credit risk in view of the subsidiary's continued losses and negative net worth. The non creation of the loss allowance results in overstatement of the assets and understatement of profit for the year to the extent of such loss, which is unascertained.	HMT Machine Tools Limited is having huge land bank, and the market value of these lands is much higher than the long outstanding receivable from them, even considering the guidance value. The same will be recovered from the proceeds on sale of Land. As such there is no ECL.
7. The Company has not obtained external confirmations for trade receivables, trade payables, other current liabilities, and other current assets. In the absence of such confirmations and alternative audit procedures, we were unable to obtain sufficient appropriate audit evidence regarding the accuracy, completeness, and existence of these balances. Accordingly, we are unable to determine whether any adjustments are required in respect of these items	Letters were sent through e-mail and post to all parties requesting them to confirm the balance as on 31.03.2025. Reconciliations as per available records are carried out on an ongoing basis. Consequential adjustment and provision are made wherever required as per management assessment.

For and on behalf of the Board of Directors

Sd/-

(Rajesh Kohli)

Chairman & Managing Director

(Addl. Charge)

DIN: 10333951

Place: Bengaluru

Date: 29.09.2025

FORM NO. MR-3**Secretarial Audit Report for the financial year ended 31st March 2025****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To
The Members
H.M.T. LIMITED
(CIN: L29230KA1953GOI000748)
HMT Bhavan, 59 Bellary Road, Bangalore 560032

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by H.M.T. Limited (CIN: L29230KA1953GOI000748) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, the company has, during the audit period covering the financial year ended on 31st March 2025 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by H.M.T. Limited for the financial year ended on 31st March 2025 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company: -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable during the audit period);**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable during the audit period);**

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the audit period);**
- f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable during the audit period);**
- g. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - **(Not applicable during the audit period)**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **(Not applicable during the audit period)** and
- j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (LODR).

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that having regard to the compliance system prevailing in the Company and on the examination of relevant documents and records in pursuance thereof, on test-check basis, compliance certificates made by the heads of the departments and submitted to the Board of Directors of the Company, the Company has substantially complied with the following applicable laws/ guidelines / rules applicable specifically to the Company:

- i. Guidelines issued by the Department of Public Enterprises (DPE)
- ii. Guidelines issued by the Ministry of Heavy Industries
- iii. Orders/Regulations issued by Government of India from time to time

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

A) Observations / Non-Compliances / Adverse Remarks / Qualifications in respect of Companies Act, 2013 and Rules made there under are as follows:

- i. *the company has not complied with the provisions of requirements of Section 149 (4) of the Companies Act, 2013, with respect to composition of Board of Directors of the Company for not having sufficient independent directors on the Board during the FY 2024-25.*
- ii. *The Company has not complied with the provisions of Section 177 (2) of the Companies Act, 2013 with respect to the composition of Audit Committee of the Board during the FY 2024-25.*

- iii. *The Company has not complied with the provisions of Section 178 (1) of the Companies Act, 2013 with respect to the composition of Nomination and Remuneration Committee of the Board during the FY 2024-25.*
- iv. *The Company has not complied with the provisions of Section 135 (1) of the Companies Act, 2013 with respect to the composition of CSR Committee of the Board during the FY 2024-25.*

B) Observations / Non-Compliances / Adverse Remarks / Qualifications in respect of Compliance with SEBI (Listing Obligations & Disclosure Requirements) (LODR) Regulations, 2015 are as follows:

- i. *The Company has not complied with the provisions of Regulation 17 (1) of SEBI (LODR) 2015 with respect to Composition of Board of Directors of the Company {for not having sufficient independent directors including appointment of independent woman director on the Board} during the FY 2024-25.*
- ii. *The Company has not complied with the provisions of Regulation 17 (2A) of SEBI (LODR) 2015 with respect to Quorum of Board meetings held during the FY 2024-25.*
- iii. *The Company has not complied with the provisions of Regulation 18 (1) & 18 (2) (b) of SEBI (LODR), 2015 with respect to composition of Audit Committee, Chairperson of Committee & Quorum during the FY 2024-25.*
- iv. *The Company has not complied with the provisions of Regulation 19(1)/ 19(2) of SEBI (LODR), 2015 with respect to composition & Chairperson of Nomination and Remuneration Committee during the FY 2024-25.*
- v. *The Company has not complied with the provisions of Regulation 20 (2A) of SEBI (LODR), 2015 with respect to composition of Stakeholders Relationship Committee during the FY 2024-25.*
- vi. *The Company has not complied with the provisions of Regulation 21(2) of SEBI (LODR), 2015 with respect to composition of Risk Management Committee during the FY 2024-25.*
- vii. *The Company has not complied with the provisions of Regulation 33 of SEBI (LODR), 2015 with respect to submission of Audited Financial Results for the 2023-24 to the Stock Exchanges by submitting with a delay of 70 days.*
- viii. *The Company has not complied with the provisions of Regulation 24(1) of SEBI (LODR), 2015 of appointing atleast one Independent Director of the listed entity on the Board of its unlisted material subsidiary.*
- ix. *The Company has not complied with the provisions of Regulation 6 of SEBI (LODR), 2015 w.r.t the Compliance Officer shall be an officer, who is in whole time employment of the listed entity, not more than one level below the board of directors and shall be designated as a Key Managerial Personnel.*

I further report that:

- a. The Board of Directors of the Company is duly constituted subject to the observations mentioned herein above and 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 Companies Act, 2013.

- b. Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.
- c. All decisions at Board Meetings are carried out by requisite majority as recorded in the minutes of the meetings of the Board of Directors as the case may be.
- d. I further report that as represented by the Company and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- e. I further report that during the audit period, there are no such events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards taken place. However, some of the events took place during the year are enlisted below:
 - 1. The issued capital of the Company was reduced from Rs.1,204.09 Crores to Rs.355.60 Crores vide NCLT Order dated 16th October 2018. However, the reduction of share capital has not been updated in the records of Stock Exchanges / Depositories. They are pending for procedural compliances which are in the process.
 - 2. Pursuant to the approval of the Cabinet Committee of Economic Affairs, Government of India, the closure of its subsidiary viz., HMT Watches Limited is under process.
 - 3. During the year under review, BSE & NSE has imposed an aggregate fine of Rs. 58,64,600/- each for non-compliance under Regulation(s) 17(1), 17(2A), 18(1) & 18 (2) (b), 19(1) / 19 (2), 20(2) / 20 (2A), 21(2) & 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to composition of Board, Committees of the Board and Delay in submission of audited financial results to the Stock Exchanges.

The Company has submitted representation to both the stock exchanges for waiver of fines as the appointment of Independent Directors in the Government Companies has to be made by the concerned Administrative Department of the Government of India and also for delay in submission of audited financial results to the Stock Exchanges. The waiver applications were pending before both the exchanges.

Place: Bengaluru
Date: 18th August 2025

D VENKATESWARLU
Company Secretary
FCS No. 8554 :: C P No. 7773
UDIN: F008554G001023392
PR No: 1617 / 2021

This Report is to be read along with my letter of even date which is annexed as Annexure A and Forms an integral part of this report.

To
The Members
H.M.T. LIMITED
(CIN: L29230KA1953GOI000748)
HMT Bhavan, 59 Bellary Road, Bangalore 560032

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date: 18th August 2025

D VENKATESWARLU
Company Secretary
FCS No. 8554 :: C P No. 7773
UDIN: F008554G001023392
PR No: 1617 / 2021

Annexure – 6A
MANAGEMENT’S REPLIES TO THE OBSERVATIONS MADE BY SECRETARIAL AUDITOR ON THE SECRETARIAL AUDIT OF HMT LIMITED FOR THE YEAR ENDED 31ST MARCH 2025

Ref.	SECRETARIAL AUDITORS’ OBSERVATIONS	MANAGEMENT REPLIES
A) i)	The company has not complied with the provisions of requirements of Section 149 (4) of the Companies Act, 2013, with respect to composition of Board of Directors of the Company for not having sufficient independent directors on the Board during the FY 2024-25	During FY2024-25, there were no Independent Directors on the Board of Directors of the Company. Hence, Composition of Board of Directors, Composition of Board Level Committees, Chairperson of Board Level Committees, Quorum of Meetings of the Board of Directors and Board Level Committees could not be complied in line with the provisions of Companies Act, 2013 & SEBI (LODR) Regulation 2015.
ii)	The Company has not complied with the provisions of Section 177 (2) of the Companies Act, 2013 with respect to the composition of Audit Committee of the Board during the FY 2024-25	
iii)	The Company has not complied with the provisions of Section 178 (1) of the Companies Act, 2013 with respect to the composition of Nomination and Remuneration Committee of the Board during the FY 2024-25.	
iv)	The Company has not complied with the provisions of Section 135 (1) of the Companies Act, 2013 with respect to the composition of CSR Committee of the Board during the FY 2024-25	
B) i)	The Company has not complied with the provisions of Regulation 17 (1) of SEBI (LODR) 2015 with respect to Composition of Board of Directors of the Company {for not having sufficient independent directors including appointment of independent woman director on the Board} during the FY 2024-25	Ministry of Heavy Industries being Administrative Ministry has been requested to appoint requisite number of Independent Directors including one Independent Woman Director on the Board of Directors of the Company to comply with the provisions of the Companies Act, 2013 & SEBI(LODR) Regulations, 2015. Subsequent to FY2024-25 based on Administrative Ministry orders, Dr. Kartik Chandulal Bhadra & Shri. Datania Dineshbhai Ramjibhai, Independent Directors were inducted on the Board of Directors of the Company with effect from 01st April, 2025 & 15th July, 2025 respectively and reconstituted Board Level Committees with Independent Directors in line with the provisions of Companies Act 2013 and SEBI (LODR) Regulations, 2015 and ensuring compliances except Composition of Board of Directors to which half of the Board of Directors should be Independent Directors including one Independent Women Director.
ii)	The Company has not complied with the provisions of Regulation 17 (2A) of SEBI (LODR) 2015 with respect to Quorum of Board meetings held during the FY 2024-25	
iii)	The Company has not complied with the provisions of Regulation 18 (1) & 18 (2) (b) of SEBI (LODR), 2015 with respect to composition of Audit Committee, Chairperson of Committee & Quorum during the FY 2024-25	

iv)	The Company has not complied with the provisions of Regulation 19(1)/ 19(2) of SEBI (LODR), 2015 with respect to composition & Chairperson of Nomination and Remuneration Committee during the FY 2024-25	
v)	The Company has not complied with the provisions of Regulation 20 (2A) of SEBI (LODR), 2015 with respect to composition of Stakeholders Relationship Committee during the FY 2024-25	
vi)	The Company has not complied with the provisions of Regulation 21(2) of SEBI (LODR), 2015 with respect to composition of Risk Management Committee during the FY 2024-25	
vii)	The Company has not complied with the provisions of Regulation 33 of SEBI (LODR), 2015 with respect to submission of Audited Financial Results for the 2023-24 to the Stock Exchanges by submitting with a delay of 70 days	HMT Limited & its Subsidiaries have Units across India in Bengaluru, Pinjore, Aurangabad, Hyderabad, Kalamassery, Ajmer and Ranibagh. Audit at various units were under progress and the Company made its best efforts to complete and submitted the financial results to the exchanges on 09 th August, 2024. Hence, there was delay of 70 days in submission of Audited Financial Results for the quarter and year ended 31.03.2024.
viii)	The Company has not complied with the provisions of Regulation 24(1) of SEBI (LODR), 2015 of appointing atleast one Independent Director of the listed entity on the Board of its unlisted material subsidiary	Administrative Ministry has been requested to appoint one Independent Director of the Company as Director on the Board of unlisted material subsidiaries to comply with Listing Regulations.
ix)	The Company has not complied with the provisions of Regulation 6 of SEBI (LODR), 2015 w.r.t the Compliance Officer shall be an officer, who is in whole time employment of the listed entity, not more than one level below the board of directors and shall be designated as a Key Managerial Personnel	In view of recent amendment to SEBI (LODR) Regulations, 2015, vide amendment dated 12.12.2024, Compliance Officer need to be not more than one level below the board of Directors. Currently, Company has designated Manager (Company Secretary) who is a qualified Company Secretary and in whole time employment of the Company, as the Compliance Officer and as a Key Managerial Personnel. The position of Manager (Company Secretary) is not one level below the board of directors. However, Manager (Company Secretary) is reporting directly to Chairman & Managing Director.

For and on behalf of the Board of Directors

Sd/-

(Rajesh Kohli)

Chairman & Managing Director

(Addl. Charge)

DIN: 10333951

Place: Bengaluru

Date: 29.09.2025

FORM NO. MR 3**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025**

**[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
HMT Machine Tools Limited
No. 59, Bellary Road, Bangalore, Karnataka, India – 560032

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HMT Machine Tools Limited bearing CIN: U02922KA1999GOI025572 having its registered office at No. 59, Bellary Road, Bangalore – 560032, (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 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 as applicable to it 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 on March 31, 2025, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder – Not applicable to the Company, as it is an unlisted public company.
- (iii) The Depositories Act, 1996 and the Regulations and byelaws framed thereunder – Not applicable to the Company, as company's equity shares are maintained in physical form during the audit period under review.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings, if any.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were not sent at least seven days in advance, and whenever meeting was held at short notice, consent of all the directors was taken and the meeting was attended by all the directors. Further 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.

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company held no such events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

In general, it was observed that the Company, being a Government Company and subject to audit by the Comptroller and Auditor General of India, is maintaining all the required records properly and have established systems and procedures for complying with various applicable laws.

We further report that during the said Financial Year, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned in the foregoing paragraphs except the followings:

- 1. Being a material subsidiary of a Listed Entity, there shall be at least one Independent Director of its Holding Company) on its Board under Regulation 24(1) of SEBI (LODR) Regulations 2015. The Company is yet to comply with this Regulation and Section 149(4) of the Companies Act, 2013, with respect to composition of Board of Directors of the Company.***
- 2. During the Audit, it was observed that the Company has not made timely payment of Employees related statutory dues in several instances and as a result, defaulted the provisions under Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972 et cetera and received Notices from statutory Authorities. Besides, there are ongoing litigations with various courts of law.***

For S Kedarnath & Associates

Swayambhu Kedarnath
M. No.: F3031 | CoP No.: 4422
ICSI FRN: S2010KR128100
ICSI PRN: 1437/2021
ICSI UDIN: F003031G001201351

Date: September 02, 2025

Place: Bengaluru

This report is to be read with our letter annexed to the secretarial audit report and forms an integral part of the report.

**ANNEXURE TO SECRETARIAL AUDIT REPORT
ISSUED BY COMPANY SECRETARY IN PRACTICE**

To
The Members
HMT Machine Tools Limited
No. 59, Bellary Road, Bangalore – 560032

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these 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 the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in 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.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc. The compliance under the industry specific laws were examined based on the list of applicable laws provided by the company
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For S Kedarnath & Associates

Swayambhu Kedarnath
M. No.: F3031 | CoP No.: 4422
ICSI FRN: S2010KR128100
ICSI PRN: 1437/2021
ICSI UDIN: F003031G001201351

Date: September 02, 2025
Place: Bengaluru

Annexure – 7A
MANAGEMENT’S REPLIES TO THE OBSERVATIONS MADE BY SECRETARIAL AUDITOR ON THE SECRETARIAL AUDIT OF HMT MACHINE TOOLS LIMITED FOR THE YEAR ENDED 31ST MARCH 2025

Ref.	SECRETARIAL AUDITORS’ OBSERVATIONS	MANAGEMENT REPLIES
01	Being a material subsidiary of a Listed Entity, there shall be at least one Independent Director of its Holding Company) on its Board under Regulation 24(1) of SEBI (LODR) Regulations 2015. The Company is yet to comply with this Regulation and Section 149(4) of the Companies Act, 2013, with respect to composition of Board of Directors of the Company.	The nomination and appointment of all categories of Directors are made by the Government of India in accordance with the laid down Guidelines. The subject matter of appointment of Independent director falls under the purview of the Government of India. The Administrative Ministry has been requested to appoint Directors to comply with the provisions of Companies Act 2013.
02	During the Audit, it was observed that the Company has not made timely payment of Employees related statutory dues in several instances and as a result, defaulted the provisions under Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972 et cetera and received Notices from statutory Authorities. Besides, there are ongoing litigations with various courts of law.	The company is incurring losses from several years, hence not able to make timely payment of the statutory dues as observed by the Auditors. The Company is taking all efforts to generate funds from Internal operations and address the timely payment of the statutory dues.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 29 September, 2025

Sd/-
(Rajesh Kohli)
Chairman & Managing Director
(Addl. Charge)
DIN: 10333951

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2025

[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 and Regulation 24A of SEBI(LODR) 2015]

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

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'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2025, ('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 on 31st March 2025, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not applicable to the Company, as company's equity shares are maintained in physical form for the period under review.**
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **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; **Not applicable to the Company, as company's equity shares are maintained in physical form for the 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 under review, the following Acts, Rules, Guidelines and Regulations were **Not Applicable** :

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including amendment thereof;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 including amendment thereof;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 including amendment thereof;
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 including amendments thereof;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and amendment thereof;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendment thereof;
- (j) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009 including amendment thereof and
- (k) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulation, 2013 and including amendment thereof.

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 is 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 further report that

The Board of Directors of the Company was duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. The said compliance to be read with the following:

During the year under report, it was observed that pursuant to Regulation 24(1) of the SEBI (LODR) Regulations, 2015, at least one independent director on the Board of Directors of the listed entity to be a director on the board of directors of an unlisted material subsidiary was not complied with.

However, Smt. Anju Makhija was appointed by the Company as Non-Executive - Independent Director effective from 10.06.2023 as per the Government of India, Ministry of Heavy Industries Order dated 08th June, 2023.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

For G Haritha & Associates
G. Haritha
Company Secretary in Practice
FCS 5521
CP No.10749
PRC No.: 6941/2025
UDIN: UDIN F005521G001018071

Place: Bengaluru

Date: 14th August, 2025

Note:

This report is to be read with '**Annexure - A**' which forms an integral part of this report.

'Annexure - A'

**To,
The Members,
H.M.T (INTERNATIONAL) LIMITED
No.59, Bellary Road, Bangalore- 560032, Karnataka, India**

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company like, Income Tax, GST, Customs, etc.
4. Wherever required, we have obtained the Management representations about the compliance of applicable Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management in terms of Section 134 (5) (f) of the Companies Act, 2013. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. The audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by them or obtained from the Company electronically and also the information provided by the company and its officers by audio and/or visual means.

**For G Haritha & Associates
G. Haritha
Company Secretary in Practice
FCS 5521
CP No.10749
PRC No.: 6941/2025
UDIN: UDIN F005521G001018071**

**Place: Bengaluru
Date: 14th August, 2025**

MANAGEMENT'S REPLIES TO THE OBSERVATIONS MADE BY SECRETARIAL AUDITOR ON THE SECRETARIAL AUDIT OF HMT (INTERNATIONAL) LIMITED FOR THE YEAR ENDED 31ST MARCH 2025

Ref.	SECRETARIAL AUDITORS' OBSERVATIONS	MANAGEMENT REPLIES
01	During the year under report, it was observed that pursuant to Regulation 24(1) of the SEBI (LODR) Regulations, 2015, at least one independent director on the Board of Directors of the listed entity to be a director on the board of directors of an unlisted material subsidiary was not complied with. However, Smt. Anju Makhija was appointed by the Company as an Non-Executive - Independent Director effective from 10.06.2023 as per the Government of India, Ministry of Heavy Industries Order dated 08th June, 2023	Administrative Ministry has been requested to appoint one Independent Director of HMT Limited, Holding Company as Director on the Board of HMT (International) Limited, unlisted material subsidiary to comply with listing regulations. However, during the FY2024-25, there were no Independent Directors on the Board of HMT Limited.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 29.09.2025

Sd/-
(Rajesh Kohli)
Chairman & Managing Director
(Addl. Charge)
DIN: 10333951

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR

WITH THE COMPANY'S CODE OF CONDUCT

This is to certify that:

The Company has adopted a Code of Conduct for its employees including the Chairman & Managing Director and Senior Management. A Code of Conduct for the Board Members and Senior Management and for the Part-time Directors has been approved by the Board.

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, both Full time and Part-time and the Senior Management have affirmed compliance of the said Code of Conduct, for the year ended March 31, 2025.

Date: 29.09.2025
Place: Bengaluru

Sd/-
(Rajesh Kohli)
Chairman & Managing Director
(Addl. Charge)
DIN: 10333951

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
H.M.T. LIMITED
(CIN: L29230KA1953GOI000748)
HMT Bhavan, 59 Bellary Road,
Bangalore-560032

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of H.M.T Limited having CIN: L29230KA1953GOI000748 and registered office at HMT Bhavan, 59 Bellary Road, Bangalore-560032 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my knowledge and based on the information and explanations furnished to me by the Company & its officers and according to the following verifications made:

- i. Documents available on the website of the Ministry of Corporate Affairs;
- ii. Verification of Directors Identification Number (DIN) status on the website of the Ministry of Corporate Affairs;
- iii. Disclosures provided by the Directors to the Company; and
- iv. Debarment list of the Bombay Stock Exchange and the National Stock Exchange,

I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2025 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority as on 31st March 2025.

S No	Name of the Director	DIN	Date of appointment in the Company
1	Ms. Arti Bhatnagar	10065528	14/02/2023
2	Ms. Rita Saxena ¹	10294769	25/08/2023
3	Ms. Mukta Shekhar ²	10118859	04/09/2023
4	Mr. Krishnaswami Ravishankar ³	10540509	08/03/2024
5	Mr. Rajesh Kohli ⁴	10333951	05/04/2024

6	Ms. Sameena Kohli ⁵	10663362	10/06/2024
7	Dr. Renuka Mishra ⁶	08635835	23/07/2024

1. Appointed as the Director (Finance) (Additional Charge) w.e.f. 25.08.2023 & ceased w.e.f. 25.05.2024
2. Appointed as Government Nominee Director w.e.f. 04.09.2023 & ceased w.e.f. 23.07.2024.
3. Appointed as Chairman & Managing Director (Additional Charge) w.e.f. 08.03.2024 & ceased w.e.f. 05.04.2024
4. Appointed as Chairman & Managing Director (Additional Charge) w.e.f. 05.04.2024
5. Appointed as the Director (Finance) (Additional Charge) w.e.f. 10.06.2024
6. Appointed as Government Nominee Director w.e.f. 23.07.2024

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date: 31-07-2025

D VENKATESWARLU
Practicing Company Secretary
FCS: 8554 :: CP: 7773
UDIN: F008554G000900390
PR No: 1617 / 2021

CEO & CFO CERTIFICATION

This is to certify to the Board of Directors of HMT Limited that:

- (a) We have reviewed the Financial Statements and the cash flow statement for the year 2023-24 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or in violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee regarding:
 - (i) Any significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For HMT Limited

Sd/-

Aparna R, CFO
Date: 23rd July, 2025

Sd/-

Rajesh Kohli, CMD/CEO

STANDALONE FINANCIAL STATEMENTS

REVISED INDEPENDENT AUDITORS' REPORT

(Issued consequent to provisional comments by Deputy Director, Indian Audit and Accounts Department, Office of the Director General of Commercial Audit, Hyderabad vide PDCA/A/c/Desk/2024-25/HMT/1.19/192 dated 02-09-2025 and it supersedes our Independent Audit Report dated 23-07-2025)

To the Members of HMT Limited -

Report on the Audit of the Standalone Financial Statements

Qualified Opinion:

We have audited the standalone financial statements of **HMT Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2025, and the Statement of Profit and Loss (including Other Comprehensive Income) for the year then ended 31 March 2025, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branch located at Aurangabad.

In our opinion and to the best of our information and according to the explanations given to us, except for the basis of Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 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 and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

1. We draw attention to the audit report of Food Processing Machinery Unit, Aurangabad audited by M/S R. K. MULEY & CO., Chartered Accountants, which includes a qualification relating to inventory valuation. As stated in Note 2(ii)(j) of the Significant Accounting Policies, inventories of raw materials, stores, and spares are valued using the Weighted Average Cost method. However, the branch auditor was unable to verify the accuracy of rates and costs due to inadequate audit evidence. Consequently, we are unable to determine whether there is any material misstatement in the inventory valuation and its consequential impact, if any, on the financial statements.
2. At the Auxiliary Business Company, Bengaluru, the Company has valued inventories based on the Chartered Valuer's report without adequate supporting evidence for the rates used. This approach is inconsistent with the stated accounting policy of valuing raw materials, stores, and spares using the Weighted Average Cost method. In the absence of sufficient audit evidence and deviation from the stated policy, we are unable to determine whether adjustments, if any, are required to the reported inventory values.
3. At the Auxiliary Business Company, Bengaluru, the Company has recognised rental income of Rs.845 lakhs and incurred maintenance expenses of Rs.714 lakhs in respect of buildings that belong to a subsidiary under the previously implemented scheme of demerger/ subsidisation. These buildings are not reflected in the books of the Company as assets, though rental income is recognised. This arrangement is not supported by a formal, legally enforceable agreement to clearly establish the terms of use, rights, and obligations between the Company and the subsidiary.
4. The Auxiliary Business Company, Bengaluru is still in the process of reconciling the input tax credit under the Goods & Services Tax for the

current as well as the past periods, as accounted in the books of accounts with the GST portal. Adjustment entries and reversal of ineligible input tax credit may be required upon completion of such reconciliation. In the absence of such reconciliation, we are unable to comment on the impact of the same on the result or financial position of the Company.

5. Ind AS 109 requires the application of an expected credit loss (ECL) model for measuring and recognising impairment of financial assets. However, based on the information and explanations provided, no ECL matrix was prepared during the audit period to determine the loss allowance. Consequently, we are unable to assess the potential impact, if any, on the Standalone Ind AS financial statements.
6. No allowance for expected credit losses have been made in respect of a outstanding receivable from a subsidiary HMT Machine Tools Limited, which in our opinion has significant credit risk in view of the subsidiary's continued losses and negative net worth. The non creation of the loss allowance results in overstatement of the assets and understatement of profit for the year to the extent of such loss, which is unascertained.
7. The Company has not obtained external confirmations for trade receivables, trade payables, other current liabilities, and other current assets. In the absence of such confirmations and alternative audit procedures, we were unable to obtain sufficient appropriate audit evidence regarding the accuracy, completeness, and existence of these balances. Accordingly, we are unable to determine whether any adjustments are required in respect of these items.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's

Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. We draw your attention to Note No. 49 of Standalone Ind AS financial statements for the financial year ended 31st March, 2025 wherein HMT Limited has invested Rs.15 lakh (50% of equity shares) comprising 1,50,000 equity shares of Rs.10 each fully paid up in Sudmo HMT Process Engineers (India) Ltd., Bengaluru (M/s. Sudmo - HMT). M/s. Sudmo-HMT has no operations. The Board of HMT Ltd has approved (February 2020) for closure of the defunct joint venture company (M/s. Sudmo- HMT) and submitted the closure proposal to Ministry of Heavy Industries, Government of India (July 2021) for approval.
2. We draw your attention to Note No. 50 of Standalone Ind AS financial statements for the financial year ended 31st March, 2025 wherein HMT Limited has invested Rs.20.84 lakh (39.86% of equity shares) comprising 20,84,050 equity shares of Rs.1 each fully paid up in Gujarat State Machine Tools Corporation Ltd., Bhavanagar (M/s. GSMTC). The Board of HMT Ltd gave (March 2021) in principle approval for liquidation of M/s. GSMTC and issued the consent letter to Gujarat Industrial Investment Corporation Limited (GIIC). GIIC approved (September 2021) liquidation of M/s. GSMTC subject to approval from Government of Gujarat, Industries & Mines Department. HMT Ltd is awaiting approval from

Ministry of Heavy Industries, Government of India to initiate liquidation under the Insolvency & Bankruptcy Code, 2016.

3. We draw you attention to Note No. 51 of Standalone Ind AS financial statements for the financial year ended 31st March, 2025 wherein HMT Limited has invested 30,00,000 equity shares of 1 Naira each fully paid up in Nigeria Machine Tools Limited, Nigeria (M/s. NMTL). The Board of HMT Ltd gave (February 2020) approval for divestment of stake in M/s. NMTL and awaiting approval from Ministry of Heavy Industries, Government of India.
4. We draw your attention to Note No. 3C Additional information (d) & (e) and 34 (ii) of Standalone Ind AS financial statements for the financial year ended 31st March, 2025 relating to transfer of land to Raman Research Institute (transferee) for Rs.926.64 Lakhs and Government of Uttarakhand (transferee) for Rs.7202.10 Lakhs wherein the Company (transferor) has received entire sale consideration and has given the part-possession of the land and the registration of sale is pending due to procedural issues.
5. We draw attention to foot note No.2 of Note 3B of the financial statements, which states that the Company has not obtained a valuation of fair value of investment properties from a qualified valuer and disclosed only the guidance value of such investment properties of the Company.
6. We draw attention to Note No.35(i) of the standalone financial statements that describes the non-redemption of preference share capital of Rs.3686 lakhs.
7. We draw attention to Note No.58 of the financial statements relating to non-renewal of expired lease agreements.
8. We draw attention to Note No. 33B(h) of the standalone financial statements regarding the

disclosure of a contingent liability towards penalty/fine levied by the Stock Exchanges for certain non-compliances of SEBI Regulations. The Company has sought waiver, as some of the non-compliances are beyond its control and the outcome of the matter is presently uncertain. No provision has been made in the financial statements for the said liability, as the same is dependent on the final resolution of the proceedings.

Our opinion is not modified in respect of the above matters.

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 for the financial year ended 31st March, 2025. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other Matter

1. The financial statements of the Company for the year ended March 31, 2024, were audited by another auditor who expressed a modified opinion (revised) on those statements on 20 September 2024. The qualifications made and their impact on the current period's financial statements, for unresolved matters, are appropriately considered in this report.
2. We did not audit the financial statements/information of Food Processing Machinery Unit, Aurangabad included in these Standalone Ind AS financial statements of the Company whose financial statements/financial information

reflect total assets of Rs. 1555.94 lakhs as at March 31, 2025 and total revenues of Rs. 1179.99 lakhs for the year ended on that date. The financial statements/ information of the branch has been audited by the branch auditor M/s R.K. Muley & Co, Chartered Accountants, Aurangabad whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, are based solely on the report of such branch auditor. The branch auditors have reported certain discrepancies under the "Other Matters" section of their report, rather than including them as the basis for a qualified opinion. As these observations pertain specifically to the branch, have not been classified as qualifications by the branch auditor, and are not considered material to the standalone financial statements of the Company, they have not been addressed in this report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 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 in the 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.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statements 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.

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

Auditor's Responsibilities 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 scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 Standalone'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 Standalone 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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013,

we give in the “**Annexure A**” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, except for the matter described in the Basis for Qualified opinion paragraph above, 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, dealt with by this Report are in agreement with the books of account.
- d. In our opinion, except for the matter described in the Basis for Qualified opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. The entity is a government entity and in the terms of notification reference No.G.S.R. 463(E) dated 05th June 2015 issued by Ministry of Corporate Affairs for Government Companies, sub- section (2) of Section 164 of Companies Act, 2013 regarding disqualification for appointment of director is not applicable. Hence, Comment on the same does not arise.
- 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 B**”.

g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the financial statements.
- ii. The Company does not have any long-term contracts, including derivative contracts, that would require provisioning for any material foreseeable losses under applicable laws or accounting standards.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The Management of the company has represented that, to the best of their knowledge and belief, that the Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) 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) The Management of the company has represented that, to the best of their knowledge and belief, other than that as disclosed in the notes to the accounts, that

the Company has not received any funds 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.

c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations stated under (a) and (b) above, contain any material misstatement.

- v. The Company has not declared or paid any dividend during the year ended 31st

March 2025, and therefore, compliance with section 123 of the Companies Act, 2013 is not applicable.

- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that the audit trail feature has not been enabled at some of the branches. In absence of the audit trail we are unable to comment whether audit trail feature of the said software operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.
3. As required by Section 143(5) of the Act, we give in the "**Annexure C**", a statement on the compliance to Directions issued by the Comptroller and Audit General of India.

For GRSM & Associates
Chartered Accountants
FRN: 000863S

GOPALKRISHNA HEGDE
Partner
M.No.208063

Place: Bangalore
Date: 10-09-2025
UDIN: 25208063BMNZND4462

Annexure A to the Independent Auditor's Report

The "Annexure A" referred to in the Independent Auditors' Report to the Members of HMT Limited ('the Company') on the Standalone Financial Statements for the year ended 31 March 2025, we report that:

(i). In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:

a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not own any Intangible Assets and hence reporting under the paragraph 3(i)(a)(B) is not applicable to the Company.

b) According to the information and explanations given to us, the Property, Plant

and Equipment are physically verified once in three years which is considered reasonable considering the size of the Company. The physical verification of Fixed Assets was last carried out during the FY 2022-23 (except the now defunct Tractor Division), in which no material discrepancies were observed.

c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed under Property, Plant and Equipment in the financial statements are held in the name of the Company, except the following:

Description of Property	Gross carrying value	Held in name of	Whether held by promoter, director, or their relative or employee	Period held	Reason for not being held in the name of the Company
Leasehold Land from CIDCO	Rs. 5.00 lakhs	CIDCO	No	From 1983	The land is encroached, and the matter is pending with the Honorable High Court

d) The Company has not revalued its Property, Plant and Equipment or Intangible Assets during the year.

e) According to the information and explanations given by the management, no proceedings has been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and the rules made thereunder.

(ii). a) As explained to us, inventory of the Company has been physically verified during the year by the management at regular intervals. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such physical verification.

b) According to the information and explanations given to us by the management and based on our examination of the books of accounts in the normal course of audit, the Company has not been sanctioned any working capital loan. Thus, paragraph 3(ii)(b) of the Order is not applicable to the Company.

(iii). a) According to the information and explanation given to us and based on the audit procedures performed by us, during the year the Company has made loans or advances in nature of loans to subsidiaries, joint ventures or any other parties.

(A) Details of aggregate amount during the year, and balance outstanding at the Balance Sheet date with respect to such loans or advances to subsidiaries, joint ventures are given below:

Particulars	Loans (Rs. in lakhs)	Advances (Rs. in lakhs)	Guarantee (Rs. in lakhs)	Security (Rs. in lakhs)
<i>Aggregate amount during the year</i>				
Subsidiaries	4,086.00	44.88	-	-
Joint Venture	-	(0.17)	-	-
<i>Balance outstanding as at the year end:</i>				
Subsidiaries	34,668.41	1,644.41	-	-
Joint Venture	-	3.23	-	-

(B) There are no loans and advances and guarantees or securities provided to other than subsidiaries, joint ventures or associates.

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantee provided and the terms and conditions of loans granted by the Company are prima facie not prejudicial to the interest of the company.
- c) According to the information and explanation provided to us and based on the audit procedures conducted by us, the principal and interest of the loans granted by the Company, the repayment of loan is over due as on 31st March 2025. The details for which are as below:

Name of Entity	Amount (Rs. in lakhs)	Due date	Extent of Delay (in days)	Remarks, if any
HMT Machine Tools Limited	456.99	31-03-2019	2192	-
HMT Machine Tools Limited	1345.47	31-03-2020	1826	-
HMT Machine Tools Limited	1640.73	31-03-2021	1461	-
HMT Machine Tools Limited	1828.65	31-03-2022	1096	-

- d) According to the information and explanation provided to us and based on the audit procedures conducted by us, in respect of loans and advances in the nature of loans, there is an amount which is overdue for more than ninety days as at the balance sheet date in respect of loans given to its wholly owned subsidiary i.e., HMT Machine Tools Limited as indicated in below table-

(Rs. in lakhs)

Number of Cases	Principal Amount Overdue	Interest Overdue	Total Overdue	Remarks (if any)
HMT Machine Tools Limited	34,668.41	5,271.85	39,940.26	-

- e) According to the information and explanation provided to us, there is no loan given falling due during the year, which has been renewed or extended or granted fresh loans to settle the over dues of existing loans given to the same party.

- f) According to the information and explanation provided to us and based on the audit procedures conducted by us, the Company has granted loan or advance in nature of loan to any parties under a agreement which does not stipulate the terms and period of repayment which are as follows

	All Parties	Promoters	Related Party
Aggregate of loans/advances in nature of loan			
- Repayable on Demand (Rs. in lakhs)	4,184	-	4,184
- Agreement does not specify any terms or period of repayment	-	-	-
% of loans/advances in nature of loan to the total loans	11.20%		11.20%

- (iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the loans, deposit and investments made.
- (v). The Company has not accepted any deposits or has any amounts which are deemed to be deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act rules framed thereunder and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of CARO is not applicable to the company.
- (vi). The Central government has not prescribed maintenance of cost records under section 148(1) of the Act for any of the products/ services of the Company. Thus paragraph 3(vi) of CARO is not applicable to the Company.
- (vii). a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services tax, Cess and other material statutory dues have been not regularly deposited during the year by the Company with the appropriate authorities.
- There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Duty of Customs, Goods and Services tax, Cess and any other material statutory dues were in arrears as at 31 March 2025 except the following, for a period of more than six months from the date they became payable

Statement of Undisputed Dues			
Sl. No	Nature of Statute	Nature of Dues	Amount (Rs. in lakhs)
1.	Employee State Insurance	Employee State Insurance	2.34
2.	VAT/CST	Interest on VAT/CST	1.25
3.	GST	Interest on GST	0.17
4.	Greater Hyderabad Municipal Corporation	Property Tax	867.92
5.	Bruhat Bengaluru Mahanagara Palike	Property Tax	39.96

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, there are no dues of income tax, Goods and Service Tax, custom duty, and cess which have not been deposited of account of any dispute other than that stated below:

Statement of Disputed Dues				
Name of the statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where the dispute is pending
Haryana Local Area Development Tax Ordinance, 2000	Haryana Local Area Development Tax	486.17	From 2005 to 2017	Honourable High Court of Punjab and Haryana
GST	GST under Appeal before Tribunal	62.72	For the year 2019-2020	Appellate Tribunal
Employee Provident Fund	Provident Fund	1210.48	Various years	Employee Provident Fund Appellate Tribunal

(viii).According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix). a) Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowing to its lender other than that stated below:

Nature of Borrowing including securities - from Government of India	Amount not paid (Rs. in lakhs)	Due since from	Days of delay unpaid
Interest free Loan dated 21/01/2017	6073.60	21/01/2018	2626
----do----	6073.60	21/01/2019	2261
----do----	6073.60	21/01/2020	1896
----do----	6073.60	21/01/2021	1530
----do----	6073.60	21/01/2022	1165
Interest free Loan dated 16/02/2017	4800.00	16/02/2018	2600
----do----	4800.00	16/02/2019	2235
----do----	4800.00	16/02/2020	1870
----do----	4800.00	16/02/2021	1504
----do----	4800.00	16/02/2022	1139
Interest free Loan dated 29/04/2017	1958.00	29/04/2018	2528
----do----	1958.00	29/04/2019	2163
----do----	1958.00	29/04/2020	1797
----do----	1958.00	29/04/2021	1432
----do----	1958.00	29/04/2022	1067

- b) According to the information and explanation given to us by the management, the Company is not declared as a willful defaulter by any bank or Financial Institution or other lenders.
- c) According to the information and explanation given to us by the management, the Company has not obtained any term loan during the year and hence comment on the same does not arise.
- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x). a) According to the information and explanation given to us and based on audit procedure performed; no money was raised by the way of public issue/follow-on-offer (including debt instruments).
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi). a) Based upon audit procedure performed and information and explanation given by the management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b) Based upon audit procedure performed and information and explanation given by the management, no report under sub-section (12) of section 143 of the Companies Act has been filed by us or by other auditors of the Company.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii). The Company is not a Nidhi Company and therefore clause 3(xii)(a),(b) and (c) of the Order are not applicable to the Company.
- (xiii). In our opinion, and based on our audit procedure, transactions with the related parties entered into by the Company during the year are in compliance with section 177 and section 188 of the Companies Act of 2013 and the details thereof have been disclosed in the Standalone Financial Statements, as required by the Accounting standards and Companies Act, 2013.
- (xiv). a) According to the information and explanations given by the Company, it has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports were made available and have been considered by us.
- (xv). On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or

persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- (xvi).a) According to the information and explanation given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- b) Based on the audit procedure performed, the Company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934.
- c) Based on audit procedures performed, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) Based on audit procedure performed, the Group does not have more than one Core Investment Company (CIC) as a part of the group. Hence, reporting under this clause is not applicable to the Company.

(xvii).The Company has not incurred any cash losses in the financial year and in the preceding financial year.

(xviii).There has been no resignation of the statutory auditors during the year and accordingly clause 3(xviii) is not applicable.

(xix).According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that material uncertainty exists as on the date of the audit report that Company is not 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.

- (xx). a) The company does not have unspent amount in respect of other than ongoing projects in the financial year in compliance with second proviso to sub-section (5) of section 135
- b) In respect of ongoing projects, the company has transferred unspent amount to a Special Account, within a period of 30 days from the end of the financial year in compliance with Sec.135(6) of the said Act, as per the details given below:

Financial Year	Amount unspent on CSR activities for "On going Projects"	Amount Transferred to Special Account within 30 days from the end of the Financial Year	Amount Transferred after the due date (specify the date of deposit)
(a)	(b)	(c)	(d)
2024-2025	Rs.45.36 lakhs	Rs.45.36 lakhs	-

For GRSM & Associates
Chartered Accountants
FRN: 000863S

GOPALKRISHNA HEGDE
Partner
M.No.208063

Place: Bangalore
Date: 10-09-2025
UDIN: 25208063BMNZND4462

Annexure — B to the Independent auditor's report of even date on the standalone financial statements of "HMT LIMITED" for the year ended 31 March 2025.**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of "HMT Limited" as of March 31, 2025, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management is responsible for establishing and maintaining internal financial control 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India, and the Standards on Auditing, as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, with reference to the Standalone financial statements.

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 judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2025:

Company as whole

1. The Company does not have an adequate internal control system for timely reconciliation of Goods and Services Tax (GST) data with the GST portal.
2. The Company does not have appropriate internal control with respect to Inventory and valuation of inventory.
3. The Company does not have an appropriate internal control system for obtaining confirmation of trade receivables, trade payables and other material financial balances.

Specific with respect to Divisions (Branches)

4. ABD Unit of HMT Limited - The Company does not have a proper system of control over invoices and sales through ecommerce and outlets.
5. The auditor of the Food Processing Machinery Unit, Aurangabad of HMT Limited has observed that the Division does not have appropriate internal control for verification and reconciliation of Fixed Assets

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2025, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2025 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For GRSM & Associates
Chartered Accountants
FRN: 000863S

GOPALKRISHNA HEGDE
Partner
M.No.208063

Place: Bangalore
Date: 10-09-2025
UDIN: 25208063BMNZND4462

“ANNEXURE C” to our Independent Auditors’ Report on the standalone financial statements of HMT limited for the financial year 2024-25

Report on the Directions issued by the comptroller & auditor general of India (“C&AG”) under section 143 (5) of the Companies Act, 2013

	<i>Directions/ Sub-directions</i>	<i>Auditors’ Observations</i>
1.	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	HMT Limited has Trusts common to companies in the group/location to manage PF and Gratuity. The Gratuity Trust has invested its funds with the Life Insurance Corporation of India. The Company has obtained a report from an actuary with regard to its post retirement benefit obligations under the relevant IND AS standard. The actuary has adopted the fair value of the investments as communicated by the Life Insurance Corporation of India. However, we have not been provided with a detailed valuation report to arrive at the value by the Insurance Company. The PF Trust has its funds kept only in bank (including RBI) deposits and the value is equivalent to the bank balances only. We are informed that, other than the above mentioned Gratuity Trust funds, no direct investments by the Company or through Trusts are made with respect to the post retirement benefits.
2.	Whether the Company has a 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 uses “Tally Prime” accounting software to process the accounting transactions. Currently, aspects like Payroll, Inventory, Invoicing, Inventory Valuation, Computation of Depreciation and a few other accounting aspects are outside this accounting system. They are prepared using generic software or another utility independent of this accounting system. The calculations/ information generated from these utilities are fed into the accounting software as vouchers. This process involves manual intervention. However, integrity is ensured through internal check processes.

	<i>Directions/ Sub-directions</i>	<i>Auditors' Observations</i>
3.	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	During the year, the Company has not received any grants/ subsidies/ other funds for specific schemes from Central/ State Government or its Agencies.
4.	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has identified the key risk areas and also formulated risk management policy. In our opinion, the risk management policy has been formulated considering the global best practices, considering the nature of risks. However, the Company has not identified its data assets.

	<i>Directions/ Sub-directions</i>	<i>Auditors' Observations</i>
5.	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	The Company in general is unable to submit the financial results for H2/Q4 within the stipulated time limits. In addition, the company has not complied with the below regulations of SEBI/ Companies Act, 2013 • Appointment of Independent Directors/ Independent Women Director • Composition of Audit Committee, Nomination/ Remuneration Committee, CSR Committee, Stakeholders Relationship Committee • Quorum of Board/ Committee in respect of meetings held during the year We are informed that there are no other non-compliance of the requirements that are applicable directly to the company in respect of Department of Investment and Public Asset Management, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India.

For GRSM & Associates
Chartered Accountants
FRN: 000863S

GOPALKRISHNA HEGDE
Partner
M.No.208063

Place: Bangalore
Date: 10-09-2025
UDIN: 25208063 BMNZND4462

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 LIMITED STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of HMT Limited Standalone financial statements for the year ended 31 March 2025 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 the 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 Revised Audit Report dated 10 September 2025 which supersedes their earlier Audit Report dated 23 July 2025.

I, on behalf of the Comptroller of Auditor General of India, have conducted a supplementary audit of the financial statements of HMT Limited SFS for the year ended 31 March 2025 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

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

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



**(V.M.V Nawal Kishore)
Principal Director of Commercial Audit,
Hyderabad**

**Place: Hyderabad
Date : 11 September 2025**

Standalone Material accounting policies for the year ended March 31, 2025

1. Background:

HMT Limited ("the Company") is a Public Limited Company domiciled in India and is incorporated in 1953 under the provisions of the Companies Act, 1913, having Registered Office at HMT Bhavan, 59, Bellary Road, Bangalore-560 032. The Company's shares are listed in National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Company is engaged in the manufacturing of Food Processing Machineries.

2. Material 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 Material 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 vatiable 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:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- 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:

- on disposal; or
- 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 and services:

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) 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.

iii) Dividend Income:

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

iv) Interest Income:

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

v) 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

vi) 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.

l) 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 coverage is limited to Rs.50,000/- per eligible employee. The balance provision is being retained in the books to meet any additional liability accruing thereon for payment of Gratuity.

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.

The amount of Rs.50,000/- per head received/ receivable from LIC on account of gratuity claims in respect of employees separated under Voluntary Retirement Scheme during the year is accounted as Other Income.

In respect of employees who are separated other than under Voluntary Retirement Scheme, the Gratuity paid in excess of Rs.50,000/-, Earned Leave Encashment (ELE), SA is debited to the respective provision accounts. The provision at the yearend 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 de-recognizes 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 de-recognition of any financial assets in its entirety, the difference between Carrying amount (on date of de-recognition) 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 de-recognized 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.

viii) Investment in subsidiaries, joint ventures and associates:

Investment in subsidiaries, joint ventures and associates are carried at cost.

iii) 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 to 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.

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2025

(Rs. in lakhs)

Particulars	Notes	As at 31-03-2025	As at 31-03-2024
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3A	190.87	308.11
Investment Property	3B	573.88	601.36
Financial Assets			
Investments	4	71,977.91	71,977.91
Other Financial Assets	11	240.98	127.70
Deferred Tax Asset (Net)	5	37.61	47.93
Other Non Current Assets	13	75.15	71.74
		73,096.40	73,134.75
Current assets			
Inventories	6	1,249.06	1,174.90
Financial Assets			
Trade Receivables	7	1,283.82	1,517.35
Cash and Cash Equivalents	8	210.83	607.53
Bank balances other than Cash and Cash Equivalents	9	14,854.77	16,817.73
Loans	10	34,668.41	30,582.41
Other Financial Assets	11	5,632.06	5,703.43
Current Tax Assets (Net)	12	566.40	583.70
Other Current Assets	13	2,688.94	2,555.97
		61,154.29	59,543.02
Non Current Assets Held for Sale	3C	296.15	296.15
		296.15	296.15
TOTAL ASSETS		134,546.84	132,973.92
EQUITY AND LIABILITIES			
Equity			
Share Capital	14	35,560.16	35,560.16
Other Equity	15	11,932.55	10,317.79
Total Equity		47,492.71	45,877.95
Non-current Liabilities			
Financial liabilities			
Non-current Financial Liability	17	-	-
Other Non-Current Liabilities	21	8,128.74	8,128.74
Provisions			
Provision for Employee Benefits	18	233.83	231.35
		8,362.57	8,360.09

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2025

(Rs. in lakhs)

Particulars	Notes	As at 31-03-2025	As at 31-03-2024
Current Liabilities			
Financial Liabilities			
Borrowings	16	64,229.55	64,171.74
Trade Payables	19		
<i>Total outstanding dues to Micro, Small & Medium Enterprises</i>		113.23	150.90
<i>Total outstanding dues of creditors other than Micro, Small & Medium Enterprises</i>		1,887.02	2,444.40
Other Financial Liabilities	20	3,689.05	3,686.00
Other Current Liabilities	21	8,339.16	7,808.23
Provisions			
Provision for Employee Benefits	18	85.25	116.34
Others	23	291.42	288.19
Current Tax Liabilities (Net)	22	56.88	70.08
		78,691.56	78,735.88
Total Liabilities		87,054.13	87,095.97
TOTAL EQUITY AND LIABILITIES		134,546.84	132,973.92

Material Accounting Policies and Notes forming part of Accounts

As per our Report of even date attached For and on behalf of the Board of Directors of HMT Limited

For GRSM & Associates

Chartered Accountants

F.R.N : 000863S

Rajesh Kohli

Chairman and Managing Director

(Addl. Charge)

DIN 10333951

Sameena Kohli

Director, Finance

(Addl. Charge)

DIN 10663362

Gopalkrishna Hegde

Partner

Membership No : 208063

Kishor Kumar Shankar

Company Secretary

Aparna R

Chief Financial Officer

Place : Bangalore

Date : July 23, 2025

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

(Rs. in lakhs)

Particulars	Notes	Year Ended 31-03-2025	Year Ended 31-03-2024
CONTINUING OPERATIONS			
Revenue from Operations	24	2,617.31	4,791.24
Other Income	25	5,897.75	5,126.72
Total Income		8,515.06	9,917.96
EXPENSES			
Cost of Materials Consumed	26	1,028.37	3,414.70
Changes in Inventories of finished goods, Stock in trade and work-in-progress	27	(148.49)	(102.83)
Employee Benefits Expense	28	672.05	754.87
Depreciation and Amortization Expense	29	145.47	210.54
Finance Costs	30	79.47	0.32
Other Expenses	31	4,844.04	3,893.02
Total expense		6,620.91	8,170.62
Profit/(loss) before exceptional items and tax from continuing operations		1,894.15	1,747.34
Exceptional items	32	-	-
Profit/(loss) before tax from continuing operations		1,894.15	1,747.34
(1) Current tax		275.00	320.00
(2) Deferred tax		8.83	(35.07)
(3) Adjustment of tax relating to earlier periods		-	(980.00)
		283.83	(695.07)
Profit/(loss) for the year from continuing operations		1,610.32	2,442.41
DISCONTINUED OPERATIONS			
		-	-
Profit/(loss) for the year		1,610.32	2,442.41

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2025

(Rs. in lakhs)

Particulars	Notes	Year Ended 31-03-2025	Year Ended 31-03-2024
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on defined benefit plans		5.93	34.06
Tax expense/(income)		1.49	(8.58)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		4.44	42.64
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		1,614.76	2,485.05
Earnings per share for continuing operations	39		
i) Basic, profit from continuing operations attributable to equity holders		0.45	0.69
ii) Diluted, profit from continuing operations attributable to equity holders		0.45	0.69
Earnings per share for discontinued operations			
i) Basic, profit from discontinued operations attributable to equity holders		-	-
ii) Diluted, profit from discontinued operations attributable to equity holders		-	-
Earnings per share from continuing and discontinued operations			
i) Basic, profit for the year attributable to equity holders		0.45	0.69
ii) Diluted, profit for the year attributable to equity holders		0.45	0.69

Material Accounting Policies and Notes forming part of Accounts
As per our Report of even date attached For and on behalf of the Board of Directors of HMT Limited
For GRSM & Associates

Chartered Accountants

F.R.N : 000863S

Rajesh Kohli

Chairman and Managing Director

(Addl. Charge)

DIN 10333951

Sameena Kohli

Director, Finance

(Addl. Charge)

DIN 10663362

Gopalkrishna Hegde

Partner

Membership No : 208063

Kishor Kumar Shankar

Company Secretary

Aparna R

Chief Financial Officer

Place : Bangalore

Date : July 23, 2025

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025

(Rs. in lakhs)

Particulars	Year Ended 31-03-2025	Year Ended 31-03-2024
Operating activities		
Profit/(loss) before tax from continuing operations	1,894.15	1,747.34
Profit before tax	1,894.15	1,747.34
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation and impairment of property, plant and equipment	117.99	181.58
Depreciation of investment properties	27.48	28.96
Interest Income	(3,520.60)	(2,781.26)
Finance costs	79.47	0.32
<i>Working capital adjustments:</i>		
Movements in provisions, gratuity and government grants	(385.48)	(37.64)
Increase in trade and other receivables and prepayments	(1,351.77)	206.08
(Increase)/Decrease in inventories	(72.94)	(195.57)
Increase in trade and other payables	(64.12)	(961.79)
	(3,275.82)	(1,811.98)
Income tax (paid)/reversed	(270.90)	217.20
Net cash flows from operating activities	(3,546.72)	(1,594.78)
Investing activities		
Proceeds from sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(0.75)	(63.59)
Deposits with Banks	1,860.69	(6,586.87)
Interest received	1,308.69	1,215.05
Net cash flows used in investing activities	3,168.63	(5,435.41)
Financing activities		
Interest Paid	(76.42)	(0.32)
Proceeds from borrowings	57.81	-
Net cash flows from/(used in) financing activities	(18.61)	(0.32)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2025

(Rs. in lakhs)

Particulars	Year Ended 31-03-2025	Year Ended 31-03-2024
Net increase in cash and cash equivalents	(396.70)	(7,030.51)
Net foreign exchange difference		
Opening balance of Cash and cash equivalents(Refer Note 8)	607.53	7,638.04
Closing balance of Cash and cash equivalents (Refer Note.8)	210.83	607.53

Material Accounting Policies and Notes forming part of Accounts

- Note: 1) The above statement has been prepared under the indirect method as set out in Ind AS 7
2) Bank deposits placed during the year Rs.10306.05 lakhs and matured during the year Rs.12166.74 lakhs. (Refer Note 57)
3) Previous year's have been regrouped/reclassified wherever applicable.

As per our Report of even date attached

For and on behalf of the Board of Directors of HMT Limited

For GRSM & Associates

Chartered Accountants

F.R.N : 000863S

Rajesh Kohli

Chairman and Managing Director

(Addl. Charge)

DIN 10333951

Sameena Kohli

Director, Finance

(Addl. Charge)

DIN 10663362

Gopalkrishna Hegde

Partner

Membership No : 208063

Kishor Kumar Shankar

Company Secretary

Aparna R

Chief Financial Officer

Place : Bangalore

Date : July 23, 2025

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

As at 31st March 2025

(Rs. In lakhs)

Balance as at 1st April 2024	Changes in Equity Share Capital during the year	Balance as at 31st March 2025
35560.16	-	35,560.16

As at 31st March 2024

(Rs. In lakhs)

Balance as at 1st April 2023	Changes in Equity Share Capital during the year	Balance as at 31st March 2024
35,560.16	-	35,560.16

B Other Equity

As at 31st March 2025

(Rs. in lakhs)

	Reserves and Surplus		Other Comprehensive Income	Total equity
	General Reserve	Retained earnings		
Balance as of 1st April 2024	13,453.11	(1,437.14)	(1,698.18)	10,317.79
Total Comprehensive Income for the year	-	1,610.32	4.44	1,614.76
Balance as at 31 Mar 2025	13,453.11	173.18	(1,693.74)	11,932.55

As at 31st March 2024

(Rs. in lakhs)

	Reserves and Surplus		Other Comprehensive Income	Total equity
	General Reserve	Retained earnings		
Balance as of 1st April 2023	13,453.11	(3,879.55)	(1,740.82)	7,832.74
Total Comprehensive Income for the year	-	2,442.41	42.64	2,485.05
Balance as at 31 March 2024	13,453.11	(1,437.14)	(1,698.18)	10,317.79

Material Accounting Policies and Notes forming part of Accounts

As per our Report of even date attached For and on behalf of the Board of Directors of HMT Limited

For GRSM & Associates

Chartered Accountants

F.R.N : 000863S

Rajesh Kohli

Chairman and Managing Director

(Addl. Charge)

DIN 10333951

Sameena Kohli

Director, Finance

(Addl. Charge)

DIN 10663362

Gopalkrishna Hegde

Partner

Membership No : 208063

Kishor Kumar Shankar

Company Secretary

Aparna R

Chief Financial Officer

Place : Bangalore

Date : July 23, 2025

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

3A. PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

	Land & Land Development	Buildings	Plant and Machinery	Furniture, Fittings & Office Appliances	Special Tools	Transport Vehicles	Land- Leasehold	Total
Gross carrying value								
As At 1 April 2023	158.19	891.41	10,810.70	467.59	623.99	63.55	17.09	13,032.52
Additions	-	48.26	13.98	1.35	-	-	-	63.59
Transfer to Investment Property (Refer Note 3B (iii) (c) Disposals	(158.19)	(596.68)						(754.87)
As At 31 March 2024	-	342.99	10,825.02	468.60	623.99	63.55	17.09	12,341.24
Additions/Adjustment	-	-	-	0.75	-	-	-	0.75
Disposals	-	-	(86.93)	-	-	-	-	(86.93)
As At 31 March 2025	-	342.99	10,738.09	469.35	623.99	63.55	17.09	12,255.06
Accumulated Depreciation								
As At 1 April 2023	-	431.15	10,550.87	459.27	620.91	63.55	10.48	12,136.23
Depreciation charge for the year	-	89.44	99.75	2.30	-	-	0.12	191.61
Depreciation relates to IP transferred for the year 2023-24 (Refer Note 3B(iii) (c) Disposals/Adjust	-	(10.03)						(10.03)
Transfer to Investment Property accumulated depreciation as on 1.4.2023 (Refer Note 3B(iii) (c) As At 31 March 2024	-	(284.68)	1.06	(1.06)	-	-	-	(284.68)
Depreciation charge for the year	-	71.21	44.02	2.63	-	-	0.13	117.99
Disposals/Adjustment	-		(86.93)	-	-	-	-	(86.93)
As At 31 March 2025	-	297.09	10,608.77	463.14	620.91	63.55	10.73	12,064.19
Net carrying value								
As At 31 March 2025	-	45.90	129.32	6.21	3.08	-	6.36	190.87
As At 31 March 2024	-	117.11	173.34	8.09	3.08	-	6.49	308.11
Net carrying value	31-03-25	31-03-24						
Plant Property and Equipment	190.87	308.11						

Additional Information:

(a) Quantum of loss accounted due to Impairment of Assets as per IND AS-36 for the year- Nil . The Company carried out impairment assessment for all PPE Assets during 2023-24. Hence no such assessment carried during the year.

Land:

- (b) The Company is in possession of leasehold land measuring 29.84 acres at Aurangabad out of which 4.94 acres of land has been encroached upon. Further, legal action is being pursued for restoration of the encroached land.
- (c) The carrying amount of temporarily idle property, Plant and Equipment : - NIL
- (d) The Gross carrying amount of any fully depreciated property, Plant and equipment that is still in use Rs.11169.58 lakhs.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

	Land & Land Development	Buildings	Total
3B. INVESTMENT PROPERTY			
Gross carrying value			
As at 1 April 2023	10.75	1,444.97	1,455.72
Additions			-
Transfer from PPE (Refer Note (iii) (c) below	158.19	596.68	754.87
As at 31 March 2024	168.94	2,041.65	2,210.59
Additions	-	-	-
Deduct/adjustment	-	-	-
As at 31 March 2025	168.94	2,041.65	2,210.59
Depreciation and impairment			
As at 1 April 2023	-	1,295.59	1,295.59
Depreciation	-	28.96	28.96
Depreciation transferred from PPE (for the year 2023-24) (Refer Note (iii) (c) below		10.03	10.03
Transfer from PPE(accumulated depreciation as on 1.4.2023) (Refer Note iii(c) below		284.68	284.68
Deduct/adjustment		-	-
As at 31 March 2024	-	1,609.23	1,609.23
Depreciation		27.48	27.48
Deduct/adjustment		-	-
As at 31 March 2025	-	1,636.71	1,636.71
Net carrying value			
As at 31 March 2025	168.94	404.94	573.88
As at 31 March 2024	168.94	432.42	601.36

Additional Information:

- The Company has classified certain land & building as investment property which is not a owner occupied property.
- The Company has not obtained any fair valuation of the investment property from Registered Valuer. However, based on the guidance value, the fair value of the investment property as at March 31, 2025 is Rs.4,52,094.25 lakhs (previous year Rs. 4,49,281.05 Lakhs)
- Land:**
 - The Company is in possession of land located at Pinjore, Kalamassery and Hyderabad gifted by the respective State Governments admeasuring 382.54 acres, 27 acres and 660.75 acres respectively, nominally valued at Rs1/- each, and the company is in posession of Land admeasuring 2.89 acres purchased at Bangalore.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(b) In respect of land at Hyderabad, an area admeasuring 28.40 acres was leased to various Government Departments at Hyderabad. Pending registration of transfer, the Company has agreed to release 14.20 acres of land in exchange for 14.20 acres of land under an exchange agreement with a State Public Sector Undertaking. The Company has also leased 1,000 sq. yards of land, for which lease deed was executed and agreed to release another two acres of land to Telangana (formerly called as Andhra Pradesh) Postal Department in Hyderabad, the execution of sale deed is pending. The Company has obtained stay order from the Honourable Andhra Pradesh High Court, against repossession of 106 acres and 35 guntas of land by the Government of Telangana (formerly called as Government of Andhra Pradesh). No finality has been reached on the proposal for surrender of 300 acres of land owned by the Company at Hyderabad, to the Government of Telangana (formerly called as Government of Andhra Pradesh), in lieu of payment of part sale consideration and issue of marketable title for the balance land.

(c) During the current year, the Company has reclassified certain Land & Building included in Property, Plant and Equipment(PPE) to Investment Property, amounting to Rs.450.13 lakhs (Net Block value) as at 31st March, 2024. This reclassification has been made upon review of the nature and use of the asset in accordance with the relevant provisions of IND AS. Consequently, the comparative figures as at March 31, 2024, have been restated to reflect this change. The impact of the reclassification is as follows:

(Rs. in Lakhs)

Particulars	As Previously Reported	Adjustment	As Restated
a) PPE - Gross Block	13,096.11	(754.87)	12,341.24
b) PPE - Depreciation	12,327.84	(294.71)	12,033.13
c) PPE - Net Block (a-b)	768.27	(460.16)	308.11
a) Investment Property - Gross Block	1,455.72	754.87	2,210.59
b) Investment Property - Depreciation	1,314.52	294.71	1,609.23
c) Investment Property - Net Block(a-b)	141.20	460.16	601.36

Additional Information:

Information regarding income and expenditure of Investment property

(Rs. in Lakhs)

Particulars	31-Mar-25	31-Mar-24
Rental income derived from investment properties	1,126.29	1,023.72
Direct operating expenses (including repairs and maintenance) generating rental income	(368.59)	(419.04)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(2.59)	(2.54)
Profit/(loss) arising from investment properties before depreciation and indirect expenses	755.11	602.14
Less – Depreciation	22.05	22.80
Profit arising from investment properties before indirect expenses	733.06	579.34

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

3C. Non Current Assets Held for Sale

(Rs. in Lakhs)

Nature of Asset	As at	As at
	31-Mar-25	31-Mar-24
Land	24.13	24.13
Buildings	272.02	272.02
Total	296.15	296.15

Additional Information:

- (a) The land admeasuring 5.80 acres situated at Bangalore classified under "Assets Held for Sale", is pending adjudication before the Hon'ble Supreme Court of India. An Interlocutory Application (IA) in respect of the said land has been filed by the Company during the FY 2024-25, seeking appropriate directions from the Court. Further course of action concerning the aforesaid land shall be determined based on the final outcome of the proceedings before the Hon'ble Supreme Court.
- (b) In line with the approval of Government of India, the Immovable Assets of HMT Watches Ltd (under closure) have been transferred to HMT Limited at the book value of Rs.296.06 lakhs during the year 2022-23, the rights of transfer of immovable assets have been assumed by the Government and HMT Limited is the custodian of these properties till their disposal and ensure the transfer of the sale proceeds to the Government of India after deduction of applicable expenses and taxes.
- (c) The Company is in possession of gift land located at Bangalore admeasuring 89.74 acres of which 7.0 acres of land has been encroached upon and the matter has been taken up with the Government of Karnataka to shift the un-authorised occupants
- (d) The Company has allowed possession of land measuring 45.622 acres and received entire sale consideration of Rs.7202.10 lakhs during 2022-23 and is pending for registration. (Refer Note No.34(ii) (2).
- (e) The sale proceeds from the above stated land should be transferred to Government of India after incurring applicable taxes.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
4. Financial assets		
Investments In Equity Instruments		
Investments at fair value through Other Comprehensive Income (FVTOCI)		
Unquoted equity shares (fully paid)		
30,00,000 (Previous year: 30,00,000) Equity Shares of 1 Naira each fully paid up in Nigeria Machine Tools Ltd, Nigeria - 15% of Shareholding (Refer Note 51)	-	-
Total FVTOCI investments	-	-
Investment in Equity Instruments of Subsidiaries, Associates and Joint Venture at Cost:		
Investments in Joint Venture		
1,50,000 (Previous year: 1,50,000) Equity shares of Rs.10 each fully paid up in Sudmo HMT Process Engineers (India) Ltd., Bangalore - 50% of Shareholding (Refer Note 49)	15.00	15.00
Investments in Associates		
20,84,050 (Previous year: 20,84,050) Equity Shares of Rs.1 each fully paid up in Gujarat State Machine Tools Corporation Ltd., Bhavnagar - 39.86% of Shareholding (Refer Note 50)	-	-
Investment in Subsidiaries		
7,20,000 (Previous year: 7,20,000) Equity Shares {including 6,90,000 (Previous year: 6,90,000) Bonus Shares} of Rs.10 each fully paid up in HMT (International) Ltd, Bangalore - 100% of Shareholding	3.00	3.00
27,65,99,137 (Previous year: 27,65,99,137) Equity Shares of Rs.10 each fully paid up in HMT Machine Tools Ltd, Bangalore - 100% of Shareholding (Refer Note below)	27,659.91	27,659.91
64,90,100 (Previous year: 64,90,100) Equity Shares of Rs.10 each fully paid up in HMT Watches Ltd, Bangalore - 100% of Shareholding	649.01	649.01
Total Investment in Equity instruments in subsidiaries and Joint Venture	28,326.92	28,326.92

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
Investments in Preference Shares		
Investment in Subsidiaries		
4,43,00,000 (Previous year: 4,43,00,000) 3.5% Redeemable Preference Shares of Rs.100 each fully paid up in HMT Machine Tools Ltd, Bangalore (Subsidiary Company) (Refer Note below)	44,300.00	44,300.00
Total Investment in Preference Shares	44,300.00	44,300.00
Total	72,626.92	72,626.92
Less: Allowance for Investments in Subsidiaries		
HMT Watches Ltd, Bangalore	649.01	649.01
	649.01	649.01
Total Investments	71,977.91	71,977.91
Current	-	-
Non Current	71,977.91	71,977.91
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	72,626.92	72,626.92
Aggregate amount of impairment in value of investments	649.01	649.01

Additional Information:

Pursuant to the rehabilitation scheme approved by the Board for Industrial and Financial Reconstruction (BIFR) vide Order No. 501/2006 dated 13.06.2008, which, inter alia, provided for the conversion of outstanding loans into equity and preference shares and a waiver of stamp duty on such shares, consequent to which, the Company had sought a waiver of stamp duty from the Government of Karnataka on issuance of Share Certificates in respect of 26,08,99,037 equity shares and 4,43,00,000, 3.5% preference shares. However, no approval accepting a 100% waiver of stamp duty has been received from the Government of Karnataka. While the HMT Machine Tools Ltd has paid stamp duty under protest on the increase in Authorized Share Capital, the stamp duty on the actual issuance of the Share Certificates remains unpaid. Therefore, in pursuant to which, the HMT Machine Tools Ltd has not issued the Share Certificates to HMT Limited as on date

5. Deferred Tax Assets (Net)

Deferred Tax Asset	66.49	73.69
Less: Deferred Tax Liability (Refer Note No.44)	28.88	25.76
	37.61	47.93

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
6. Inventories		
Raw Materials and Components	485.28	555.20
Work-in-Progress	271.83	326.88
Finished Goods	690.22	486.39
Stock in Trade	25.17	25.46
Stores and Spares	22.14	24.64
Tools and Instruments	27.08	30.21
Scrap	0.69	0.69
	1,522.41	1,449.47
Less: Provision for Non-moving Inventories	273.35	274.57
	1,249.06	1,174.90

7. Trade Receivables

Secured, considered good	-	-
Unsecured, considered good	1,283.82	1,517.35
Unsecured, considered doubtful *	7,262.04	7,610.77
	8,545.86	9,128.12
Allowance for doubtful debts		
Unsecured, considered doubtful *	7,262.04	7,610.77
	1,283.82	1,517.35

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

* Write off against allowances for doubtful debts (Refer Note 57)

Particulars	31-Mar-25	31-Mar-24
Unsecured considered doubtful - Opening balance	7,610.77	
Add: Provision made during the year	24.28	
Less : Write-off against provision	373.01	
Unsecured considered doubtful - Closing balance	7,262.04	
Allowance for doubtful debts - Opening balance	(7,610.77)	
Less: Provision made during the year	24.28	
Add: Write-off against provision	373.01	
Allowance for doubtful debts - Closing balance	(7,262.04)	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

7A Agewise details

As at the end of current financial year.

(Rs. in lakhs)

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	249.94	862.49	137.59	27.40	6.40	1,283.82
Undisputed - Considered doubtful					117.96	117.96
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	7,144.08	7,144.08
	249.94	862.49	37.59	27.40	7,268.44	8,545.86

As at the end of previous 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	738.88	670.66	74.86	17.68	15.27	1,517.35
Undisputed - Considered doubtful					93.69	93.69
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	7,517.08	7,517.08
	738.88	670.66	74.86	17.68	7,626.04	9,128.12

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
8. Cash and Cash Equivalents:		
Current Accounts	210.11	605.76
Cash and Cheques on hand	0.72	1.77
	210.83	607.53
9. Bank balances other than Cash and Cash Equivalents:		
Escrow Accounts (for payment to Minority Shareholders of HMT Bearings Ltd)	6.74	9.80
Deposits with maturity more than three months but less than twelve months	13,662.34	15,693.95
Deposits having remaining maturity less than twelve months	1,185.69	1,113.98
	14,854.77	16,817.73
10. Loans		
Unsecured - Considered Good		
Loans to subsidiaries		
HMT Machine Tools Ltd	34,668.41	30,582.41
Total	34,668.41	30,582.41
11. Other Financial Assets		
Non-Current		
Secured - Considered Good		
Deposits with Banks exceeding twelve months of maturity	223.02	120.75
Interest accrued and due on Bank Deposits	17.96	6.95
	240.98	127.70
Current		
Secured - Considered Good		
Interest accrued and due on Bank Deposits	360.21	381.58
Unsecured - Considered Good		
Interest accrued and due on Loans to Subsidiaries	5,271.85	5,321.85
	5,632.06	5,703.43
12. Current Tax Asset/(Liability) (Net)		
Advance tax/TDS Receivables	955.48	652.78
Less: Current Tax provision	389.08	69.08
	566.40	583.70

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
13. Other Current Assets		
Non-Current		
Unsecured - Considered Good		
Security Deposits with Government Authorities & Others	75.15	71.74
	75.15	71.74
Current		
Advances and Other Receivables		
Unsecured - Considered Good		
HMT Machine Tools Ltd	1,386.02	1,288.02
HMT International Ltd	258.39	311.51
Advances #	818.59	777.58
Deposits	225.94	178.86
	2,688.94	2,555.97
Unsecured - Considered Doubtful		
Advances *	346.19	362.27
Interest on Trade Receivable	8,217.64	8,217.64
	8,563.83	8,579.91
Less: Allowance for Doubtful Advances *	346.19	362.27
Allowance for interest on Trade Receivable	8,217.64	8,217.64
	8,563.83	8,579.91
	-	-

Additional Information:

Includes

(a) 446.02 acres of land at Pinjore, Haryana has been transferred to HSIIDC (412.69 acres) and Indian Railways (33.33 acres) during the year 2019-20 and as on 31.3.2025 an amount of Rs.4.99 lakhs (Rs.4.99 lakhs Previous year) is due from HSIIDC.

(b) Advances to Joint Ventures Rs.3.23 lakhs (Rs.3.40 lakhs Previous Year)

* Write off against Allowances for doubtful advances (Refer Note 57)

Particulars	31-Mar-25	31-Mar-24
Advances considered Doubtful - opening balance	362.27	
Add: Provision made during the year	3.90	
Less : Write-off against provision	19.98	
Advances considered Doubtful - Closing balance	346.19	
Allowance for doubtful advances - Opening balance	(362.27)	
Less: Provision made during the year	3.90	
Add: Write-off against provision	19.98	
Allowance for doubtful advances - Closing balance	(346.19)	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. In lakhs)

Particulars	As at 31-March-25		As at 31-March-24	
	No.	Amount	No.	Amount
14 Equity Share Capital				
Authorised Share Capital:				
<i>Equity shares of Rs.10 each</i>	1,23,00,00,000	123,000.00	1,23,00,00,000	123,000.00
	1,23,00,00,000	123,000.00	1,23,00,00,000	123,000.00
Issued, Subscribed & Paid up:				
<i>Equity shares of Rs.10 each</i>				
At the beginning of the year	35,56,01,640	35,560.16	35,56,01,640	35,560.16
Issued during the year	-	-	-	-
Reduction during the year	-	-	-	-
At the end of the year	35,56,01,640	35,560.16	35,56,01,640	35,560.16

Additional Information:

1 Equity Shares:

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.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2 Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	No. of shares	Percentage	No. of shares	Percentage
<i>Equity Shares:</i>				
Hon'ble President of India	27,95,66,626	78.62%	27,95,66,626	78.62%
Special National Investment Fund	6,75,38,614	18.99%	6,75,38,614	18.99%

3 Shares held by promoters at the end of the year

Promoter Name	No. of Share at the beginning of the year	No. of Share at the end of the year	% of total Shares	% change during the year
Hon'ble President of India	27,95,66,626	27,95,66,626	78.62%	-

4 Information regarding issue of shares in last 5 years.

- The Company has not issued any shares without payment being received in cash.
- The Company has not issued any bonus shares.
- The Company has not undertaken any buy-back of shares.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. In Lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
15 Other Equity:		
i) General Reserve:	13,453.11	13,453.11
ii) Retained Earnings:	173.18	(1,437.14)
iii) Other Comprehensive Income (OCI)	(1,693.74)	(1,698.18)
Total	11,932.55	10,317.79

Nature and purpose of reserves:

- (a) **General Reserve:** This represents accumulation of profits retained by the Company to meet the future (known/unknown) obligations.
- (b) **Retained earnings:** Retained earnings are profits that the Company earned till date, less transfer to General Reserve and other distribution to shareholders.
- (c) **OCI:** It represents the changes in the remeasurements of employee defined benefit plans.

16. Borrowings

Current

Secured

Term Loan from Bank (Refer Foot Note 1 below)	57.81	-
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Unsecured

Loan from Govt. of India (Defaulted) (Refer foot note 2 below)	64,158.00	64,158.00
Interest free loan from Government of India (Defaulted) (refer foot note 3 below)	13.74	13.74

Total current borrowings	64,171.74	64,171.74
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Aggregate Secured loans	57.81	-
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Aggregate Unsecured loans	64,171.74	64,171.74
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Note:

1 . Secured loan

Type of borrowing	Name of the lender	Nature of Security	Repayment terms	Default in repayment
Loan against FD	Canara Bank	FD Rs.120 lakhs	on demand, Interest @ 7.75% p.a.	None

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2. Unsecured Loans: Period and amount of Default are as follows:

Nature of Borrowing	Name of the lender	Amount of installment and period of default	No of Days Delay or Unpaid
i) Govt. of India Interest Free Loan dt.21.01.17 Rs.30368 lakhs	Government of India	a) Rs.6,073.60 Lakhs due since 21.01.2018.	2625
		b) Rs.6,073.60 Lakhs due since 21.01.2019.	2260
		c) Rs.6,073.60 Lakhs due since 21.01.2020.	1895
		d) Rs.6,073.60 Lakhs due since 21.01.2021.	1529
		e) Rs.6,073.60 Lakhs due since 21.01.2022.	1164
ii) Govt.of India Interest Free loan dt.16.02.2017 Rs. 24000 lakhs	Government of India	a) Rs.4,800 Lakhs due since 16.02.2018.	2599
		b) Rs.4,800 Lakhs due since 16.02.2019.	2234
		c) Rs.4,800 Lakhs due since 16.02.2020.	1869
		d) Rs.4,800 Lakhs due since 16.02.2021.	1503
		e) Rs.4,800 Lakhs due since 16.02.2022.	1138
iii) Govt. of India Interest Free loan dt. 29.04.2017 Rs.9790 lakhs	Government of India	a) Rs.1,958 Lakhs due since 29.04.2018.	2527
		b) Rs.1,958 Lakhs due since 29.04.2019.	2162
		c) Rs.1,958 Lakhs due since 29.04.2020.	1796
		d) Rs.1,958 Lakhs due since 29.04.2021.	1431
		e) Rs.1,958 Lakhs due since 29.04.2022	1066

3. During the FY 2018-19 the Company has received Rs.13.74 lakhs towards reimbursement of consultancy charges paid to IIM, Bangalore for Financial & Strategic Review of consolidation & restructuring plan of the Company. However, the Company is in process of obtaining clarification from Department of Heavy Industries whether the same is grant or loan. Based on the clarification the same will be treated as income or borrowing in the year of confirmation from the Department of Heavy Industries

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. In Lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
17. Non current financial liability	-	-
18. Provision for employee benefits		
Non Current		
Gratuity	31.62	21.55
Earned Leave Encashment	135.02	134.10
Settlement Allowance	29.90	33.81
Provident Fund	37.29	41.89
	233.83	231.35
Current		
Earned Leave Encashment	27.95	52.68
Settlement Allowance	2.42	8.78
Wage and Salary Revision arrears (1992-1995)	54.88	54.88
	85.25	116.34
19. Trade payables		
Total outstanding dues to Micro, Small & Medium Enterprises	113.23	150.90
Total outstanding dues of creditors other than Micro, Small & Medium Enterprises	1,887.02	2,444.40
Total	2,000.25	2,595.30

19A Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. In Lakhs)

Particulars	31-Mar-25	31-Mar-24
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	113.23	150.90
- Interest	2.00	2.00
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006.	-	-
Amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.		
The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.00	2.00
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006.		

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

19B Agewise details

As at the end of current financial year:

(Rs. In Lakhs)

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
MSME	112.46	0.74	0.03	-	113.23
Others	611.31	417.32	8.27	850.12	1,887.02
Disputed dues - MSME					-
Disputed dues - Others					-
	723.77	418.06	8.30	850.12	2,000.25

As at the end of Previous financial year:

(Rs. In Lakhs)

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
MSME	150.00	0.59	-	0.31	150.90
Others	1,304.58	282.74	2.38	854.70	2,444.40
Disputed dues - MSME					-
Disputed dues - Others					-
	1,454.58	283.33	2.38	855.01	2,595.30

20. Other Financial Liabilities

3.5% preference Share Capital (Defaulted)	3,686.00	3,686.00
Interest accrued and due on term loan from bank	3.05	-
Total	3,689.05	3,686.00

Additional information:

1. 3.5% Preference Share Capital

Each Redeemable Preference Shares has a par value of Rs.100/- per share and is redeemable after 3 years. The preference shares carry a dividend of 3.5% per annum and conversion of cumulative dividend into equity shares on accrual. The dividend rights are cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation.

In accordance with the CCEA approval and DHI's directions thereon during January 2016, 3.5% Redeemable Preference Shares of 4,06,14,000 no's (Rs.40,614.00 lakhs) out of 4,43,00,000 no's of Rs.100/- each (Rs.44,300.00 lakhs) has been extinguished and set off against the Loans and advances to subsidiaries companies provided by the Company to HMT Watches Limited, HMT Chinara Watches Limited and HMT Bearings Limited.

For the remaining 3.5% Redeemable Preference Shares the revival Plan sanctioned to the Company vide sanction No F.No.5.1(1)/2005.PE.X dated 29 March 2007 has specified for redemption of Preference Share Capital out of sale proceeds of the identified surplus assets of HMT Machine Tools Ltd. Since the sale of identified assets has not taken place which is pre-condition for redemption, remaining 3.5% Redeemable Preference Share Capital is not redeemed .

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. In Lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
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21. Other Liabilities

Non- Current

Advance received against sale of land 8,128.74 8,128.74

[(Refer Note No.3C-Additional information (d) & and Note 34 of (ii)]

8,128.74 8,128.74

Current

Revenue received in advance 66.48 90.79

Accrued Expenses 49.68 43.68

Other liabilities (Earnest Money Deposit, Statutory dues, etc.,) 8,223.00 7,673.76

Total 8,339.16 7,808.23

22. Current Tax Liabilities

Current Tax provision 275.00 320.00

Less: Advance tax/TDS Receivables 218.12 249.92

Total 56.88 70.08

23. Provisions - others

Particulars	Warranty Claims	Provision for Indirect Taxes	Others	Total
As At 1 April 2024	9.88	1.25	277.06	288.19
Arising during the year	3.23	-	-	3.23
Utilised	-	-	-	-
Unused amounts reversed	-	.	-	-
As At 31 March 2025	13.11	1.25	277.06	291.42
Current	13.11	1.25	277.06	291.42
	-			
As At 1 April 2023	7.04	1.25	277.06	285.35
Arising during the year	2.84	-	-	2.84
Utilised	-	-	-	-
Unused amounts reversed	-	.	-	-
As At 31 March 2024	9.88	1.25	277.06	288.19
Current	9.88	1.25	277.06	288.19

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year Ended 31-Mar-25	Year Ended 31-Mar-24
24. Revenue from operations		
Sale of Products		
Food Processing Machinery	931.50	764.34
Watches	1,475.04	1,158.66
Spares and Accessories	103.90	108.69
Revenue from Powder Project	-	2,679.58
	2,510.44	4,711.27
Sale of Services		
Sundry Jobs and Miscellaneous Sales	106.87	79.97
	106.87	79.97
Revenue from Operations	2,617.31	4,791.24
25. Other income		
Interest Income		
Interest income on Bank Deposits	1,247.72	1,206.97
Interest income on Holding Company loans	2,272.27	1,544.11
Interest from Dealers/Others	0.61	30.18
	3,520.60	2,781.26
Other Income		
Recoveries from Staff/Others	370.71	357.14
Royalties from Subsidiaries	7.68	8.82
Rental Income	1,845.76	1,776.56
Provisions withdrawn	5.99	84.47
Bad Debts recovered	66.81	
Other non operating Income	80.20	118.47
	2,377.15	2,345.46
Total Other Income	5,897.75	5,126.72

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year Ended 31-Mar-25	Year Ended 31-Mar-24
26. Cost of Materials Consumed		
Raw materials and Components		
Inventory at the beginning of the year	555.20	467.45
Add: Purchases	922.52	3,480.16
	1,477.72	3,947.61
Less: inventory at the end of the year	485.28	555.20
Cost of raw material and components consumed	992.44	3,392.41
Consumption of Stores, Spares, Tools & Packing Materials	35.93	22.29
Total raw materials and components consumed	1,028.37	3,414.70
Particulars of Materials Consumed		
Steel	61.13	107.44
Ferrous Castings	24.42	-
Non-ferrous Castings	-	14.46
Standard parts & components	879.01	2,531.12
Others	27.88	739.39
Total	992.44	3,392.41
27. Changes in Inventory		
Finished Goods		
Inventory at the beginning of the year	486.39	430.28
Less: inventory at the end of the year	690.22	486.39
Changes in Inventory	(203.83)	(56.11)
Work in Progress		
Inventory at the beginning of the year	326.88	279.69
Less: inventory at the end of the year	271.83	326.88
Changes in Inventory	55.05	(47.19)
Stock in Trade		
Inventory at the beginning of the year	25.46	25.93
Less: inventory at the end of the year	25.17	25.46
Changes in Inventory	0.29	0.47
Scrap		
Inventory at the beginning of the year	0.69	0.69
Less: inventory at the end of the year	0.69	0.69
Changes in Inventory	-	-
Total	(148.49)	(102.83)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year Ended 31-Mar-25	Year Ended 31-Mar-24
28. Employee benefits expense		
Salaries,Wages and Bonus	545.77	609.86
House Rent Allowance	25.93	25.62
Gratuity	11.24	18.53
Contribution to PF & FPS	53.30	61.25
Deposit Linked Insurance	0.17	0.17
Welfare Expenses	35.64	39.44
	672.05	754.87
29. Depreciation and amortization		
Depreciation of tangible assets	117.99	181.58
Depreciation on Investment Properties	27.48	28.96
	145.47	210.54
30. Finance costs		
Interest Expense		
Term Loan from Bank	78.25	-
Others	-	0.01
Other Borrowing Cost		
Discounting Charges	1.22	0.31
Total finance costs	79.47	0.32
31. Other expenses		
Manufacturing Expenses		
Power and Fuel	31.50	29.94
Selling & Distribution Expenses		
Advertisement and Publicity	6.56	8.15
Carriage outwards	11.11	9.17
Establishment Expenses		
Rent	59.70	27.28
Rates and Taxes	204.54	452.56
Insurance	9.71	11.16
Water and Electricity	377.91	366.40
Printing and Stationery	13.01	13.06
Auditors Remuneration *	2.27	2.52
Provision for Doubtful Debts,Loans and Advances	28.18	-
Warranty claims	3.22	2.84

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year Ended 31-Mar-25	Year Ended 31-Mar-24
Loss sustained by PF Trust	31.75	10.11
Bad Debts	2,272.27	1,549.57
Travelling Expenses	37.88	26.96
Repairs and Maintenance-Other than Machinery	353.26	461.22
Security Charges	264.10	227.58
Casual Labour charges	417.41	363.88
Professional and Legal Charges	80.96	48.36
Corporate Social Responsibility#	47.15	56.55
Difference in Exchange	1.20	-
Other Expenses	647.95	284.00
Less: Recovery of Common Expenses from Subsidiary Companies	(57.60)	(58.29)
	4,844.04	3,893.02
* includes		
As auditor	2.17	2.07
For taxation matters	-	0.20
For other services	-	0.25
Previous year audit fee	0.10	-
	2.27	2.52

#Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

i) Amount required to spend during the year	47.15	56.55
ii) Shortfall amount from the previous year	28.62	42.71
	75.77	99.26
iii) Amount spent during the year		
- on the project in Health and Nutrition Sector- supply of		
> Reusable Sanitary Napkins to Women, Yadgir District	-	0.75
> Artificial Aids and Assistive Devices to Divyangjans/Senior Citizens/ Disabled persons through Alimico, Bangalore	-	20.70
> Artificial Aids and Assistive Devices to Divyangjans/Senior Citizens/ Disabled persons through Alimico, Chikkamangaluru	-	15.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year Ended 31-Mar-25	Year Ended 31-Mar-24
> Musical Instruments, Bilnd walking sticks etc. to M/s Bless Society of Rural and Urban Development & M/s Swavalamban Angavikala Seva Charitable Trust, Bangalore	-	5.00
> Supply of Blazer / Jackets to Girl Students in Karnataka Public School, Bangalore	2.48	-
> Supply of Ambulance to Government Medical College, Aurangabad	21.75	-
> Administrative expenses	-	0.44
> Menstral	0.75	
- Transfer to PM National Relief Fund	5.43	28.75
Total amount spent during the year	30.41	70.64
iv) CSR Reserve (amount c/f i.e. shortfall at the end of the year {inclusive of administrative expenses})	45.36	28.62

Reasons for Shortfall: The Company has identified certain CSR ongoing activities in the area of Health , Nutrition, Education etc as referred below:

- Supply of CBNAAT machine to Govt. Dist TB Centre, Mandya
- Supply of Electro therephy with Lazer and Ultrasound to Shri Guruji Seva Nyas
- Supply of Medical Instrument to Mandya Institute of Medical science
- Supply of educational related items to BLESS Society of Rural and Urban Development, Bangalore

32. Exceptional Items

-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars		As at 31-03-2025	As at 31-03-2024
33	Contingent Liabilities		
	Claims against the company not acknowledged as debt:		
A.	Legal cases:		
a)	Tax related claims pending in appeal		
	i) Income Tax	37.92	37.92
b)	Employee related claims relating to Lockouts, Back wages, Incentive & Annual bonus, etc., pending adjudication, to the extent ascertainable	52.64	52.64
c)	Various legal cases relating to defective product, accident causing injuries to third parties, claims relating to supply of materials etc.	4,135.52	4,154.95
d)	Various legal cases relating to employees and other contingent liabilities pertaining to HMT Watches Ltd	9,855.75	9,896.80
e)	Disputed Lease Rentals in respect of premises occupied by the Company upto April 2010 at Jeevan Tara Building belongs to LIC of India, New Delhi.	311.77	311.77
B.	Other than legal cases:		
f)	Guarantees and Counter Guarantees and LCs issued [(including Rs.8063.00 Lakhs and previous year Rs.8045.00 lakhs) against Corporte Guarantee of Rs.12272 lakhs issued to HMT Machine Tools Ltd)]	8,223.08	8,127.61
g)	Income tax deducted at source demand under the traces software for short and non remittances of tax deduction at source – matter under examination.	79.09	79.12
h)	Stock Exchanges have levied penalties to Company for the certain Non-Compliances under the SEBI (LODR) Regulations, 2015 like Composition of Board of Directors, Committees, delay in submission of accounts etc. As per the circulars of Stock Exchanges, listed entities are required to comply with the provisions of the Exchange circular before filing the waiver applications to the Exchange. Accordingly, in some of the cases, Company has got waiver of penalties from stock exchanges. The Company has again requested for waiver of penalties from Stock Exchanges. Total penalty amount (approx.):	825.84	510.11

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at	As at
	31-03-2025	31-03-2024
i) Based on an inspection, BESCOM on 18-8-2020 raised a demand for Rs.122 lakhs for use of electricity for commercial purposes in the township area (while the connection had been obtained for industrial purposes), which included application of revised tariff, interest and penalty with effect from a past date. HMT Limited paid Rs. 61 lakhs as a deposit and filed an appeal against the demand notice with the appropriate authorities. The appellate authority partially allowed the appeal [vide Order dated 6-5-2025], directing BESCOM that a revised notice is to be issued by applying a single rate without any penalty after deducting the demand amount already levied under the industrial tariff. The amount payable is not yet ascertained and will be decided only after getting a fresh demand from BESCOM.		

34 Other Disclosures:

- i) The GOI had released a Plan Assistance of Rs. 200 lakhs to the Company during March 2007 to meet the Capital Expenditure of HMT Watches Ltd, the wholly owned Subsidiary, in the form of Equity (Rs.100 lakhs) & Loan (Rs.100 lakhs). In view of the non utilisation of the funds by the Subsidiary within the stipulated period, GOI had instructed the Company during December 2009 for refund of the total Plan Assistance of Rs. 200 lakhs. Accordingly, the Company has refunded the Loan amount of Rs. 100 lakhs to GOI during February 2010. However, with regard to refund of Equity portion, since the Company has already issued 10,00,000 Equity Shares of Rs. 10/- each (Rs. 100 lakhs) in favour of President of India during April 2007, as per the terms of GOI sanction, the same could not be carried out, as it would amount to reduction in Share Capital requiring the approval of the Share Holders and completion of other statutory formalities as per the Companies Act and applicable rules in this regard, and the same has been communicated to GOI. Further instructions are awaited from GOI on the same.
- ii) Other Liabilities (Non Current) Includes:
The Company's efforts to complete the sale of two properties remain pending, resulting in advances received towards these transactions, which is classified under 'Other non-current liabilities' and cost of the properties classified under "Non Current Assets held for Sale" : (1) Rs. 926.64 lakhs received from Raman Research Institute (RRI) and an agreement to sell was executed and possession has been transferred, registration could not be completed due to pending approval from the Concerned Authorities and (2) Rs. 7,202.10 lakhs (including TDS) received from the Government of Uttarakhand (GOUK), sale of property to the GOUK through auction and negotiations by the Department of Investment and Public Asset Management (DIPAM) , the registration has been delayed due to the Company has not been able to obtain vacant possession from the ex-employees currently occupying the said property. Since both transactions remain incomplete, the Company has not recognised the sales in its books. Accordingly, any capital gains tax liability will be accounted for in the financial year in which the income on sale of the assets is recognised.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
35 Preference Share Capital:		
(i) Government of India while approving the Revival Plan of HMT Machine Tools Ltd (HMT-MTL), a Subsidiary Company, during March 2007, had accorded sanction for cash infusion of Rs.44,300 lakhs in the form of 3.5% Preference Share Capital which was routed through the Company for investment in the Preference Share Capital in the Subsidiary, to be redeemed after 3 years i.e. 31.3.2010 out of sale of surplus immovable Properties of HMT-MTL. However, as per the CCEA approval 40614000 No. of Shares has been extinguished out of 44300000 Nos. of Rs.100/- each, leaving a balance shares of 36,86,000 of Rs.100/- each which is proposed to be redeemed upon sale of immovable property.		
(ii) Arrears of fixed cumulative dividends on preference shares (including tax thereon) payable to Government of India	5,607.63	5,607.63
36 Advances include		
Adhoc payments to employees towards Wage/Salary, DA arrears, if any, pending adjustment & provision to this extent has been made in the accounts	24.29	24.29
37 Transactions with Key Managerial Personnel		
<i>Compensation of key management personnel of the Company</i>		
i) Short-term employee benefits	26.39	23.24
ii) Post - employment benefits	3.79	3.26
iii) Other long term benefits	2.08	1.79
Total compensation paid to key management personnel	32.26	28.29

38 A Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values

(Rs. in lakhs)

Particulars	Carrying amount		Fair value	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Financial assets				
Loans - Fair value through Profit & loss	34,668.41	30,582.41	34,668.41	30,582.41
Total	34,668.41	30,582.41	34,668.41	30,582.41
Financial liabilities				
Fair value through profit & loss	-	-	-	-
Interest Free Government of India Loan	64,171.74	64,171.74	64,171.74	64,171.74
Total	64,171.74	64,171.74	64,171.74	64,171.74

The Company has assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The Company has also assessed that the Government of India ("GOI") loan excluding interest free GOI loan approximate their carrying amounts as transaction costs are not levied

The Fair Value of Interest Free Government of India Loan is arrived by discounting the loan amount for a repayment period of 5 years. For the purpose of calculation 8% is considered as the effective rate of Interest

The company has defaulted 3.5% preference shares which are already matured for redemption and hence no fair valuation has been made in the accounts.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

38B Fair value Hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2025, 31 March 2024 are as shown below:

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2025 (Rs in Lakhs)

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
FVTOCI financial investments:				
Unquoted equity shares				
Nigeria Machine Tools Ltd (see (A) below)		Nil		Nil
Assets for which fair values are disclosed				
Investment properties				
Land*		452,094.25		452,094.25
Financial Liability				
Interest Free Government of India Loan		64,171.74		64,171.74

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2024 (Rs in Lakhs)

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
FVTOCI financial investments:				
Unquoted equity shares				
Nigeria Machine Tools Ltd	-	-	-	-
Assets for which fair values are disclosed				
<u>Investment properties</u>				
Land*	449,281.05	31-Mar-24		449,281.05
Financial Liability				
Interest Free Government of India Loan	64,171.74	31-Mar-24		64,171.74
* Based on guidance value not restated in the financial statements since Investment property				

A) Nigeria Machine Tools Ltd is a company incorporated outside India, and as per its latest audited balance sheet dated 31-12-2020 net worth is completely eroded and hence the fair value at Rs. NIL is considered.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

		(Rs. in lakhs)	
Particulars	31-Mar-25	31-Mar-24	
39. Earnings per share (EPS)			
Profit attributable to equity holders:			
Continuing operations	1,610.32	2,442.41	
Discontinued operation	-	-	
Profit attributable to equity holders for basic earnings	1,610.32	2,442.41	
Profit attributable to equity holders adjusted for the effect of dilution	1,610.32	2,442.41	
Weighted average number of Equity shares for basic EPS	35,56,01,640	35,56,01,640	
Effect of dilution:			
Convertible preference shares	-	-	
Weighted average number of Equity shares adjusted for the effect of dilution *	35,56,01,640	35,56,01,640	
Earnings per share for continuing operations			
i) Basic, profit from continuing operations attributable to equity holders	0.45	0.69	
ii) Diluted, profit from continuing operations attributable to equity holders	0.45	0.69	
Earnings per share for discontinuing operations			
i) Basic, profit from discontinuing operations attributable to equity holders	-	-	
ii) Diluted, profit from discontinuing operations attributable to equity holders	-	-	

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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

i) Defined Contribution Plan: (Rs. In Lakhs)

Particulars	Year Ended 31-Mar-25	Year Ended 31-Mar-24
Employer's Contribution to Pension Fund	4.45	4.54

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 for Provident fund.

- a) The principal assumptions used in determining defined benefit obligation of the Company's plan is shown below:

	31-Mar-25 %	31-Mar-24 %
Discount rate:		
Gratuity plan	6.95	7.23
Settlement Allowance	6.95	7.23
Future salary increases:		
Gratuity plan	10.00	10.00
Settlement Allowance	10.00	10.00

Summary of Demographic Assumptions	Gratuity Plan		Settlement Allowance	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality Table) {Previous Year IALM (2012-14) Ult. Mortality Table}	100%	100%	100%	100%
Disability Rate (as % of above mortality rate)	0%	0%	0%	0%
Withdrawal Rate	1% to 3%	1% to 3%	1% to 3%	1% to 3%
Attrition Rate				
Normal Retirement Age	60 yrs	60 yrs	60 yrs	60 yrs
Average Future Service	20.28	18.48	20.28	18.48

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

40 Employee Benefits (Contd.):

A. Employee Benefit Obligations

The cost of the defined benefit gratuity plan 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.

1) Gratuity

31 March 2025 changes in the defined benefit obligation and fair value of plan assets

(Rs. In lakhs)												
Particulars	01-Apr-24	Gratuity cost charged to profit or loss			Benefits paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-25
		Service cost	Net interest expense	Sub-total included in profit or loss		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		
Defined benefit obligation	(363.05)	(13.73)	(20.57)	(34.30)	157.21	(0.09)	-	(5.31)	6.48	1.08	-	(239.06)
Fair value of plan assets	341.50	-	23.06	23.06	(157.21)	0.09	-	-	-	0.09	-	207.44
Benefit liability	(21.55)			(11.24)	-					1.17	-	(31.62)

(Rs. In lakhs)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

31 March 2024 changes in the defined benefit obligation and fair value of plan assets (Rs. In lakhs)

Particulars	01-Apr-23	Gratuity cost charged to profit or loss			Benefits paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-24
		Service cost	Net interest expense	Sub-total included in profit or loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Defined benefit obligation	(365.32)	(15.90)	(26.72)	(42.62)	19.99	(7.11)	-	(5.26)	37.27	24.90	-	(363.05)
Fair value of plan assets	330.29	-	24.09	24.09	(19.99)	7.11	-	-	-	7.11	-	341.50
Benefit liability	(35.03)			(18.53)						32.01		(21.55)

2) Settlement Allowance:

31 March 2025 changes in the defined benefit obligation and fair value of plan assets											(Rs. In lakhs)	
Particulars	01-Apr-24	Defined Benefit cost charged to profit or loss			Benefits paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-25
		Service cost	Net interest expense	Sub-total included in profit or loss		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Defined benefit obligation	(42.59)	-	(2.78)	(2.78)	8.30	-	-	(1.34)	6.09	4.75	-	(32.32)
Benefit liability	(42.59)			(2.78)	8.30					4.75		(32.32)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

31 March 2024 changes in the defined benefit obligation and fair value of plan assets

(Rs. In lakhs)

Particulars	01-Apr-23	Defined Benefit cost charged to profit or loss			Benefits paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-24
		Service cost	Net interest expense	Sub-total included in profit or loss		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		
Defined benefit obligation	(43.42)	-	(3.19)	(3.19)	1.97	-	-	(1.56)	3.61	2.05	-	(42.59)
Benefit liability	(43.42)			(3.19)	1.97					2.05		(42.59)

3) Provident Fund (interest shortfall):

The Company's Contribution paid / payable to Provident Fund and the liability / obligation is recognised on accrual basis. The Company's Provident Fund Trust is exempted u/s section 17 of the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The condition for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trust vis-a-vis Statutory rate. The Company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the fund and return on investment.

The Company has recognised the obligation on the basis of Actuarial Valuation carried out during the year. The present value of obligation due to difference between the expected interest rate to be earned by the Trust and expected future EPFO interest rate, being the interest shortfall of Rs.37.29 as on 31.3.2025 and Rs,41.89 lakhs as on 31.3.2024.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

40 Employee Benefits (Contd.):

B 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 2025		As at 31 March 2024	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	17.82	21.28	17.13	20.27
Change in rate of salary increase	9.40	8.50	9.73	8.50
Change in withdrawal rates	1.00	1.15	1.07	1.27

(ii) Settlement Allowance (Rs. In lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	4.42	5.54	4.97	6.88
Change in rate of salary increase	4.50	5.51	5.12	6.29
Change in withdrawal rates	4.73	5.96	5.36	6.25

- C. The expected contributions for gratuity for next financial year Rs.31.62 lakhs and Settlement allowance. Nil.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

41 RELATED PARTY TRANSACTIONS & DISCLOSURE U/S 186 OF THE COMPANIES ACT, 2013

Sr. No.	Name of Related Party	Relationship
1	HMT Machine Tools Ltd, Bangalore (MTL)	Subsidiary
	HMT Watches Ltd, Bangalore (HWL)	
	HMT (International) Ltd, Bangalore (HMT(I))	
2	SUDMO HMT Process Engineers (India) Ltd, Bangalore	Joint Venture
	Nigeria Machine Tools Ltd, Nigeria	
3	Gujarat State Machine Tools Corporation, Bhavnagar	Associate
4	Mr. Rajesh Kohli (w.e.f. 05.04.2024)	Key Managerial Persons (KMP)
	Mr. Krishnaswami Ravishankar (w.e.f. 08.03.2024 upto 05.04.2024)	
	Ms. Arti Bhatnagar (w.e.f. 14.02.2023)	
	Dr. Renuka Mishra (w.e.f. 23.07.2024)	
	Ms. Mukta Shekhar (w.e.f. 04.09.2023 upto 23.07.2024)	
	Ms. Sameena Kohli (w.e.f. 10.06.2024)	
	Ms. Rita Saxena (w.e.f. 25.08.2023 upto 24.05.2024)	
	Mr. S. Kishor Kumar	
	Ms. Aparna R	

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Transactions during the year with Related Parties:

Loans and Advances given and repayment thereof:

a) Loans

(Rs. In Lakhs)

Name of Related Party	As at	Opening Balance	Loans Given	Repayment	transfers	Closing Balance
HMT Machine Tools Ltd	Current year	30,582.41	4,086.00		-	34,668.41
	Previous year	27,470.43	3,111.98		-	30,582.41
Interest accred & due on HC Loan	Current year	5,321.85	-	-	(50.00)	5,271.85
	Previous year	5,371.85	-	-	(50.00)	5,321.85

b) Advances (Dr / (Cr))

Name of Related Party	As at	Opening Balance	Advance Given (Net)*	Advance taken (Net)*	transfers	Closing Balance
SUDMO HMT Process Engineers (India) Ltd	Current year	3.40	3.23	-	(3.40)	3.23
	Previous year	8.70	3.40	-	(8.70)	3.40
HMT Machine Tools Ltd	Current year	1,288.02	98.00	-	-	1,386.02
	Previous year	1,198.30	89.72	-	-	1,288.02
HMT Watches Ltd	Current year	-	-	-	-	-
	Previous year	-	76.13	-	(76.13)	-
HMT (International) Ltd	Current year	311.51		53.12	-	258.39
	Previous year	246.92	64.59	-	-	311.51

* Advance includes reimbursement of expenses payable

c) The investments in related parties i.e. Subsidiaries, associates and Joint Venture are detailed under Note No.4

The Company has not given any guarantee/security to the related parties during the year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

d) Name of the Transacting Related Party (Rs. In Lakhs)

		MTL	HWL	HMT(I)	TOTAL
Revenue from Operations	Current year	-	-	-	-
	Previous year	-	-	39.83	39.83
Other Income:	Current year	2272.27	-	-	2,272.27
	Previous year	1544.11	5.38	-	1,549.49
General Expenses:					
Other Expenses	Current year	2272.27	-	59.70	2,331.97
	Previous year	1544.11	-	27.28	1,571.39
Recovery of Expenses	Current year	(18.82)	-	(38.78)	(57.60)
	Previous year	(19.05)	-	(39.24)	(58.29)

(Rs. In Lakhs)

e) Transactions with Key Managerial Persons:

Remuneration paid to KMP

	Current Year	Previous Year
- S.Kishore Kumar	16.91	15.87
- Kamna Mehta	-	6.84
- Aparna R	15.35	5.58
	32.26	28.29

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

42 Ratio Analysis

	Ratio	Numerator	Denominator	FY 2024-25	FY 2023-24	% Variance	Reason for Variance for more than 25%
1	Current Ratio	Current Assets	Current Liabilities	0.78	0.76	2.63%	
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	1.43	1.48	-3.38%	
3	Debt Service Coverage Ratio	Earnings available for debt service(EBITDA)	Debt service (Interest + Principal)	0.03	0.03	0.00%	
4	Return on Equity Ratio	Net Profit after taxes	Average Shareholder's equity	3.45%	5.47%	-36.96%	Due to decrease in Profit after tax on account of withdrawal of tax provision during the previous year and deferred tax liability during the year
5	Inventory turnover ratio	Sales	Average Inventory	2.16	4.46	-51.55%	Reduction in Sales
6	Trade Receivables turnover ratio	Credit Sales	Average Trade receivables	1.87	2.92	-35.94%	Reduction in Trade receivable
7	Trade payables turnover ratio	Net Credit Purchases/Services	Average Trade Payables	0.42	2.32	-82.00%	Increase in Trade payables and reduction credit purchases & services
8	Net capital turnover ratio	Net Sales	Average Working Capital	(0.14)	(0.19)	-25.08%	Reduction in Working Capital
9	Net profit ratio	Net Profit before taxes	Revenue	61.53%	50.98%	20.69%	
10	Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Networth + Total Debt	1.64%	1.54%	6.87%	
11	Return on Investment	Not applicable	Not applicable				As there is no return on investment therefore Nil

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

43 Segment Reporting:

As per Ind AS - 108 "Operating Segment", segment information has been provided under the notes to consolidated financial statements.

During the year Food Processing Division has made a sale of Rs.114.21 Lakhs to a customer which exceed 10% of the revenue.

44 Deferred Tax

Provision for income taxes has been made in terms of Ind AS 12 -Income Taxes.

Movement in deferred tax asset/(liability)		(Rs. In lakhs)	
Particulars	31.3.2025	31.3.2024	
Net deferred Tax asset/(liability) at the beginning of the year	47.93	4.28	
Add: deferred Tax benefits / (charges) for the year	(10.32)	43.65	
Net deferred Tax asset/liability at the end of of the year	37.61	47.93	

The net Deferred Tax Asset as at 31st March 2025 comprises the tax impact arising from the timing differences on account of:

Particulars	31.3.2025	31.3.2024
Depreciation	(28.88)	(25.76)
Provision for employee benefits	66.49	73.69

The Company has not recognised deferred tax asset on unusable tax losses in the absence of resonable certainty of future business profits.

- 45 Considering the realisable value of the non current assets held for sale, support from the Government of India and other business plans, the Company has prepared the financial statements on the basis of going concern and that no adjustments are considered necessary to the carrying value of assets and liabilities.
- 46 A charge by ID 80046855 is still open in the Index of charge on the Website of Ministry of Corporate Affairs pertains to State Bank of India. The Company has already discharged the debt of State Bank of India long back. Since the issue is almost twenty five years old, efforts will be made in co-ordination with State Bank of India for obtaining the necessary documents for satisfaction of charge .
- 47 The Investment in Gujrat State Machine Tools Corporation being an Associate Company, has been fully provided in books of Accounts as the Net Worth of the Company is completely eroded based on the latest information available with HMT Limited. Hence the fair value is shown as Nil.
- 48 The Company has accounted Bad Debts under other expenses, amounting to Rs.2272.27 lakhs being the unrealisable Interest income for the year on the Loans given to HMT Machine Tools Ltd, pursuant to Board of Directors approval.
- 49 The Company has invested Rs.15 lakhs (50% of Equity Shares) comprising 1,50,000 equity shares of Rs.10/- each fully paid up in Sudmo HMT Process Engineers (India) Ltd, Bangalore (M/s Submo-HMT). M/s Sudmo-HMT has no operations. The Board of HMT Ltd has approved (Februaruy 2020) for closure of the defunct Joint Venture Company and submitted the closure proposal to Ministry of Heavy Inudstries, Government of India (July 2021) for approval.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- 50 The Company has invested Rs.20.84 lakhs (39.86% of Equity Shares) comprising 20,84,050 equity shares of Rs.1/- each fully paid up in Gujarat State Machine Tools Corporation, Bhavanagar (M/s. GSMTC). The Board of HMT Ltd gave (March 2021) in principle approval for liquidation of M/s GSMTC, and issued a consent letter to Gujarat Industrial Investment Corporation Ltd (GIIC). GIIC approved (Sept. 2021) liquidation of M/s.GSMTC subject to approval from Government of Gujarat Industries and Mines Department. The Company is awaiting approval from Ministry of Heavy Industries, Government of India to initiate liquidation under the Insolvency & Bankruptcy Code, 2016 for further action.
- 51 The Company has invested 30,00,000 equity shares of 1 Naira each fully paid up in Nigeria Machine Tools Ltd, Nigeria (M/s NMTL. The Board of HMT Ltd approved (February 2020) for disinvestment of stake in M/s NMTL and sought approval from Administrative Ministry. Awaiting further communication from the Ministry of Heaving Industries, Govt. of India.
- 52 The Company has no transactions with struck off Companies under section 248 of the Companies Act, 2013.
- 53 The amendments in Indian Accounting Standards which are applicable to the Company are not expected to have any significant impact on the Company's Financial Statements
- 54 Balances under Trade Receivables, Loans & Advances, Trade payables and Other Current Liabilities are subject to confirmation , although confirmation has been sought in most of the cases.
- 55 The company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) 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, 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.
- 56 The company has not received any funds 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, 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.
- 57 Previous year figures have not been disclosed for comparison as the relevant information was not compiled in the previous year.
- 58 The Company is in the process of getting the lease agreements renewed, wherever the lease term has expired. Until renewal, the lease continues to be accounted under the current terms.
- 59 The figures of previous year have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

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CONSOLIDATED FINANCIAL STATEMENTS

REVISED INDEPENDENT AUDITORS' REPORT

(Issued consequent to provisional comments by Deputy Director, Indian Audit and Accounts Department, Office of the Director General of Commercial Audit, Hyderabad vide PDCA/A/c/Desk/2024-25/HMT/1.19/188 dated 02-09-2025 and it supersedes our Independent Audit Report dated 23-07-2025)

To the Members of HMT Limited –

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of HMT Limited (hereinafter referred to as the “the Holding Company”), its subsidiaries, its associate and joint ventures (Holding Company, its subsidiaries, associates and joint ventures together referred to as “the Group”) which comprise the Balance Sheet as at 31st March 2025, and the statement of Profit and Loss (including Other Comprehensive Income) for the year then ended 31 March 2025, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the Consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the basis of Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the group as at 31st March, 2025, of the profit, changes in equity and cash flows for the year ended on that date.

Basis for Qualified Opinion

Introduction: In forming our qualified opinion on the consolidated financial statements, we have taken into consideration the qualifications and other observations contained in the audit reports of the components included in the Group. While doing so, we have exercised professional judgment to present the matters in a manner relevant to the consolidated

financial position and results. Accordingly, items that are common and already covered under group-level qualifications have not been repeated, matters not considered material at the group level have been excluded, and those that were found not to be significant or not in the nature of qualifications have been disregarded. The description below includes only those matters which, in our view, are material and relevant to the consolidated financial statements and form the basis for our qualified opinion.

Common Qualifications (Group-Level Issues):

1. Non-Compliance with Ind AS 109 – Expected Credit Loss Model:

Ind AS 109 requires the application of an Expected Credit Loss (ECL) model for the recognition and measurement of impairment on financial assets. However, based on the information and explanations provided to us, the Group has not prepared an ECL matrix or carried out any impairment assessment under this model during the audit period. Consequently, we were unable to assess the adequacy of any loss allowance that may be required.

2. Lack of External Confirmations for Party Balances:

The Group has not obtained external confirmations in respect of trade receivables, trade payables, other current assets, and other current liabilities. In the absence of such confirmations and alternative audit procedures, we were unable to obtain sufficient appropriate audit evidence to verify the existence, completeness, and accuracy of these balances. Accordingly, we are unable to determine whether any adjustments may be necessary in respect of these items.

3. Non-Compliance with Ind AS 2 – Valuation of Inventories:

At several locations, inventories have not been valued strictly in accordance with the Group's stated accounting policy, which is required to be in compliance with Ind AS 2 and also inadequate physical verifications. Due to the absence of reliable alternative procedures, we are unable to ascertain the extent of any potential misstatement in the value of inventories and its consequent impact on the financial statements.

4. Unreconciled Input Tax Credit under GST Law:

Most units of the Group are in the process of reconciling the input tax credit as recorded in the books with the balances available on the GST portal, for both the current and prior periods. The reconciliation process is incomplete as at the reporting date, and adjustment entries for reversals or corrections, if any, have not yet been accounted for. In the absence of a completed reconciliation, we are unable to assess the impact of any potential overstatement of input tax credit or its implications on the Group's financial position and results.

Specific Qualifications (Component-Level Issues)

5. Audit of HMT Machine Tools Limited ("MTL")

- a) Delay in remitting the Statutory Dues: At several units of this subsidiary, there have been a general delay in remitting the statutory dues including PF, Gratuity, GST and TDS/TCS etc. While such delays may attract interest and penalties, no provision has been made in the financial statements on this account, and the potential impact has not been quantified. In the absence of such quantification, we are unable to determine whether any adjustments are required in this regard.
- b) Loss sustained by PF Trust: The Company is obligated to compensate the loss sustained by the PF Trusts at its various units. However,

in view of the non-completion of the accounting/ financial position of the PF Trusts for the year ended 31-3-2025, provision has been made on a provisional basis. If the actual loss varies, it will impact the results of the Company for the year. Accordingly, we are unable to determine whether any adjustments may be necessary in respect of these items.

- c) The Company has made an excess provision of interest on the GOI loan by Rs. 31.09 lakh during the year. The interest amount as of 31-03-2025 is Rs. 59,747.94 lakh, but the Company has incorrectly accounted a total of Rs. 59,779.03 lakh of which Rs. 59,384.25 lakh is shown under Interest Accrued & Due and penal Interest up to 31-03-2006 of Rs. 394.78 lakh is shown under Other Current Liabilities.

6. Audit of HMT Machine Tools Limited ("MTL") MTA, Ajmer

- a) The Unit has defaulted in the settlement/ payment of gratuity amounting to Rs. 299.34 lakhs in respect of employees who retired or separated from service. Additionally, no provision has been made towards interest for delayed payment of gratuity, which is not in compliance with the requirements of Ind AS 19 – Employee Benefits.
- b) The Unit has not reversed the GST input tax credit in respect of supplies and services for which payment has been outstanding for more than 180 days as of March 31, 2025, amounting to Rs.14.70 lakhs. This is not in accordance with the provisions of the GST law, and consequently, the input tax credit receivable and liabilities are overstated to that extent.
- c) The Unit auditor has brought out under Emphasis of Matter paragraph that in case of certain MSME vendors, though there was a

delay in payment to the vendors, mandatory interest was not paid.

7. Audit of HMT Machine Tools Limited (“MTL”) MTK - Kalamassery

- a) The Unit has disclosed a claim recoverable of Rs. 199.92 lakhs as at March 31, 2025, which has remained outstanding for several years with no movement during the year. No supporting documentation, external confirmations, or correspondence was provided to substantiate the validity or recoverability of the amount. Further, no assessment has been made in accordance with the requirements of Ind AS 109 – Financial Instruments to determine any impairment loss, if applicable.
- b) The Unit has provided certain infrastructure facilities—such as electricity, water, and land—to an external party operating a hotel business. However, no rental income has been recognised in respect of the use of such facilities. Moreover, the electricity and water charges incurred by the hotel have been paid by the Company and incorrectly classified under “Employee Benefit Expenses” in the financial statements. In our opinion, the non-recognition of income and the misclassification of expenditure is not in compliance with the applicable financial reporting framework. Due to the absence of adequate records, we are unable to quantify the financial impact of this matter.
- c) As per the audit report of the Unit, the electricity bill issued by the Kerala State Electricity Board (KSEB) reflects an outstanding payable of Rs. 895.32 lakhs as at March 31, 2025. However, the Company has recognised only Rs. 568.02 lakhs towards this liability in its books. The balance amount of Rs. 327.30 lakhs has neither been acknowledged nor provided for, and no formal dispute or legal

action has been initiated by the Company against the demand. In the absence of any documentation to support that the liability is disputed, we are of the view that the unrecorded amount ought to have been recognised as a provision in accordance with the applicable financial reporting framework.

- d) As per the audit report of the Unit, a demand for municipal tax arrears of Rs. 99.65 lakhs was received and provision has been made only for Rs. 51.83 lakhs. The balance of Rs. 47.81 lakhs has not been provided for, but only disclosed as a contingent liability.

8. Audit of HMT Machine Tools Limited (“MTL”) MTH, Hyderabad

The Unit/Division has not complied with the Ind AS 40-Investment property under which the Unit/Division must disclose the property from which it is earning the rental income.

9. Audit of HMT Machine Tools Limited (“MTL”) MBX, Bangalore

The auditor of the branch/ unit of this subsidiary has issued a *disclaimer of opinion* on account of significant limitations in audit evidence based on various matters, and we include only the relevant aspects based on the explanation under the initial *introduction* paragraph.

- a) Based on the information and explanations provided, raw materials (including consumables) have been valued at cost as per the ERP records; however, the basis of such cost has not been explained. The valuation of work-in-progress, finished goods, and goods in transit has been carried out using job cards and estimated costs, including overheads. In the absence of supporting documentation, the accuracy of inventory quantities and valuation could not be verified. The use of estimated cost for inventory valuation is not in compliance with Ind AS 2 – Inventories, which requires valuation at cost or net

realisable value, whichever is lower, and is also inconsistent with the stated accounting policy 2(j). The unit auditor has pointed out his inability to verify the scrap records, the physical verification of inventories and provision for non-moving inventories.

- b) Physical verification of Property, Plant and Equipment, due during FY 2024–25 as per management’s stated policy of once every three years, was not conducted. The policy itself was also not made available. In its absence, we are unable to comment on the physical existence of these assets or determine any potential impact on the financial statements.
- c) The Unit has not provided the basis for identifying MSME vendors or the supporting Udhya registration details. Further, interest on delayed payments relating to prior periods has not been provided. In the absence of this information, we are unable to verify the accuracy of MSME disclosures or quantify the impact of any unprovided interest.
- d) The Unit has not recognised any provision towards liquidated damages that may arise due to delays in supply of goods under certain customer contracts, where delivery timelines form part of enforceable terms. In the absence of an evaluation by management and relevant documentation, we are unable to assess whether any provision is required in accordance with ‘Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets’.
- e) Certain errors, or incorrect provisioning of expenses in earlier periods, have been rectified by reversing the amounts as other income in the current year – (i) Rs. 110 lakhs out of the advance written back (ii) Rs.310.49 lakhs towards gratuity (primarily relating to duplication) (iii) Rs.3.09 lakhs towards warranty (iv) Rs.10 lakhs paid

towards interest on Gratuity and (v) Interest of ₹15.11 lakhs. This treatment is not in compliance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, which requires such prior period errors to be adjusted retrospectively against the respective prior period figures.

We conducted our audit in accordance with the Standards on Auditing (SA’s) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated 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 together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

1. In respect of HMT Machine Tools Limited

The auditors of the HMT Machine Tools Limited has included in their report regarding its adoption of going concern as follows: “The Company has incurred losses across all its Unit/Divisions during the current and previous financial years. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis by the management on a basis which include ongoing support from the Government of India and the expectation of implementation of a revival plan.”

2. HMT Watches Limited

The auditors of the HMT Machine Tools Limited has included in their report regarding its adoption of going concept as follows: "We draw attention to Note No.2.8A in the financial statements which indicates the Company is in the process of liquidation and not holding assets or liabilities. Hence financial statements are prepared not on going concern basis. Our opinion is not modified in respect of this matter."

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31st March, 2025. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Emphasis of Matter Paragraph

1. We draw attention to the fact that certain component auditors have included Emphasis of Matter paragraphs in their respective audit reports. The matters referred to therein are either already considered in the Basis for Qualified Opinion section of our report, or are not relevant or material at the consolidated level, or no corresponding disclosures have been made in the Consolidated Financial Statements. Accordingly, these matters have not been reproduced as Emphasis of Matter in our report.
2. We draw attention to foot note (a) of Note No.3A, where in it is stated that the group has not carried out impairment assessment of its assets during the year in view of the fact that the same was carried out just the last year.

3. We draw attention to Note 37(1)(j) of the Consolidated financial statements regarding the disclosure of a contingent liability towards penalty/fine levied by the Stock Exchanges for certain non-compliances of SEBI Regulations. The Company has sought waiver, has some of the non-compliances are beyond its control and the outcome of the matter is presently uncertain. No provision has been made in the financial statements for the said liability, as the same is dependent on the final resolution of the proceedings.

4. We draw attention to Note 37(1)(a)(iii) of the Consolidated financial statements regarding the contingent liabilities for property tax, which includes a demand of property tax raised by the Greater Hyderabad Municipal Corporation (GHMC) on PTH Hyderabad Division of HMT Machine Tools Limited, of Rs. 462.49 lakhs upto 31st March 2025. Against this demand, only Rs. 6.96 lakhs have been paid and accounted for under other expenses. The balance demand of Rs. 455.53 lakhs has not been provided in the books of account, and instead been partly disclosed under Contingent Liabilities amounting to Rs. 277.36 lakhs.

5. We draw attention to Note No.49 of the consolidated financial statements, which states that the Group has disclosed segment information as required under 'IND AS 108-Operating Segments'. However, the financial statements do not include a formal accounting policy outlining the basis of identification and measurement of segments.

Our opinion is not modified in respect of above matters

Other Matters

1. The consolidated financial statements of the Company for the year ended March 31, 2024, were audited by another auditor who expressed a modified opinion (revised) on those statements

on 20 September 2024. The qualifications made and their impact on the current period's financial statements, for unresolved matters, are appropriately considered in this report.

2. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 32,430.88 lakhs as at 31st March 2025, total revenues of Rs. 17,566.61 lakhs and net cash flows amounting to Rs. (-)1,629.29 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of 0.50 lakhs for the year ended 31st March, 2025, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements/ financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub – sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.
3. The holding company has not received financial statements of two associates viz., "Gujarat Machine Tools Limited" and "Nigeria Machine Tools Limited" for the year ended March 31, 2025, and the same have not been considered for the purpose of preparation of these Consolidated Ind AS financial statements.

Our opinion is not modified in respect of these matters

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the 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.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and joint venture 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 Group and of its associate and joint venture'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 consolidated 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 Group and its associate and joint venture's to cease to continue as a going concern.

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

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint venture companies, as noted in the 'Other Matter' paragraph we give in the "Annexure A" a statement on the matters specified in paragraph 3(xxi) of the Order that are qualifications or adverse remarks.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to

the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account for the purpose of preparation of the Consolidated Financial Statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended;
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiary companies, associate and joint venture none of the directors of the Group and of its associate and joint venture is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and of its associate and joint venture and the operating effectiveness of such controls,

refer to our separate report in “**Annexure B**”, and

- g. With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and of its associate and joint venture as notes in ‘Other Matter’ paragraph;
 - i. The consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position—Refer Note 37 to the Consolidated financial statements.
 - ii. The Group does not have any long-term contracts, including derivative contracts, that would require provisioning for any material foreseeable losses under applicable laws or accounting standards;
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group and of its associate and joint venture.
 - iv. (a) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, 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 Group, associates and joint ventures to or in

any other person or entity, 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 Group, associates and joint ventures (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the Group, associates and joint ventures from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group, associates and joint ventures 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 procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or

other auditor's notice that has caused us or the other auditors to believe that the representations stated under sub-clause (a) and (b) above contain any material mis-statement;

- v. The Holding Company, its subsidiaries, associates and joint venture companies incorporated in India have not declared or paid any dividend during the year , and therefore, compliance with section 123 of the Companies Act, 2013 is not applicable.

- vi. Based on our examination which included test checks, the group has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that the audit trail feature has not been enabled at some of the entities. In absence of the audit trail we are unable to comment whether audit trail feature of the said software operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

For GRSM & Associates

Chartered Accountants

FRN: 000863S

GOPALKRISHNA HEGDE

Partner

M.No.208063

Place: Bangalore

Date: 16-9-2025

UDIN: 25208063BMNZNJ3907

**Annexure A to the Independent Auditor's Report
on the Consolidated Financial Statements**

The Annexure A referred to in the Independent Auditor's Report to the Members of HMT Limited ('the holding Company') for the year ended 31 March 2025, we report that:

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Sl. No.	Name of Company	CIN	Relation	Clause number of the CARO report which is qualified or is adverse
1	H M T Limited	L29230KA1953GOI000748	Holding Company	Clause (i) (b) Clause (i) (c) Clause(iii) (a) (A) Clause(iii) (c) Clause(iii) (d) Clause(iii) (f) Clause (vii) (a) Clause (vii) (b) Clause (ix) (a) Clause (xxiv)
2	HMT Machine Tools Limited	U02922KA1999GOI025572	Subsidiary	Clause (i) (b), (c) Clause (ii) (a) Clause (vii) (a) Clause (vii) (b) Clause (ix) (a) Clause (xvii)
3	HMT Watches Limited	U33301KA1999GOI25573	Subsidiary	-
4	HMT (INTERNATIONAL) Limited	U3309KA1974GOI002707	Subsidiary	-

For GRSM & Associates
Chartered Accountants
FRN: 000863S

GOPALKRISHNA HEGDE
Partner
M.No.208063

Place: Bangalore
Date: 16-9-2025
UDIN: 25208063BMNZNJ3907

Annexure B to the Independent Auditors' Report on the Consolidated Financial Statements of HMT Limited for the year ended 31 March 2025

Report on Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to paragraph 1(f) under 'Report on other regulatory requirements' Section of our report to the members of HMT Limited of even date)

We have audited the internal financial controls over financial reporting of "HMT Limited" as of March 31, 2025, in conjunction with our audit of the Consolidated financial statements for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') 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 the 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 internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on audit of internal financial controls and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be

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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2025:

Group as whole

1. The Group does not have an adequate internal control system for timely reconciliation of Goods and Services Tax (GST) data with the GST portal.
2. The Group does not have appropriate internal control with respect to Inventory and valuation of inventory.
3. The Group does not have an appropriate internal control system for obtaining confirmation of trade receivables, trade payables and other material financial balances.

Specific with respect to Group/ Subsidiary/ Unit

4. ABD Unit, Bangalore of HMT Limited - The Division does not have a proper system of control over invoices and sales through ecommerce and outlets.
5. The auditor of the Food Processing Machinery Unit, Aurangabad of HMT Limited has observed that the Division does not have appropriate internal control for verification and reconciliation of Fixed Assets
6. The auditor of the HMT Machine Tools Limited has observed that:
 - a. The Company does not have an appropriate internal control system in accounting Property, Plant and Equipment, and its capitalization and charging of depreciation.
 - b. The Company lacks an effective internal control system to ensure timely capitalization of Property, Plant and Equipment when they are available for use and verification of fixed assets.
 - c. The Company also has a significant deficiency in its internal controls relating to the selection and consistent application of accounting principles, as well as in the overall period-end financial reporting process.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis. In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2025, based on the internal control over financial reporting criteria established by the Group 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2025 standalone financial statements of the Group, and these material weaknesses do not affect our opinion on the standalone financial statements of the Group.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to the three subsidiary companies (which are companies incorporated in India), is based on the corresponding reports of the auditors of such subsidiaries to the extent made available to us.

For GRSM & Associates
Chartered Accountants
FRN: 000863S

GOPALKRISHNA HEGDE
Partner
M.No.208063

Place: Bangalore
Date: 16-9-2025
UDIN: 25208063BMNZNJ3907

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HMT LIMITED FOR THE YEAR ENDED 31 MARCH 2025

The preparation of consolidated financial statements of HMT Limited, Bangalore for the year ended 31 March 2025 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) read with Section 129 (4) of the Act are responsible for expressing opinion on these financial statements under Section 143 read with Section 129 (4) of the Act based on 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 Revised Audit Report dated 16 September 2025 which supersedes their earlier Audit Report dated 23 July 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of HMT Limited for the year ended 31 March 2025 under Section 143(6) (a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of HMT Machine Tools Limited, HMT Watches Limited (subsidiaries) and HMT International Limited (subsidiary) but we have not conducted supplementary audit of the financial statements of Gujarat State Machine Tools Corporation Limited (associate company) for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to the joint venture Sudmo HMT Process Engineers (India) Limited, Bangalore being private entity. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this Company. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

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

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



**(V.M.V Nawal Kishore)
Principal Director of Commercial Audit,
Hyderabad**

**Place: Hyderabad
Date : 19 September 2025**

Consolidated Material accounting policies for the year ended March 31, 2025

1. Background:

HMT Limited ("the Company") is a public limited company domiciled in India and is incorporated in 1953 under the provisions of the Companies Act, 1913, having Registered Office at HMT Bhavan, 59, Bellary Road, Bangalore-560 032. The Company's shares are listed in National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Company is engaged in the manufacturing of Food Processing Machineries etc.

2. Material 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) Basis of Consolidation:

The consolidated financial statements of HMT Limited ("Parent Company"), subsidiary companies, associates and joint venture (collectively referred as "the Group") used in the preparation of this consolidated financial statements have been drawn up on the same reporting date as that of the parent company i.e. year ended March 31, 2025. The financial

statement of the associate company has not received by the parent company and the networth of the said associate is completely eroded. Accordingly, losses have been consolidated to the extent of the value of the investments.

iii) Principles of consolidation and equity accounting:

- a) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- c) Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary
- d) Non Controlling Interest's share of profit / loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e) Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- f) Investment in Associate and Joint Venture has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.

- g) The Company accounts for its share of post acquisition changes in net assets of associate and joint venture, after eliminating unrealised profits and losses resulting from transactions between the Company and its associate to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

iv) **Summary of Material 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 coverage is limited to Rs.50,000/- per eligible employee. The balance provision is being retained in the books to meet any additional liability accruing thereon for payment of Gratuity.

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.

The amount of Rs.50,000/- per head received/receivable from LIC on account of gratuity claims in respect of employees separated under Voluntary Retirement Scheme during the year is accounted as Other Income.

In respect of employees who are separated other than under Voluntary Retirement Scheme, the Gratuity paid in excess of Rs.50,000/-, Earned Leave Encashment (ELE), SA is debited to the respective provision accounts. The provision at the yearend 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) Material 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.

- vi) The consolidation of financial statement (CFS) present the consolidated accounts of HMT Limited with its following subsidiaries and associates:

Name of the Company	Nature of relationship	Country of Incorporation	Proportion of Ownership	
			Current Year	Previous Year
HMT Machine Tools Limited	Subsidiary	India	100%	100%
HMT Watches Limited	Subsidiary	India	100%	100%
HMT (International) Limited	Subsidiary	India	100%	100%
Gujarat State Machine Tools Corporation Limited	Associate	India	39%	39%
Sudmo HMT Process Engineers (India) Limited	Joint Venture	India	50%	50%

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2025

(Rs. in lakhs)

Particulars	Notes	As at 31-Mar-25	As at 31-Mar-24
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	3,028.12	3,403.40
Capital work in progress	3A	209.70	331.29
Investment Property	3B	601.05	628.96
Intangible assets under development	3C	-	-
Financial Assets			
Investments	4	17.71	18.20
Other Financial Assets	9	505.48	429.20
Other Non Current Assets	11	381.22	384.18
		4,743.28	5,195.23
Current assets			
Inventories	5	9,660.37	11,601.64
Financial Assets			
Trade Receivables	6	12,402.05	13,424.24
Cash and Cash Equivalents	7	497.54	2,883.96
Bank balances other than Cash and Cash Equivalents	8	20,078.94	21,793.49
Other Financial Assets	9	434.18	444.99
Current Tax Assets (net)	10	932.56	890.25
Other Current Assets	11	3,542.77	3,973.11
		47,548.41	55,011.68
Non Current Assets Held for Sale	3D	296.15	296.15
TOTAL ASSETS		52,587.84	60,503.06
EQUITY AND LIABILITIES			
Equity			
Share Capital	12	35,560.16	35,560.16
Other equity	13	(2,25,349.97)	(2,10,763.09)
Total equity		(1,89,789.81)	(1,75,202.93)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2025

(Rs. in lakhs)

Particulars	Notes	As at 31-Mar-25	As at 31-Mar-24
Non-current Liabilities			
Financial liabilities			
Borrowings	14	-	-
Non Current Financial Liability	15	-	-
Other non current liabilities	20	10,027.67	10,049.95
Provisions			
Provision for Employee Benefits	16	3,554.43	3,577.62
Deferred tax liability (net)	17	(1.84)	0.17
		13,580.26	13,627.74
Current liabilities			
Financial Liabilities			
Borrowings	14	1,02,916.84	1,02,937.49
Trade payables	18		
Total outstanding dues to Micro, Small & Medium Enterprises		888.38	670.08
Total outstanding dues of creditors other than Micro, Small & Medium Enterprises		7,666.58	9,614.71
Other financial Liabilities	19	63,073.30	56,831.05
Other Current Liabilities	20	51,920.00	49,079.14
Provisions			
Provision for Employee Benefits	16	1,901.17	2,456.69
Others	22	396.45	370.33
Current Tax Liabilities (net)	21	34.67	118.76
		2,28,797.39	2,22,078.25
Total liabilities		2,42,377.65	2,35,705.99
TOTAL EQUITY AND LIABILITIES		52,587.84	60,503.06

Material Accounting Policies and Notes forming part of Accounts

As per our Report of even date attached For and on behalf of the Board of Directors of HMT Limited

For GRSM & Associates

Chartered Accountants

F.R.N : 000863S

Rajesh Kohli

Chairman and Managing Director

(Addl. Charge)

DIN 10333951

Sameena Kohli

Director, Finance

(Addl. Charge)

DIN 10663362

(Gopalkrishna Hegde)

Partner

Membership No : 208063

Kishor Kumar Shankar

Company Secretary

Aparna R

Chief Financial Officer

Place : Bangalore

Date : July 23, 2025

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2025

		(Rs. in lakhs)	
Particulars	Notes	Year Ended 31-Mar-25	Year Ended 31-Mar-24
CONTINUING OPERATIONS			
Revenue from Operations	23	14,230.57	16,338.69
Other Income	24	6,239.99	5,370.11
Total Income		20,470.56	21,708.80
EXPENSES			
Cost of Materials Consumed	25	6,027.85	8,898.50
Purchase of Stock In Trade	26	351.07	536.24
Changes in inventories of finished goods, Stock-in -Trade and Work-in-progress	27	1,514.01	377.60
Employee Benefits Expense	28	6,232.05	7,582.17
Depreciation and Amortization Expense	29	745.69	827.88
Finance Costs	30	6,967.24	6,806.01
Other Expenses	31	12,824.15	10,280.29
Less: Jobs Done for Internal Use	32	(185.41)	(298.91)
Total Expense		34,476.65	35,009.78
Profit/(loss) before share of profit/(loss) from investment in associate and a joint venture, exceptional items and tax from continuing operations		(14,006.09)	(13,300.98)
Share of profit/(loss) of an associate and a joint venture	34	(0.50)	(0.57)
Profit/(loss) before exceptional items and tax from continuing operations		(14,006.59)	(13,301.55)
Exceptional items	33	-	-
Profit/(loss) before tax from continuing operations		(14,006.59)	(13,301.55)
(1) Current tax		318.05	458.75
(2) Deferred tax		(3.50)	(33.93)
(3) Adjustment of tax relating to earlier periods		(15.76)	(718.60)
	35	298.79	(293.78)
Profit for the year from continuing operations		(14,305.38)	(13,007.77)
DISCONTINUED OPERATIONS			
Profit/(loss) before tax for the year from discontinued operations	36	-	3,53,070.16
Tax Income/ (expense) of discontinued operations		-	(84,986.12)
Profit/(loss) from discontinued operations		-	2,68,084.04
Profit/(loss) for the year		(14,305.38)	2,55,076.27

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2025

		(Rs. in lakhs)	
Particulars	Notes	Year Ended 31-Mar-25	Year Ended 31-Mar-24
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		(280.01)	25.54
Income tax effect - (Credit)/debit		1.49	(8.58)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(281.50)	34.12
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(14,586.88)	2,55,110.39
Profit/(loss) for the year			
Attributable to:			
Equity holders		(14,305.38)	2,55,076.27
Non-controlling interests		-	-
Other Comprehensive Income			
Attributable to:			
Equity holders		(281.50)	34.12
Non-controlling interests		-	-
Total comprehensive income for the year			
Attributable to:			
Equity holders		(14,586.88)	2,55,110.39
Non-controlling interests		-	-
Earnings per share for continuing operations	47		
i) Basic, profit from continuing operations attributable to equity holders		(4.02)	(3.66)
ii) Diluted, profit from continuing operations attributable to equity		(4.02)	(3.66)
Earnings per share for discontinued operations			
i) Basic, profit from discontinued operations attributable to equity holders		-	75.39
ii) Diluted, profit from discontinued operations attributable to equity holders		-	75.39
Earnings per share from continuing and discontinued operations			
i) Basic, profit for the year attributable to equity holders		(4.02)	71.73
ii) Diluted, profit for the year attributable to equity holders		(4.02)	71.73

Material Accounting Policies and Notes forming part of Accounts

As per our Report of even date attached For and on behalf of the Board of Directors of HMT Limited

For GRSM & Associates
Chartered Accountants
F.R.N : 000863S

Rajesh Kohli
Chairman and Managing Director
(Addl. Charge)
DIN 10333951

Sameena Kohli
Director, Finance
(Addl. Charge)
DIN 10663362

(Gopalkrishna Hegde)
Partner
Membership No : 208063

Kishor Kumar Shankar
Company Secretary

Aparna R
Chief Financial Officer

Place : Bangalore
Date : July 23, 2025

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

(Rs. in lakhs)

Particulars	Year Ended 31-Mar-25	Year Ended 31-Mar-24
Operating activities		
Profit/(loss) before tax from continuing operations	(14,006.59)	(13,301.55)
Profit/(loss) before tax from discontinued operations	-	3,53,070.16
Profit before tax	(14,006.59)	3,39,768.61
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	717.78	798.49
Depreciation of investment properties	27.91	29.39
Gain on disposal of property, plant and equipment	(17.30)	(23.09)
GOI liabilities waived off	-	(2,69,378.75)
Grant received from GOI	-	(83,747.00)
Finance income (including fair value change in financial instruments)	(1,591.46)	(1,535.97)
Finance costs (including fair value change in financial instruments)	6,967.24	6,806.01
Share of (profit)/ loss of an associate and a joint venture	0.50	0.57
Working capital adjustments:		
Movements in provisions	(343.49)	1,210.54
Increase in trade and other receivables and prepayments	1,173.93	5,539.68
Decrease in inventories	1,770.71	4.94
Increase in trade and other payables	1,088.75	564.94
	(4,212.02)	38.36
Income tax (paid)/reversed	(428.69)	(84,714.88)
Net cash flows from operating activities	(4,640.71)	(84,676.52)
Investing activities		
Proceeds from sale of property, plant and equipment	17.33	23.06
Purchase of property, plant and equipment	(220.94)	(382.55)
Deposits with Banks	1,612.28	(5,877.89)
Interest received	1,591.26	1,473.15
Net cash flows used in investing activities	2,999.93	(4,764.23)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

		(Rs. in lakhs)
Particulars	Year Ended 31-Mar-25	Year Ended 31-Mar-24
Financing activities		
Interest Paid	(724.99)	(597.91)
Grant received from GOI	-	83,747.00
Repayment of borrowings(net)	(20.65)	(377.84)
Net cash flows from/(used in) financing activities	(745.64)	82,771.25
Net increase in cash and cash equivalents	(2,386.42)	(6,669.50)
Net foreign exchange difference		
Opening balance of Cash and cash equivalents(Refer Note 7)	2,883.96	9,553.46
Closing balance of Cash and cash equivalents (Refer Note.7)	497.54	2,883.96

Material Accounting Policies and Notes forming part of Accounts

- Note:1) The above statement has been prepared under the indirect method as set out in Ind AS 7*
2) Bank deposits placed during the year Rs.10953.02 lakhs and matured during the year Rs.12565.30 lakhs. (Refer Note.65)
3) Previous year's have been regrouped/reclassified wherever applicable.

As per our Report of even date attached For and on behalf of the Board of Directors of HMT Limited

For GRSM & Associates
Chartered Accountants
F.R.N : 000863S

Rajesh Kohli
Chairman and Managing Director
(Addl. Charge)
DIN 10333951

Sameena Kohli
Director, Finance
(Addl. Charge)
DIN 10663362

(Gopalkrishna Hegde)
Partner
Membership No : 208063

Kishor Kumar Shankar
Company Secretary

Aparna R
Chief Financial Officer

Place : Bangalore
Date : July 23, 2025

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

As at 31st March 2025

(Rs. In lakhs)

Balance as at 1st April 2024	Changes in Equity Share Capital during the year	Balance as at 31st March 2025
35,560.16	-	35,560.16

As at 31st March 2024

(Rs. In lakhs)

Balance as at 1st April 2023	Changes in Equity Share Capital during the year	Balance as at 31st March 2024
35,560.16	-	35,560.16

B. Other Equity

As at 31st March 2025

(Rs.in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income	Total equity
	Capital reserve	Retained earnings	General Reserve		
Balance as of 1st April 2024	2,270.82	(2,22,535.91)	16518.37	(7,016.37)	(2,10,763.09)
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as of 1st April 2024	2,270.82	(2,22,535.91)	16,518.37	(7,016.37)	(2,10,763.09)
Total Comprehensive Income for the year	-	(14,305.38)	-	(281.50)	(14,586.88)
At 31 March 2025	2,270.82	(2,36,841.29)	16,518.37	(7,297.87)	(2,25,349.97)

As at 31st March 2024

Particulars	Reserves and Surplus			Other Comprehensive Income	Total equity
	Capital reserve	Retained earnings	General Reserve		
Balance as of 1st April 2023	2,270.82	(4,77,696.10)	16,600.97	(7,049.17)	(4,65,873.48)
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as of 1st April 2023	2,270.82	(4,77,696.10)	16,600.97	(7,049.17)	(4,65,873.48)
Discontinued operations	-	2,68,084.04	-	-	2,68,084.04
Total Comprehensive Income for the year	-	(13,007.77)	-	34.12	(12,973.65)
At 31 March 2024	2,270.82	(2,22,619.83)	16,600.97	(7,015.05)	(2,10,763.09)

Material Accounting Policies and Notes forming part of Accounts

As per our Report of even date attached

For and on behalf of the Board of Directors of HMT Limited

For GRSM & Associates
Chartered Accountants
F.R.N : 000863S

Rajesh Kohli
Chairman and Managing Director
(Addl. Charge)
DIN 10333951

Sameena Kohli
Director, Finance
(Addl. Charge)
DIN 10663362

(Gopalkrishna Hegde)
Partner
Membership No : 208063

Kishor Kumar Shankar
Company Secretary

Aparna R
Chief Financial Officer

Place : Bangalore
Date : July 23, 2025

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

3A. PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

Particulars	Land & Land Development	Buildings	Plant and Machinery	Furniture, Fittings & Office Appliances	Special Tools	Transport Vehicles	Land-Leasehold	Total
Gross carrying value								
As at 1 April 2023	259.55	3,776.80	38,954.39	1,143.49	2,304.42	103.53	17.09	46,559.27
Additions	-	48.26	113.01	3.58	298.91	-	-	463.76
Transfer to Investment Property (Refer Note 3B (iii) (c))	(158.19)	(596.68)	-	-	-	-	-	(754.87)
Disposals	-	-	(17.34)	(0.36)	-	-	-	(17.70)
At 31 March 2024	101.36	3,228.38	39,050.06	1,146.71	2,603.33	103.53	17.09	46,250.46
Additions	-	20.34	134.53	2.25	185.41	-	-	342.53
Disposals/Adjust	-	-	(91.77)	0.30	-	(5.36)	-	(96.83)
At 31 March 2025	101.36	3,248.72	39,092.82	1,149.26	2,788.74	98.17	17.09	46,496.16
Accumulated Depreciation								
As at 1 April 2023	-	2,757.95	36,386.35	1,118.11	1,974.56	103.53	10.48	42,350.98
Depreciation charge for the year	-	110.29	519.86	6.29	171.96	-	0.12	808.52
Depreciation relates to IP transferred for the year 2023-24	-	(10.03)	-	-	-	-	-	(10.03)
(Refer Note 3B(iii) (c))	-	(0.01)	(16.62)	(1.10)	-	-	-	(17.73)
Disposals/Adjust	-	-	-	-	-	-	-	-
Transfer to Investment Property accumulated depreciation as on 1.4.2023 (Refer Note 3B(iii) (c))	-	(284.68)	-	-	-	-	-	(284.68)
At 31 March 2024	-	2,573.52	36,889.59	1,123.30	2,146.52	103.53	10.60	42,847.06
Depreciation charge for the year	-	93.20	438.00	7.28	179.17	-	0.13	717.78
Disposals/Adjust	-	-	(91.77)	0.33	-	(5.36)	-	(96.80)
At 31 March 2025	-	2,666.72	37,235.82	1,130.91	2,325.69	98.17	10.73	43,468.04
Net carrying value								
At 31 March 2025	101.36	582.00	1,857.00	18.35	463.05	-	6.36	3,028.12
At 31 March 2024	101.36	654.86	2,160.47	23.41	456.81	-	6.49	3,403.40
Net carrying value	31-03-25	31-03-24						
Property, Plant and Equipment	3,028.12	3,403.40						
Capital work in progress - Opening	331.29	412.50						
Additions	-	-						
Disposals/Adjust	(121.59)	(81.21)						
Capital work in progress - Closing	209.70	331.29						

Additional Information:

(a) Quantum of loss accounted due to Impairment of Assets as per IND AS-36 for the year- Nil . The Company carried out impairment assessment for all PPE Assets during 2023-24. Hence no such assessment carried during the year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Land:

- (i) HMT MTL is in possession of land located at Bangalore, Kalamassery & Hyderabad gifted by the respective State Governments measuring 177.75 Acres, 166.00 Acres and 227.30 Acres respectively, nominally valued at Rs. 1 each.
- (ii) The Company is in possession of leasehold land measuring 29.84 acres at Aurangabad out of which 4.94 acres of land has been encroached upon. Further, legal action is being pursued for restoration of the encroached land
- iii) Pending finalisation of the rates by the Government of Rajasthan, provision for conversion charges, if any, payable for conversion of Revenue land for Industrial use at Machine Tool Unit Ajmer, has not been made in the accounts as the matter is sub-judice and execution of lease deed is pending.

In Khasra No.6767(2.17 Bighas / 0.87 acres of land) has not been transferred in the name of HMT MTL since 1976. Vacant possession of this land has not been given so far by the Government of Rajasthan. Though the compensation for land has been paid to land owner but the compensation for built-up Pakka / Khaccha houses situated in this land has not been paid till the amount of compensation is finalised by the Government of Rajasthan, as per the agreement.

- iv) In the matter relating to 195 acres and 33 guntas land handed over to HMT-Machine Tools Ltd (HMT-MTL) by the Govt. of Andhra Pradesh. HMT-MTL has filed Writ Petition No. 20012 of 2003 on the file of Hon'ble High Court of A.P. against the Govt. of A.P. and others wherein HMT-MTL has sought directions for demarking 195.33 acres of land for handing over the same to HMT-MTL. As per the survey conducted during the year 2004-05 by the Officials of Survey and Settlement Department, Ranga Reddy Dist. in view of Supreme Court directives, it has come to the notice that approx. 39 acres of land is not in the actual possession of HMT-MTL, but HMT-MTL has paid for the entire 195.33 acres of land for the decree holders. Out of the above land, 6000 sq. mts. of land is allotted to APSEB for setting up 33KV Switching Station and 33/11 KV Electrical sub-station. The compensation payable by the APSEB has not yet been determined. GHMC issued a notice vide notice No. 41/86/RW/TPS/GHMC/SC/2007 dated 01.12.2007 to take over 238.86 Sq. Yds. of land for road widening programme undertaken by them out of the 3000 Sq. yds. available at Kavadiguda, Secunderabad without any compensation. HMT-MTL had protested for this and raised a demand for compensation for land proposed to be taken over by them for road widening programme at prevailing market rate which is pending.

In respect of HMT-MTL

- 1) During 2020-21, Govt. of Karnataka had filled an Interlocutory Application (IA) before Supreme Court for permitting denotification of HMT owned (including HMT Watches Ltd and Land Sold by HMT earlier) and possessed land (Since 1960s) located in Peenya Plantation area Bengaluru (Total 443 Acres granted / gifted /acquired by HMT) with a present balance of 266 Acres owned and possessed by HMT in the said area. Out of 266 Acre, 172.34 Acre relates to HMT, MBX, Bengaluru. GOK has filed an application for withdrawal of IA and in pursuant to which the Company has filed and Intervention/Impleadment application before the Hon'ble Supreme Court. Presently the matter is pending with Supreme Court.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- 2) The part compensation of Rs.1850 lakhs received from BBMP towards acquisition of land has been shown as Advance received against sale of Land under "other non current Liabilities". Balance amount of Rs.152 lakhs is still pending.
- 3) BBMP allotted PID NO.07/77/5 (Khatha Registration) for HMT Machine Tools Limited, Jalahalli, Bengaluru, property. After payment of property tax under one time settlement scheme Rs.26,36,00,555/- for the period from 1997-98 to 2023-24. The Company has requested BBMP several times to issue Khatha Certificate and Extract of the same is not yet issued. In books of account land area indicated as 330.28 acres, whereas in statement arrived as 334.26 acres. The difference land area of 3.98 acres are assumed to be removed from Kharab land while measuring /accounting. However there is no clarity and documents pertaining to this.

Others:

- (1) The carrying amount of temporarily Idle property, Plant and Equipment : - NIL
- (2) The Holding Company Gross carrying amount of any fully depreciated Property, Plant and Equipment that is still in use Rs.11169.58 lakhs.
- (3) Fixed assets have been transferred from the HMT Limited (Holding Company) to HMT Machine Tools Ltd, (Subsidiary) at gross value of Rs.202.10 Crores. Reserve for Depreciation of Rs.151.46 Cr. and net value of Rs.50.64 Cr., as on 1.4.2000 in line with the Scheme of arrangement approved by the Department of Company Affairs.
- (4) Fixed assets include immovable properties, vested under the scheme of arrangement approved by the Government of India. However, the mutation of Title Deeds is yet to be done in the name of HMT Machine Tools Ltd. in Revenue records to that effect. Fresh Lease Deed in respect of Lease hold land are pending to be executed.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

3A. PROPERTY, PLANT AND EQUIPMENT

Agewise details as at the end of current Financial year (Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years	
CNC Horizontal Machining Centre					-
CNC Cylindrical Grinding Machine					-
Construction of New Hanger		-	-	-	-
Diesel Generator	-				-
Projects in progress	-	-	-	209.70	209.70
	-	-	-	209.70	209.70

Agewise details as at the end of previous Financial year

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years	
CNC Horizontal Machining Centre					-
CNC Cylindrical Grinding Machine					-
Construction of New Hanger		-	-	11.59	11.59
Diesel Generator	-				-
Projects in progress	-	-	110.00	209.70	319.70
	-	-	110.00	221.29	331.29

Details of CWIP completion schedule as at the end of current financial year:

For Capital Work in Progress, where completion is overdue or has exceeded its cost compared to its original plan

CWIP	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Plant and Machinery		-		
HMT CNC Horizontal Machining Centre-HMC 1000	170.00			
HMT CNC Lathe Stallion 200 UL	38.98			
Rexroth Make External Gear Pump	0.72			-
	209.70	-	-	-

Details of CWIP completion schedule as at the end of previous financial year:

For Capital Work in Progress, where completion is overdue or has exceeded its cost compared to its original plan

CWIP	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Plant and Machinery		110.00		
HMT CNC Horizontal Machining Centre-HMC 1000	170.00			
HMT CNC Lathe Stallion 200 UL	38.98			
Rexroth Make External Gear Pump	0.72			-
	209.70	110.00	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Land & Land Development	Buildings	Total
3B. INVESTMENT PROPERTY			
Gross carrying value			
Opening balance at 1 April 2023	18.11	1,471.14	1,489.25
Additions	-	-	-
Transfer from PPE (Refer Note (iii) (c) below	158.19	596.68	754.87
Closing balance at 31 March 2024	176.30	2,067.82	2,244.12
Additions	-	-	-
Closing balance at 31 March 2025	176.30	2,067.82	2,244.12
Depreciation and impairment			
Opening balance at 1 April 2023	-	1,301.09	1,301.09
Depreciation	-	19.36	19.36
Depreciation transferred from PPE (for the year 2023-24) (Refer Note (iii) (c) below		10.03	10.03
Transfer from PPE(accumulated depreciation as on 1.4.2023)(Refer Note iii(c) below	-	284.68	284.68
Closing balance at 31 March 2024	-	1,615.16	1,615.16
Depreciation	-	27.91	27.91
Closing balance at 31 March 2025	-	1,643.07	1,643.07
Net carrying value			
at 31 March 2025	176.30	424.75	601.05
at 31 March 2024	176.30	452.66	628.96

Additional Information:

- The Company has classified certain land & building as investment property which is not a owner occupied property
- The Company has not obtained any fair valuation of the investment property from independent valuer. However, the based on the guidance value, the fair value of the investment property as at March 31, 2025 is Rs.5,59,514.29 lakhs (previous year Rs.5,56,701.09 lakhs).

iii) Land:

- The Company is in possession of land located at Pinjore, Kalamassery and Hyderabad gifted by the respective State Governments admeasuring 382.54 acres, 209.85 acres and 660.75 acres respectively, nominally valued at Rs.1/- each and the Company in possession of Land admeasuring 2.89 acres purchased at Bangalore.
- In respect of land at Hyderabad, an area admeasuring 28.40 acres was leased to various Government Departments at Hyderabad. Pending registration of transfer, the Company has agreed to release 14.20 acres of land in exchange for 14.20 acres of land under an exchange agreement with a State Public Sector Undertaking. The Company has also leased 1,000 sq. yards of land, for which lease deed was executed and agreed to release another two acres of land to Telangana (formerly called as Andhra Pradesh) Postal Department in Hyderabad, the execution of which is pending.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The Company has obtained stay from the Andhra Pradesh High Court, against repossession of 106 acres and 35 guntas of land by the Government of Telangana (formerly called as Government of Andhra Pradesh). No finality has been reached on the proposal for surrender of 300 acres of land owned by the Company at Hyderabad, to the Government of Telangana (formerly called as Government of Andhra Pradesh), in lieu of payment of part sale consideration and issue of marketable title for the balance land.

- (c) During the current year, the Company has reclassified certain Land & Building included in Property, Plant and Equipment(PPE) to Investment Property, amounting to Rs.450.13(Net Block value) as at 31st March,2024. This reclassification has been made upon review of the nature and use of the asset in accordance with the relevant provisions of IND AS. Consequently, the comparative figures as at March 31, 2024, have been restated to reflect this change. The impact of the reclassification is as follows:

(Rs. in lakhs)			
Particulars	As Previously Reported	Adjustment	As Restated
a) PPE - Gross Block	47,005.34	(754.87)	46,250.46
b) PPE - Depreciation	43,141.77	(294.71)	42,847.06
c) PPE - Net Block (a-b)	3,863.57	(460.16)	3,403.40
a) Investment Property - Gross Block	1,489.25	754.87	2,244.12
b) Investment Property - Depreciation	1,320.45	294.71	1,615.16
c) Investment Property - Net Block(a-b)	168.80	460.16	628.96

Additional Information:

Information regarding income and expenditure of Investment property

(Rs. in Lakhs)		
	31-Mar-25	31-Mar-24
Rental income derived from investment properties	1,134.31	1,031.29
Direct operating expenses (including repairs and maintenance) generating rental income	(368.59)	(419.04)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(2.59)	(2.54)
Profit arising from investment properties before depreciation and indirect expenses	763.13	609.71
Less – Depreciation	(22.48)	(23.23)
Profit arising from investment properties before indirect expenses	740.65	586.48

3C. INTANGIBLE ASSET

(Rs. in lakhs)		
Particulars	31-03-2025	31-03-2024
Intangible Asset under development	123.38	-
Less: Government Grant adjusted	123.38	-
Closing balance	-	-
Net carrying value	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

3D Non Current Assets Held for Sale

(Rs. In lakhs)

Particulars	31-Mar-25	31-Mar-24
Land and Land Development	24.13	24.13
Buildings	272.02	272.02
Total	296.15	296.15

Additional Information:

HMT Ltd

- The land admeasuring 5.80 acres situated at Bangalore classified under "Assets Held for Sale", is pending adjudication before the Hon'ble Supreme Court of India. An Interlocutory Application (IA) in respect of the said land has been filed by the Company during the FY 2024-25, seeking appropriate directions from the Court. Further course of action concerning the aforesaid land shall be determined based on the final outcome of the proceedings before the Hon'ble Supreme Court.
- In line with the approval of Government of India, the Immovable Assets of HMT Watches Ltd (under closure) have transferred to HMT Limited at the book value of Rs.296.06 lakhs during the year 2022-23, the rights of transfer of immovable assets have been assumed by the Government and HMT Limited is the custodian of these properties till their disposal and ensure the transfer of the sale proceeds to the Administrative Ministry after deduction of applicable expenses and taxes.
- The Company is in possession of gift land located at Bangalore admeasureing 89.74 acres of which 7 acres of land has been encroached upon and the matter has been taken up with the Govt. of Karnataka to shift the un-authorised occupants.
- The Company has allowed possession of land measuring 45.622 acres and received entire sale consideration of Rs.7202.10 lakhs and is pending for registration.
- The sale proceeds from the above stated land should be transferred to Government of India after incurring applicable taxes.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
Financial assets		
4. Investments		
Investments In Equity Instruments		
Investments at fair value through Other Comprehensive Income (FVTOCI)		
Unquoted equity shares (fully paid)		
30,00,000 (Previous year: 30,00,000) Equity Shares of 1 Naira each fully paid up in Nigeria Machine Tools Ltd, Nigeria - 15% of Shareholding (Refer Note 57)	-	-
Total FVTOCI investments	-	-
Investment in Equity Instruments of Associates and Joint Venture		
Investments in Joint Venture		
1,50,000 (Previous year: 1,50,000) Equity shares of Rs.10 each fully paid up in Sudmo HMT Process Engineers (India) Ltd., Bangalore - 50% of Shareholding (Refer Note 55)	17.71	18.20
Investments in Associates		
20,84,050 (Previous year: 20,84,050) Equity Shares of Rs.1 each fully paid up in Gujarat State Machine Tools Corporation Ltd., Bhavnagar - 39.86% of Shareholding (Refer Note 56)	-	-
Total Investment in Equity instruments in Associate and Joint Venture	17.71	18.20
Total	17.71	18.20
Total Investments	17.71	18.20
Current	-	-
Non Current	17.71	18.20
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	17.71	18.20
Aggregate amount of impairment in value of investments	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
5. Inventories		
Raw Materials and Components	3,068.73	3,173.54
Material and Components in Transit	26.76	9.37
Work-in-Progress	4,240.31	4,797.86
Finished Goods	2,247.35	3,462.34
Stock in Trade	56.99	44.04
Goods in Transit	253.94	-
Stores and Spares	1,286.31	1,452.56
Tools and Instruments	274.94	277.98
Scrap	56.69	65.05
	11,512.02	13,282.74
Less: Provision for Non-moving Inventories	1,851.65	1,681.10
	9,660.37	11,601.64
6. Trade Receivables		
Unsecured - considered good	12,402.05	13,424.24
Unsecured - considered doubtful *	17,412.92	17,101.78
	29,814.97	30,526.02
Allowance for doubtful debts		
Unsecured, considered doubtful	17,412.92	17,101.78
	12,402.05	13,424.24

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

* Write off against allowances for doubtful debts (Refer Note 65)

Particulars	31-Mar-25	31-Mar-24
Unsecured considered doubtful - opening balance	17,101.78	
Add: Provision made during the year	763.81	
Less : Write-off against provision	452.67	
Unsecured considered doubtful - closing balance	17,412.92	
Allowance for doubtful debts - Doubtful - Opening balance	(17,101.78)	
Less: Provision made during the year	763.81	
Add: Write-off against provision	452.67	
Allowance for doubtful debts - Doubtful - Closing balance	(17,412.92)	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

6A Trade Receivables Agewise details

As at the end of current financial year.

(Rs. in lakhs)

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months -	1 year	1 - 2 years	2 - 3 years	More than 3 years	
	6 months					
Undisputed - Considered good	4,497.91	1,374.34	1,423.32	1,182.91	3,923.57	12,402.05
Undisputed - Considered doubtful	24.09	10.31	5.99	137.24	10,091.21	10,268.84
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	7,144.08	7,144.08
	4,522.00	1,384.65	1,429.31	1,320.15	21,158.86	29,814.97

As at the end of previous financial year.

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months -	1 year	1 - 2 years	2 - 3 years	More than 3 years	
	6 months					
Undisputed - Considered good	4,342.08	1,355.94	3,152.04	1,283.78	3,290.40	13,424.24
Undisputed - Considered doubtful	-	1.26	34.15	144.96	9,404.33	9,584.70
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	7,517.08	7,517.08
	4,342.08	1,357.20	3,186.19	1,428.74	20,211.81	30,526.02

(Rs. in lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
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7. Cash and Cash equivalents

Current accounts	483.72	1,884.90
Deposits with maturity three months or less	10.60	994.90
Cash and Cheques on hand	3.22	4.16
	497.54	2,883.96

8. Banks balances other than Cash and Cash equivalents

Current Account (Surge)	9.43	22.67
Escrow Accounts	56.66	59.72
Deposits with maturity more than three months but less than twelve months	18,827.16	20,597.12
Deposits having remaining maturity less than twelve months	1,185.69	1,113.98
	20,078.94	21,793.49

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
9. Other Financial Assets		
Non-Current		
Secured - Considered Good		
Deposits with Banks exceeding twelve months of maturity	223.36	121.09
Margin Money with Banks	264.16	301.16
Interest accrued & due	17.96	6.95
	505.48	429.20
Current		
Secured - Considered Good		
Interest accrued & due on Bank Deposits	434.18	444.99
	434.18	444.99
10. Current Tax Assets (net)		
Advance tax/TDS receivables*	1,321.64	959.33
Less: Current Tax provision	389.08	69.08
	932.56	890.25
* Primarily consists of TDS receivables		
11. Other Assets		
Non-Current		
Unsecured -Considered Good		
Security Deposits with Government Authorities & others	381.22	384.18
Capital Advances	1.97	1.97
Less: Allowance for Doubtful Advances	1.97	1.97
Total Non Current Assets	381.22	384.18
Advances and other receivables		
Unsecured -Considered Good		
Advances #	3,302.66	3,779.31
Deposits	240.11	193.80
	3,542.77	3,973.11
Unsecured -Considered Doubtful		
Advances *	1,132.41	1,124.99
Interest on Trade Receivable	8,217.64	8,217.64
	9,350.05	9,342.63
Less: Allowance for Doubtful Advances *	1,132.41	1,124.99
Allowances for Interest on Trade Receivable	8,217.64	8,217.64
	9,350.05	9,342.63

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Additional Information:

#includes

(a) 446.02 acres of land at Pinjore, Haryana has been transferred to HSIIDC (412.69 acres) and Indian Railways (33.33 acres) during the year 2019-20 and as on 31.3.2025 an amount of Rs.4.99 lakhs (Rs.4.99 lakhs Previous year) is due from HSIIDC.

(b) Advances to Joint Ventures Rs.3.23 lakhs (Rs.3.40 lakhs Previous year)

* Write off against Allowances for Doubtful Advances (Refer Note 65)

(Rs. in lakhs)

Particulars	31-Mar-25	31-Mar-24
Advances considered Doubtful - opening balance	1,124.99	
Add: Provision made during the year	28.80	
Less : Write-off against provision	21.38	
Advances considered Doubtful - Closing balance	1,132.41	
Allowance for doubtful advances - Doubtful - Opening balance	(1,124.99)	
Less: Provision made during the year	28.80	
Add: Write-off against provision	21.38	
Allowance for doubtful advances - Doubtful - Closing balance	(1,132.41)	

12 Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31-Mar-25		As at 31-Mar-24	
	No	Amount	No	Amount
Authorised Share Capital:				
Equity shares of Rs.10 each	1,23,00,00,000	123,000.00	1,23,00,00,000	123,000.00
	1,23,00,00,000	123,000.00	1,23,00,00,000	123,000.00

Issued, Subscribed & Paid up:

Equity shares of Rs.10 each				
At the beginning of the year	355,601,640	35,560.16	355,601,640	35,560.16
Issued during the year	-	-	-	-
Reduction during the year	-	-	-	-
At the end of the year	355,601,640	35,560.16	355,601,640	35,560.16

Additional Information:

1 Equity Shares:

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.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2 Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	No of shares	Percentage	No of shares	Percentage
<i>Equity Shares:</i>				
Hon'ble President of India	27,95,66,626	78.62%	27,95,66,626	78.62%
Special National Investment Fund	6,75,38,614	18.99%	6,75,38,614	18.99%

3 Shares held by the promoters' at the end of the year

Promoter Name	No. of Share at the beginning of the year	No. of Share at the end of the year	% of total Share	% change during the year
Hon'ble President of India	27,95,66,626	27,95,66,626	78.62%	-

4. Information regarding issue of shares in last 5 years

- The Company has not issued any shares without payment being received in cash
- The Company has not issued any bonus shares
- The Company has not undertaken any buy-back of shares

Particulars	(Rs. in lakhs)	
	As at 31-Mar-25	As at 31-Mar-24
13. Other Equity:		
i) Capital Reserve:	2,270.82	2,270.82
ii) General Reserve:	16,518.37	16,600.97
iii) Retained Earnings:	(236,841.29)	(222,619.83)
iv) Other Comprehensive Income (OCI)	(7,297.87)	(7,015.05)
Total	(225,349.97)	(210,763.09)

Additional Information:

Nature and Purpose of Reserves

- (a) **Capital Reserve:** Capital Reserve is towards difference in the face value of Equity Shares held by Governor of Andhra Pradesh and Government of India in Praga Tools Ltd, which has been merged with HMT Machine Tools Ltd and the consideration of Re.1 to be paid to each of them as per the Scheme of Merger sanctioned by BIFR.
- (b) **General Reserve:** This represents accumulation of profits retained by the Company to meet the further (known/ unknown) obligations.
- (c) **Retained earnings:** Retained earnings are profits that the Company earned till date, less transfer to General Reserve and other distribution to shareholders.
- (d) **OCI :** It represents the changes in the remeasurements of employee defined benefit plans.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
14. Borrowings		
Current		
Secured		
Term loan from Bank (refer foot note No.1 below)	57.81	-
Cash Credit (refer foot note No.2 below)	3,834.49	3,912.95
	3,892.30	3,912.95
Unsecured		
Loan from Govt. of India (Defaulted) #	99,010.80	99,010.80
Interest free Loan from Governemnt of India (Defaulted) (refer foot note No.3 below)	13.74	13.74
	99,024.54	99,024.54
Total Current borrowings	102,916.84	102,937.49
Aggregate Secured loans	3,892.30	3,912.95
Aggregate Unsecured loans	99,024.54	99,024.54

Note:

1 . Secured loan

Type of borrowing	Name of the lender	Nature of Security	Repayment terms	Default in repayment
Loan against FD	Canara Bank	FD Rs.120 lakhs	on demand, Interest @ 7.75% p.a.	None
Type of borrowing and Limit	Name of the lender	Nature of Security	Repayment terms	Default in repayment
Cash Credit Rs.3842 lakhs	UCO Bank	Hypothecation of Inventories & Trade Receivables	Working Capital facilities, Interest @ 16.65% p.a.	None
Cash Credit Rs.1175 lakhs	PNB	Hypothecation of Inventories & Trade Receivables	Working Capital facilities, Interest @ 16.65% p.a.	None
Cash Credit Rs.565 lakhs	SBI	Hypothecation of Inventories & Trade Receivables	Working Capital facilities, Interest @ 16.55% p.a.	None
Cash Credit Rs.100 lakhs	Union Bank	Hypothecation of Inventories & Trade Receivables	Working Capital facilities, Interest @ 16.65% p.a.	None

- Cash Credits as referred to above, are repayable on demand and are secured by hypothecation of entire current assets of the Company including inventories and Trade Receivables, by first charge and collateral security by way of equitable mortgage by deposit of title deed of the immovable property of the Company ranking pari passu inter-se the participating banks.
- During the FY 2018-19 the Company has received Rs.13.74 lakhs towards reimbursement of consultancy charges paid to IIM, Bangalore for Financial & Strategic Review of consolidation & restructuring plan of the Company. However, the Company is in process of obtaining clarification from Department of Heavy Industry whether the same is grant or loan. Based on the clarification the same will be treated as income or borrowing in the year of confirmation from department of Heavy Industries.

Period and amount of default (Ref. Note No.67)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)		
Particulars	As at 31-Mar-25	As at 31-Mar-24
15. Non Current Financial Liability	-	-
16. Provision for employee benefits		
Non Current		
Gratuity	2,178.69	2,229.44
Earned Leave Encashment	1,087.62	1,122.86
Settlement Allowance	233.89	165.92
Provident Fund	54.23	59.40
	3,554.43	3,577.62
Current		
Gratuity	619.71	675.33
Earned Leave Encashment	239.78	315.33
Settlement Allowance	35.98	45.88
Wage and Salary Revision arrears (1992-1995)	1,005.70	1,420.15
	1,901.17	2,456.69
17. Deferred Tax Liability(Net)		
Deferred Tax Liability	107.54	121.62
Deferred Tax Asset	109.38	121.45
	(1.84)	0.17
18. Trade payables		
Total outstanding dues to Micro, Small & Medium Enterprises	888.38	670.08
Total outstanding dues of creditors other than Micro, Small & Medium Enterprises	7,666.58	9,614.71
Total	8,554.96	10,284.79

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

18A Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

	(Rs. in lakhs)	
Particulars	31-Mar-25	31-Mar-24
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	926.05	670.08
- Interest	143.84	72.69
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006.	1.78	1.14
Amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.		
The amount of interest accrued and remaining unpaid at the end of each accounting year.	143.84	72.69
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006.		

18B TradePayable Agewise details

As at the end of current financial year: (Rs. in lakhs)

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years	
MSME	559.07	109.92	46.19	173.20	888.38
Others	4,095.97	829.54	735.64	2,005.43	7,666.58
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	4,655.04	939.46	781.83	2,178.63	8,554.96

As at the end of previous financial year:

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years	
MSME	445.33	111.81	61.41	51.53	670.08
Others	5,617.85	1,317.08	375.69	2,304.09	9,614.71
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	6,063.18	1,428.89	437.10	2,355.62	10,284.79

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
19. Other Financial Liabilities		
3.5% Preference Share Capital (Defaulted)	3,686.00	3,686.00
Interest accrued and due on borrowings:		
Loans from Government of India	59,384.25	53,145.05
Term Loan from Bank	3.05	-
Total	63,073.30	56,831.05

3.5% Preference Share Capital

Each Redeemable Preference Shares has a par value of Rs.100/- per share and is redeemable after 3 years. The preference shares carry a dividend of 3.5% per annum and conversion of cumulative dividend into equity shares on accrual. The dividend rights are cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation.

In accordance with the CCEA approval and DHI's directions thereon during January 2016, 3.5% Redeemable Preference Shares of 4,06,14,000 no's (Rs.40,614.00 lakhs) out of 4,43,00,000 no's of Rs.100/- each (Rs.44,300.00 lakhs) will be extinguished and set off against the Loans and advances to subsidiaries companies provided by the Company to HMT Watches Limited, HMT Chinar Watches Limited and HMT Bearings Limited.

For the remaining 3.5% Redeemable Preference Shares the revival Plan sanctioned to the Company vide sanction No F.No.5.1(1)/2005.PE.X dated 29 March 2007 has specified for redemption of Preference Share Capital out of sale proceeds of the identified surplus assets of HMT Machine Tools Ltd. Since the sale of identified assets has not taken place which is pre-condition for redemption, remaining 3.5% Redeemable Preference Share Capital is not redeemed .

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
20. Other Liabilities		
Non Current		
Advance received against land sale	9,979.59	9,979.59
Grant from Government of India	25.28	47.56
Grant in Aid	22.80	22.80
	10,027.67	10,049.95
Current		
Revenue received in advance	4,848.91	5,521.60
Accrued expenses	853.70	1,084.99
Other liabilities (Employee related liabilities, OSL for expenses, EMD , Statutory dues etc.,)	46,217.39	42,472.55
Total	51,920.00	49,079.14

21. Current Tax Liabilities

Current Tax provision	318.05	458.75
Less: Advance tax/TDS Receivables	283.38	339.99
Total	34.67	118.76

22. Provisions - others

Particulars	Warranty Claims	Provision for Indirect Taxes and salary revision arrears	Others	Total
At 1 April 2024	92.02	1.25	277.06	370.33
Arising during the year	106.73	-	-	106.73
Utilised	(75.46)	-	-	(75.46)
Unused amounts reversed	(5.15)	-	-	(5.15)
At 31 March 2025	118.14	1.25	277.06	396.45
Current	118.14	1.25	277.06	396.45
At 1 April 2023	104.46	1.25	277.06	382.77
Arising during the year	70.47	-	-	70.47
Utilised	(81.92)	-	-	(81.92)
Unused amounts reversed	(0.99)	-	-	(0.99)
At 31 March 2024	92.02	1.25	277.06	370.33
Current	92.02	1.25	277.06	370.33

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year ended 31-Mar-25	Year ended 31-Mar-24
23. Revenue from operations		
Sale of Products		
Food Processing Machinery	931.50	724.51
Watches	1,475.04	1,158.66
Spares and Accessories	103.90	108.69
Revenue from Powder Project	-	2,679.58
	2,510.44	4,671.44
Sale of Services		
Sundry Jobs and Miscellaneous Sales	106.87	79.97
	106.87	79.97
Total	2,617.31	4,751.41
Machine Tools		
Sale of Products	7,977.79	8,161.77
Accessories	1,484.52	1,199.10
	9,462.31	9,360.87
Sale of Services		
Sale of Services	317.89	275.16
Sundry Jobs and Miscellaneous Sales	264.06	161.32
Packing / Forwarding charges	33.82	31.31
	615.77	467.79
Total	10,078.08	9,828.66
Exports		
Sales & Commission	1,393.87	1,108.71
Technical Services	10.67	12.90
Project Sales & Services	129.91	637.01
Export Assistance	0.73	-
	1,535.18	1,758.62
Revenue from Operations	14,230.57	16,338.69
24. Other income		
Interest Income		
Interest income on Bank Deposits	1,583.74	1,499.24
Interest from Dealers/Others	7.72	36.73
	1,591.46	1,535.97

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year ended 31-Mar-25	Year ended 31-Mar-24
Other Income		
Recoveries from Staff/Others	416.06	422.92
Rent Received	2,655.46	2,352.43
Profit on Sale of Property, Plant and Equipment	17.30	23.09
Government Grant	-	20.35
Provisions Withdrawn	581.85	524.83
Bad debts recovered	66.81	-
Reversal of Surge expenses of earlier years	102.29	-
Other non operating Income	808.76	490.52
	4,648.53	3,834.14
Total Other Income	6,239.99	5,370.11

25 Cost of Materials Consumed

Raw materials and Components		
Inventory at the beginning of the year	3,173.54	2,840.05
Add: Purchases	4,590.63	7,713.49
	7,764.17	10,553.54
Less: inventory at the end of the year	3,068.72	3,173.54
Cost of raw material and components consumed	4,695.45	7,380.00
Consumption of Stores, Spares, Tools & Packing Materials	1,332.40	1,518.50
Total raw materials and components consumed	6,027.85	8,898.50

Particulars of Materials Consumed

Steel	496.68	319.18
Non-ferrous Metals	6.58	125.38
Ferrous Castings	613.27	557.24
Non-ferrous Castings	14.75	45.52
Forgings	52.42	36.75
Standard parts & components	3,221.04	5,032.46
Others	290.71	1,263.47
Total	4,695.45	7,380.00

26. Purchase of Stock in Trade

Purchases of Stock in Trade	351.07	536.24
	351.07	536.24

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year ended 31-Mar-25	Year ended 31-Mar-24
27. Changes in Inventory		
Finished Goods		
Inventory at the beginning of the year	3,462.34	3,812.30
Less: inventory at the end of the year	2,247.35	3,462.34
Changes in Inventory	1,214.99	349.96
Work in Progress		
Inventory at the beginning of the year	4,797.86	4,427.36
Less: inventory at the end of the year	4,240.31	4,797.86
Changes in Inventory	557.55	(370.50)
Stock in Trade		
Inventory at the beginning of the year	44.04	411.26
Less: inventory at the end of the year	56.99	44.04
Changes in Inventory	(12.95)	367.22
Goods in Transit		
Inventory at the beginning of the year	-	-
Less: inventory at the end of the year	253.94	-
Changes in Inventory	(253.94)	-
Scrap		
Inventory at the beginning of the year	65.05	95.97
Less: inventory at the end of the year	56.69	65.05
Changes in Inventory	8.36	30.92
Total	1,514.01	377.60

28. Employee benefits expense

Salaries,Wages and Bonus	4,496.56	5,414.70
House Rent Allowance	86.50	102.44
Gratuity	345.04	399.36
Contribution to PF & FPS	488.31	539.44
Deposit Linked Insurance	32.83	47.63
Contribution to ESI	3.40	3.77
Welfare Expenses	779.41	1,074.83
	6,232.05	7,582.17

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year ended 31-Mar-25	Year ended 31-Mar-24
29. Depreciation and amortization		
Depreciation of Tangible Assets	717.78	798.49
Depreciation on Investment Properties	27.91	29.39
	745.69	827.88
30. Finance costs		
Interest Expense		
Government of India Loans	6,239.19	6,208.10
Interest Expense (Gol Loans)	648.58	597.59
Cash Credit loans from Banks	78.25	-
Others	-	0.01
Other Borrowing Cost		
Discounting Charges	1.22	0.31
Total finance costs	6,967.24	6,806.01
31. Other expenses		
Manufacturing Expenses		
Power and Fuel	821.90	932.51
Repairs to machinery	20.08	26.00
Provision for Non Moving Inventories	320.43	209.04
Selling & Distribution Expenses		
Advertisement and Publicity	16.93	22.79
Carriage outwards	114.64	166.04
Establishment Expenses		
Rent	33.39	29.37
Rates and Taxes*	3,980.85	1,435.04
Insurance	41.64	43.61
Water and Electricity	466.46	449.61
Repairs to building	41.27	35.15
Printing and Stationery	40.45	41.06
Auditors Remuneration #	9.50	9.68
Provision for Doubtful Debts, Loans and Advances	790.99	1,601.29
Warranty claims	108.77	73.76
Loss sustained by PF Trust	898.91	779.47
Bad Debts	-	5.46
Travelling Expenses	177.44	192.60
Repairs & Maintenance - General	483.07	606.08
Security Charges	576.79	488.15
Casual Labour charges	2,143.09	2,026.59
Corporate Social Responsibility***	47.15	56.55

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year ended 31-Mar-25	Year ended 31-Mar-24
Technology platform "SURGE" expenses	-	19.27
Diference in exchange	0.24	2.39
Reversal of deferred income-Govt. Grant of earlier years**	101.10	-
Training expenses - Skill Development	5.50	3.32
Other Expenses	1,583.56	1,025.46
	12,824.15	10,280.29

*includes Rs.1999.84 lakhs property tax arrears paid to BBMP, Bangalore under OTS.

** During the year, the Company reassessed the Accounting Treatment of expenditure and related Government Grant for "Project Surge" a Soft Development Initiative. Previously, devepment expenses were charged to the Statement of Profit and Loss, and the Grant was recognised as Deferred Grant Income. Based on the audit observations and in line with applicable Accounting Standards, the Company has determined that the expediture qualified as an "Intangible Asset under Development". Consequently, the earlier recognised expenses and grant income have been reversed, and the develoment costs have been capitalised under Intangible Asset under Development and disclosed by adjusting to the extent of Govt. Grant received.

includes

As auditor	6.24	6.14
For taxation matters	1.69	2.03
Previous year audit fee	0.10	-
Cost audit fee & expenses	1.47	1.26
For other services	-	0.25
	9.50	9.68

***Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, read with gudelines issued by DPE, the Company is required to spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

i) Amount required to spend during the year	47.15	56.55
ii) Shortfall amount from the previous year	28.62	42.71
	75.77	99.26
iii) Amount spent during the year		
- on the project in Health and Nutrition Sector- supply of		
> Reusable Sanitary Napkins to Women, Yadgir District	-	0.75
> Artificial Aids and Assistive Divices to Divyangjans/Senior Citizens/ Disabled persons through Alimico, Bangalore	-	20.70
> Artificial Aids and Assistive Divices to Divyangjans/Senior Citizens/ Disabled persons through Alimico, Chikkamangaluru	-	15.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year ended 31-Mar-25	Year ended 31-Mar-24
> Musical Instruments, Bilnd walking sticks etc. to M/s Bless Society of Rural and Urban Development & M/s Swavalamban Angavikala Seva Charitable Trust, Bangalore	-	5.00
> Supply of Blazer / Jackets to Girl Students in Karnataka Public School, Bangalore	2.48	-
> Supply of Ambulance to Government Medical College, Aurangabad	21.75	-
> Administrative expenses	-	0.44
> Menstrual	0.75	-
- Transfer to PM National Relief Fund	5.43	28.75
Total amount spent during the year	30.41	70.64
iv) CSR Reserve (amount c/f i.e. shortfall at the end of the year {inclusive of administrative expenses})	45.36	28.62

Reasons for Shortfall: The Company has identified certain CSR ongoing activities in the area of Health , Nutrition, Education etc as referred below:

- Supply of CBNAAT machine to Govt. Dist TB Centre, Mandya
- Supply of Electro therephy with Lazer and Ultrasound to Shri Guruji Seva Nyas
- Supply of Medical Instrument to Mandya Institute of Medical science
- Supply of educational related items to BLESS Society of Rural and Urban Development, Bangalore

32. Jobs Done for Internal Use

Shop manufactured Special Tools	(185.41)	(298.91)
	(185.41)	(298.91)

33. Exceptional Items

-	-
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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

34. Interest in joint venture

The Company has a 50% interest in SUDMO- HMT Process Engineers (India) Limited, a joint venture involved in marketing of Food Processing Machines. The Company's interest in SUDMO- HMT Process Engineers (India) Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind-AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below

	(Rs. in lakhs)	
	31-Mar-25	31-Mar-24
Current assets, including cash and cash equivalents	38.75	39.92
Current liabilities, including tax payable	(3.34)	(3.52)
Equity	35.41	36.40
Proportion of the Company's ownership	0.50	0.50
Carrying amount of the investment	17.71	18.20

Summarised statement of profit and loss of the SUDMO- HMT Process Engineers (India) Limited:

Revenue	2.86	2.79
Finance cost	-	-
Other expense	(3.85)	(3.93)
Profit before tax	(0.99)	(1.14)
Income tax expense	-	-
Profit for the year (continuing operations)	(0.99)	(1.14)
Total comprehensive income for the year (continuing operations)	(0.99)	(1.14)
Company's share of profit for the year	(0.50)	(0.57)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	Year ended 31-Mar-25	Year ended 31-Mar-24
35. Income Tax		
The major components of income tax expense for the years ended 31 March 2025 and 31 March 2024 are:		
Continuing Operations		
<u>Statement of profit and loss</u>		
Profit or loss section		
Current income tax:		
Current income tax charge	318.05	458.75
Deferred tax:		
Relating to origination and reversal of temporary differences	(3.50)	(33.93)
Adjustment of Tax :		
Relating to earlier years	(15.76)	(718.60)
Income tax expense reported in the statement of profit & loss	298.79	(293.78)
Discontinued Operations		
Current income Tax	-	84,986.12
Adjustment of Tax relating to earlier years	-	-
	-	84,986.12
OCI section		
Deferred tax related to items recognised in OCI during in the year		
Net loss/(gain) on remeasurements of defined benefit plans	1.49	(8.58)
Income tax charged to OCI	1.49	(8.58)

Additional Information:

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Reconciliaiton of tax expense has not furnished by the subsidiary companies. Accordingly same has note been furnished.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

36. Discontinued Operations

a) As per the CCEA Approval in FY 2015-16 it was decided that HMT Chinar Watches Ltd, HMT Watches Ltd and HMT Bearings Ltd operations were closed. Consequently, dissolution order have been passed for HMT Chinar Watches Ltd and HMT Bearings Ltd vide order dated 10th March, 2022 and 20th April, 2022 respectively.

b) Accordingly, the results below consists of only HMT Watches Ltd.

The results of Discontinued Operations for the year are presented below:

(Rs in lakhs)

Particulars	Year ended 31-Mar-25	Year ended 31-Mar-24
Revenue		
Other income	-	61.21
Expenses		
Other Expenses	-	116.80
Profit/(loss) before exceptional items and tax from a discontinued operation	-	(55.59)
Exceptional items		
Write back of GOI Liabilities	-	269,378.75
Grant received from GoI	-	83,747.00
Profit/(loss) before tax from a discontinued operation	-	353,070.16
Tax (expenses)/income:		
Related to current pre-tax profit/(loss)	-	84,986.12
Related to measurement to fair value less costs of disposal (deferred tax)		
Profit/(loss) for the year from a discontinued operation	-	268,084.04

The classification of Non Current Assets of Discontinued Operations are as follows

Total Non Current Assets	-	-
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The net cash flows incurred as follows:

Operating	-	(1,363.99)
Investing	-	59.68
Financing	-	-
Net cash (outflow)/inflow	-	(1,304.31)

Earnings per share:

Basic, profit/(loss) for the year from discontinued operation	-	75.39
Diluted, profit/(loss) for the year from discontinued operation	-	75.39

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	As at 31-Mar-25	As at 31-Mar-24
37. Contingent Liabilities		
1) Claims against the company not acknowledged as debt;		
Details		
a) Tax related claims pending in appeal		
i) Excise Duty	-	-
ii) Sales Tax	213.55	213.55
iii) Property Tax	3,933.66	8,080.05
iv) Income Tax	37.92	37.92
b) Non receipt of related Forms against levy of concessional Sales Tax	54.40	54.40
c) Employee related claims relating to Lockouts, Back wages, Incentive & Annual bonus, etc., pending adjudication, to the extent ascertainable	1,815.50	1,772.17
d) Various cases relating to defective product, accident causing injuries to third parties, claims relating to supply of materials etc.	14,957.09	14,693.67
e) Various legal cases relating to employees and other contingent liabilities pertaining to HMT Watches Ltd (Ref Note No. 60)	9,855.75	9,896.80
f) Guarantees and Counter Guarantees and LCs issued [(including Rs.8063 Lakhs and Rs.8045 lakhs (previous year) against Corporte Guarantee of Rs.12272 lakhs issued to HMT Machine Tools Ltd)]	9,606.71	11,188.27
g) Disputed Lease Rental in respect of premises occupied by the Company up to April, 2010 at Jeevan Tara Building belongs to LIC of India, New Delhi.	311.77	311.77
h) Income tax deducted at source demand under the traces software for short and non remittances of tax deduction at source – matter under examination.	79.09	79.12
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
j) Stock Exchanges have levied penalties to Company for the certain Non-Compliances under the SEBI (LODR) Regulations, 2015 like Composition of Board of Directors, Committees, delay in submission of accounts etc. As per the circulars of Stock Exchanges, listed entities are required to comply with the provisions of the Exchange circular before filing the waiver applications to the Exchange. Accordingly, in some of the cases, Company has got waiver of penalties from stock exchanges. The Company has again requested for waiver of penalties from Stock Exchanges. Total penalty amount (approx.):	825.84	510.11

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	As at 31-Mar-25	As at 31-Mar-24
k) Based on an inspection, BESCOM on 18-8-2020 raised a demand for Rs.122 lakhs for use of electricity for commercial purposes in the township area (while the connection had been obtained for industrial purposes), which included application of revised tariff, interest and penalty with effect from a past date. HMT Limited paid Rs. 61 lakhs as a deposit and filed an appeal against the demand notice with the appropriate authorities. The appellate authority partially allowed the appeal [vide Order dated 6-5-2025], directing BESCOM that a revised notice is to be issued by applying a single rate without any penalty after deducting the demand amount already levied under the industrial tariff. The amount payable is not yet ascertained and will be decided only after getting a fresh demand from BESCOM.		

38. Other Disclosures

- (a) The GOI had released a Plan Assistance of Rs. 200 lakhs to the Company during March 2007 to meet the Capital Expenditure of HMT Watches Ltd, the wholly owned Subsidiary, in the form of Equity (Rs.100 lakhs) & Loan (Rs.100 lakhs). In view of the non utilisation of the funds by the Subsidiary within the stipulated period, GOI had instructed the Company during December 2009 for refund of the total Plan Assistance of Rs. 200 lakhs. Accordingly, the Company has refunded the Loan amount of Rs. 100 lakhs to GOI during February 2010. However, with regard to refund of Equity portion, since the Company has already issued 10,00,000 Equity Shares of Rs. 10/- each (Rs. 100 lakhs) in favour of President of India during April 2007, as per the terms of GOI sanction, the same could not be carried out, as it would amount to reduction in Share Capital requiring the approval of the Share Holders and completion of other statutory formalities as per the Companies Act and applicable rules in this regard, and the same has been communicated to GOI. Further instructions are awaited from GOI on the same.
- (b) Other Liabilities (Non Current) Includes:
The Company's efforts to complete the sale of two properties remain pending, resulting in advances received towards these transactions, which is classified under 'Other non-current liabilities' and cost of the properties classified under "Non Current Assets held for Sale" : (1) Rs. 926.64 lakhs received from Raman Research Institute (RRI) and an agreement to sell was executed and possession has been transferred, registration could not be completed due to pending approval from the Concerned Authorities and (2) Rs. 7,202.10 lakhs (including TDS) received from the Government of Uttarakhand (GOUK), sale of property to the GOUK through auction and negotiations by the Department of Investment and Public Asset Management (DIPAM) , the registration has been delayed due to the Company has not been able to obtain vacant possession from the ex-employees currently occupying the said property. Since both transactions remain incomplete, the Company has not recognised the sales in its books. Accordingly, any capital gains tax liability will be accounted for in the financial year in which the income on sale of the assets is recognised.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	As at 31-Mar-25	As at 31-Mar-24
39. Preference Share Capital		
i) The Government of India while approving the Revival Plan of HMT Machine Tools Ltd (HMT-MTL), a Subsidiary Company, during March 2007, had accorded sanction for cash infusion of Rs. 44300 lakhs in the form of 3.5% Preference Share Capital which was routed through the Company for investment in the Preference Share Capital in the Subsidiary, to be redeemed after 3 years i.e. 31.3.2010 out of sale of surplus immovable Properties of HMT-MTL. However, as per the CCEA approval 40614000 No. of Shares will be extinguished out of 44300000 Nos. of Rs.100/- each, leaving a balance shares of 36,86,000 of Rs.100/- each which is proposed to be redeemed upon sale of immovable property.		
ii) Arrears of fixed cumulative dividends on preference shares (including tax thereon) payable to Government of India	5,607.63	5,607.63
40. Inventories include		
usable slow/non moving and surplus stores and materials/work in progress and Finished goods	213.06	405.47
41. Trade Receivables include		
Dues towards erection and commissioning for a period exceeding one year	194.13	243.41
Amounts withheld towards liquidated damages and interest on advances claimed/if claimed on delayed supplies.		
Dues from parties against whom cases have been filed before various Courts which are pending.		
No provision has been made towards outstandings for more than three years, which are not supported by specific confirmations from customers in respect of HMT (I) Ltd		
42. Advances include		
Amounts recoverable from employees advances, bonus etc pending adjudication / negotiations	2.54	2.54
Adhoc payments to employees towards Wage/Salary, DA arrears, if any, pending adjustment & provision to this extent has been made in the accounts	28.37	148.40
43. Contingent Asset		
Debts written off in the past, but action of recovery proceedings is being continued before the courts	120.43	138.98

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

44. Related Party Transactions & Disclosure u/s 186 of Companies Act 2013

Name of the Related Party	Relationship
Mr. R ajesh Kohli (w.e.f. 05.04.2024)	Key Managerial Persons (KMP)
Mr. Krishnaswami Ravishankar (w.e.f. 08.03.2024 upto 05.04.2024)	
Ms. Arti Bhatnagar (w.e.f. 14.02.2023)	
Dr. Renuka Mishra (w.e.f. 23.07.2024)	
Ms. Mukta Shekhar (w.e.f. 04.09.2023 upto 23.07.2024)	
Ms. Sameena Kohli (w.e.f. 10.06.2024)	
Ms. Rita Saxena (w.e.f. 25.08.2023 upto 24.05.2024)	
Mr. S. Kishor Kumar	
Ms. Aparna R	

Transactions with Key Managerial Personnel	(Rs. in lakhs)	
Compensation of key management personnel of the Company	31-Mar-25	31-Mar-24
Mr. S. Kishor Kumar	16.91	15.87
Ms. Aparna R	15.35	5.58
Ms. Kamna Mehta	-	6.84
	32.26	28.29
Directors sitting fees	-	-

Related Party Transactions with Subsidiaries

Transactions and balance with its own subsidiaries are eliminated in consolidation.

Related Party Transactions with Joint Venture

Sudmo HMT Process Engineers (India) Ltd

Advance (Dr/Cr)

Opening Balance	3.40	8.70
Advance given (Net)	3.23	3.40
Advance taken (Net)	-	-
Transfers	(3.40)	(8.70)
Closing Balance	3.23	3.40

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

45. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values

	Carrying amount		Fair value	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Financial assets				
FVTOCI financial investments	-	-	-	-
Total	-	-	-	-
Financial liabilities				
Borrowings	38,745.10	38,765.75	38,745.10	38,765.75
Interest Free Government of India Loan	64,171.74	64,171.74	64,171.74	64,171.74
Total	102,916.84	102,937.49	102,916.84	102,937.49

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management also assessed that the government of India loan excluding Interest Free Government of India Loan approximate their carrying amounts as transaction costs are not levied.

The Fair Value of Interest Free Government of India Loan is arrived by discounting the loan amount for a repayment period of 5 years. For the purpose of calculation 8% is considered as the effective rate of Interest.

The Company has defaulted in 3.5% redeemable preference shares which has been matured for redemption and hence no fair valuation has been made in the accounts.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

46. Fair value Hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2025 and 31 March 2024 is as shown below:

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2025					(Rs. In lakhs)
	Total	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
		Date of valuation	Valuation technique		
Assets measured at fair value:					
FVTOCI financial investments:					
Unquoted equity shares					
Nigeria Machine Tools Limited				-	-
Assets for which fair values are disclosed					
<u>Investment properties</u>					
Land *		31-Mar-25	Circle rate	559,514.29	559,514.29
Financial Liability					
Interest Free Government of India loan		31-Mar-25		64,171.74	64,171.74

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2024 (Rs. in lakhs)

	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
FVTOCI financial investments:				
Unquoted equity shares				
Nigeria Machine Tools Limited	-			-
Assets for which fair values are disclosed				
<u>Investment properties</u>				
Land *	31-Mar-24	Circle rate	556,701.09	556,701.09
Financial Liability				
Interest Free Government of India Loan	31-Mar-24		64,171.74	64,171.74

*** Based on guidance value**

A) Nigeria Machine Tools Ltd is a company incorporated outside India, and as per its latest audited balance sheet dated 31-12-2020 net worth is completely eroded and hence the fair value at Rs. NIL is considered.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

47. Earnings per share (EPS)

(Rs. In lakhs)

	31-Mar-25	31-Mar-24
Profit attributable to equity holders:		
Continuing operations	(14,305.38)	(13,007.77)
Discontinued operation	-	268,084.04
Profit attributable to equity holders for basic earnings	(14,305.38)	255,076.27
Profit attributable to equity holders adjusted for the effect of dilution	(14,305.38)	255,076.27
Weighted average number of Equity shares for basic EPS	355,601,640	355,601,640
Effect of dilution:		
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	355,601,640	355,601,640
Earnings per share for continuing operations		
i) Basic, profit from continuing operations attributable to equity holders	(4.02)	(3.66)
ii) Diluted, profit from continuing operations attributable to equity holders	(4.02)	(3.66)
Earnings per share for discontinuing operations		
i) Basic, profit from discontinuing operations attributable to equity holders	-	75.39
ii) Diluted, profit from discontinuing operations attributable to equity holders	-	75.39

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

i) Defined Contribution Plan :

Particulars	(Rs. in Lakhs)	
	Year Ended 31-March-2025	Year Ended 31-March-2024
Employer's Contribution to Pension Fund	88.81	99.40

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 [(HMTL) and HMT(I)] has obtained the actuarial valuation report from the independent actuary for Provident Fund.

a) The principal assumptions used in determining defined benefit obligation of the Company's plan is shown below

	31-March-25	31-March-24
	%	%
Discount rate:		
Gratuity plan	6.95	7.23
Settlement Allowance	6.95	7.23
Future salary increases:		
Gratuity plan	10.00	10.00
Settlement Allowance	10.00	10.00

Summary of Demographic Assumptions	Gratuity Plan		Settlement Allowance	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality Table) {Previous Year IALM(2012-14) Ult. Mortality Table}	100%	100%	100%	100%
Disability Rate (as % of above mortality rate)	0%	0%	0% to 5%	0% to 5%
Withdrawal Rate	1% to 3%	1% to 3%	1% to 3%	1% to 3%
Attrition Rate				
Normal Retirement Age*				
Average Future Service	19.04	18.12	19.04	18.12

*Note : Age 60 years in case of HMT Limited and HMT(I) Limited.

Age 58 years in case of HMT Machine Tools Limited. However there are no employees in HMT Watches Ltd.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

48 A. Employee Benefit Obligations

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

A. Gratuity

31-March-2025 changes in the defined benefit obligation and fair value of plan assets

(Rs. In lakhs)

Particulars	Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contributions by employer	31-Mar-25
	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)	Re measurement due to asset ceiling (excluding interest income)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust ments	Sub-total included in OCI	
Defined benefit obligation	(4,445.41)	(161.90)	(286.17)	(448.07)	842.34	(0.09)	-	(59.32)	(205.02)	(264.43)	- (4,315.57)
Fair value of plan assets	-	107.58	107.58	107.58	(835.86)	46.16	-	-	-	46.16	658.65 1,517.17
Benefit liability (2,904.77)			(340.49)	6.48						(218.27)	658.65 (2,798.40)

31-March-2024 changes in the defined benefit obligation and fair value of plan assets

Particulars	Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contributions by employer	31-Mar-24
	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)	Re measurement due to asset ceiling (excluding interest income)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust ments	Sub-total included in OCI	
Defined benefit obligation	(4,750.50)	(205.10)	(315.34)	(520.44)	822.93	(7.11)	-	(31.43)	41.14	2.60	- (4,445.41)
Fair value of plan assets	-	98.93	98.93	98.93	(822.93)	13.25	-	-	-	13.25	806.40 1,540.64
Benefit liability (3,305.51)			(421.51)	-						15.85	806.40 (2,904.77)

The Company and its subsidiary has different plan assets. Holding Company has funded excess amount. However, there is a liability in respect of subsidiary company which cannot be set off against each other and disclosed separately in financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

B. Settlement Allowance

31-March-2025 changes in the defined benefit obligation and fair value of plan assets

(Rs. In lakhs)

Particulars	01-Apr-24	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contributions by employer	
		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)	Re measurement due to asset ceiling (excluding interest income)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	31-Mar-25
Defined benefit obligation	(211.80)	(25.60)	(13.43)	(39.03)	47.26	-	-	-	(8.71)	(57.59)	(66.30)	(269.87)
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	(211.80)			(39.03)	47.26						(66.30)	(269.87)

31-March-2024 changes in the defined benefit obligation and fair value of plan assets

Particulars	01-Apr-23	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contributions by employer	
		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)	Re measurement due to asset ceiling (excluding interest income)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	31-Mar-24
Defined benefit obligation	(234.40)	(19.70)	(15.56)	(35.26)	48.19	-	-	-	(4.04)	13.71	9.67	(211.80)
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	(234.40)			(35.26)	48.19						9.67	(211.80)

C. Provident Fund (Interest shortfall)

The Company's Contribution paid / payable to Provident Fund and the liability / obligation is recognised on accrual basis. The Company's Provident Fund Trust is exempted u/s section 17 of the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The condition for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trust vis-a-vis Statutory rate. The Company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the fund and return on investment.

The Company (Standalone) has recognised the obligation on the basis of Actuarial Valuation carried out as on 31st March 2025, that there is a present value of obligation due to difference between the expected interest rate to be earned by the Trust and expected future EPFO interest rate, being the interest shortfall of Rs.54.23 lakhs as on 31.3.2025 and Rs.59.40 lakhs as on 31.3.2024.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

48B. Employee Benefits (Contd.):

B 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:

Particulars	As at 31-March-2025		As at 31-March-2024	
	(Rs. In lakhs)			
	Decrease	Increase	Decrease	Increase
Change in discounting rate	211.09	189.21	179.01	162.28
Change in rate of salary increase	178.67	187.05	117.35	113.63
Change in withdrawal rates	2.94	2.76	26.51	23.00

Particulars	As at 31-March-2025		As at 31-March-2024	
	(Rs. In lakhs)			
	Decrease	Increase	Decrease	Increase
Change in discounting rate	32.49	28.86	16.03	15.94
Change in rate of salary increase	29.04	34.49	15.16	17.27
Change in withdrawal rates	29.61	31.04	15.52	17.09

C. The expected contributions for gratuity for the next financial year will be Rs.1,624.57 lakhs and Settlement allowance NIL.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

49. Segment reporting

Year ended 31-March-2025

I. Revenue

(Rs. in lakhs)

Particulars	Food Processing Unit	Machine Tools	Projects	Others	Adjustment/ Intersegment Elimination	Total
Revenue	1133.94	11077.27	1535.18	1483.37	(999.19)	14,230.57
Interest Income	11.23	124.55	218.58	3,509.37	(2,272.27)	1,591.46
Total	1,145.17	11,201.82	1,753.76	4,992.74	(3,271.46)	15,822.03
Less:						
Interest expense	1.21	9,160.04	-	78.26	(2,272.27)	6,967.24
Depreciation and Amortisation expense	13.31	586.41	13.81	132.16	-	745.69
Segment result	1,130.65	1,455.37	1,739.95	4,782.32	(999.19)	8,109.10
Add: Unallocable income	-	-	-	-	-	4,648.03
Less: Unallocable expenses	-	-	-	-	-	26,763.72
Total Profit / Loss before tax	-	-	-	-	-	(14,006.59)
Less: Income Tax expense	-	-	-	-	-	298.79
Profit/Loss for the Year						(14,305.38)

II. Assets and Liabilities

Particulars	Food Processing Unit	Machine Tools	Projects	Others	Total Segments	Adjustment/ Elimination	Total
Total assets	2,009.33	26,385.85	5,887.32	20,599.44	54,881.94	(2,294.10)	52,587.84
Total liabilities	1,409.16	57,702.60	1,881.09	17,691.81	78,684.66	163,692.99	242,377.65

Year ended 31 March 2024

I. Revenue

Particulars	Food Processing Unit	Machine Tools	Projects	Others	Adjustment/ Intersegment Elimination	Total
Revenue from Operations	3604.75	9970.00	1758.62	1186.49	(181.17)	16,338.69
Interest income	14.63	129.66	169.16	2,766.63	(1,544.11)	1,535.97
Total	3,619.38	10,099.66	1,927.78	3,953.12	(1,725.28)	17,874.66
Less:						
Interest expense	0.32	8,349.80	-	-	(1,544.11)	6,806.01
Depreciation and Amortisation expense	13.31	604.26	13.08	197.23	-	827.88
Segment result	3,605.75	1,145.60	1,914.70	3,755.89	(181.17)	10,240.77
Add: Unallocable income	-	-	-	-	-	3,833.57
Less: Unallocable expenses	-	-	-	-	-	27,375.89
Total Profit / Loss before tax	-	-	-	-	-	(13,301.55)
Less: Income Tax expense	-	-	-	-	-	(293.78)
Profit/Loss for the year						(13,007.77)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

II. Assets and Liabilities

(Rs.in lakhs)

Particulars	Food Processing Unit	Machine Tools	Projects	Others	Total Segments	Adjustment/ Elimination	Total
Total assets	2,440.32	31,338.52	5,705.62	22,621.70	62,106.16	(1,603.10)	60,503.06
Total liabilities	1,936.54	56,426.12	1,924.13	17,253.76	77,540.55	158,165.44	235,705.99

Reconciliations to amounts reflected in the financial statements

(Rs. In lakhs)

Reconciliation of Profit/Loss	31-Mar-25	31-Mar-24
Segment result	8,109.10	10,240.77
Add: Unallocable income	4,648.03	3,833.57
Less: Unallocable expenses	26,763.72	27,375.89
Profit / Loss of Continuing Operations before tax	(14,006.59)	(13,301.55)
Add/Less: Profit or Loss from Discontinued Operations	-	353,070.16
Total Profit / Loss before tax	(14,006.59)	339,768.61
Less: Tax Expense	(298.79)	(84,692.34)
Profit/Loss for the year	(14,305.38)	255,076.27

Reconciliation of assets

Segment operating assets	54,881.94	62,106.16
Inter-segment (elimination)	(2,294.10)	(1,603.10)
Total assets	52,587.84	60,503.06

Reconciliation of liabilities

Segment operating liabilities	78,684.66	77,540.55
Liabilities of Discontinued Operations	-	-
Inter-segment (elimination)	(2,294.10)	(1,603.10)
Deferred tax liabilities	(1.84)	0.17
Borrowings	165,988.93	159,768.37
Total liabilities	242,377.65	235,705.99

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Capital expenditure consists of additions of property, plant and equipment.

Inter-segment income and expenses, assets and liabilities are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.

The Company has classified an operating segment as a discontinued operation in 2016. Ind-AS 108 does not provide guidance as to whether segment disclosures apply to discontinued operations. Although the disposed segment is material, the Company has not disclosed the results within the segment disclosures under Ind-AS 108. Ind-AS 105 states that the requirements of other standards do not apply to discontinued operations, unless they specify disclosures applicable to them. Since Ind-AS 108 does not refer to discontinued operations, entities are not required to include them as a reportable segment. The Assets and Liabilities of Discontinued Operations is reported in the 'adjustments and elimination' column.

(Rs. In lakhs)		
Particulars	31-Mar-25	31-Mar-24
Major Customer- Details of Revenue from Customers exceeding 10% of revenue from operations		
A) India		
Food Processing Unit	114.21	2,679.58
Machine Tools	4,092.64	3,118.03
Total	4,206.85	5,386.31
B) Outside India	-	-
Total (A +B)	4,206.85	5,386.31

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

50 Ratio Analysis

Ratio	Numerator	Denominator	FY 2024-25	FY 2023-24	% Variance	Reason for Variance
1 Current Ratio	Current Assets	Current Liabilities	0.21	0.25	-16.11%	-
2 Debt-Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	-
3 Debt Service Coverage Ratio	Earnings available for debt service (EBITDA)	Debt service (Interest + Principal)	-0.06	-0.05	10.76%	-
4 Return on Equity Ratio	Net Profit after taxes	Average Shareholder's equity	-	-	-	-
5 Inventory turnover ratio	Sales	Average Inventory	1.34	1.40	-4.22%	-
6 Trade Receivables turnover ratio	Credit Sales	Average Trade receivables	1.10	1.02	8.04%	-
7 Trade payables turnover ratio	Net Credit Purchases/ Services	Average Trade Payables	0.67	1.06	-36.99%	Due to reduction in the credit purchases
8 Net capital turnover ratio	Net Sales	Average Working Capital	-0.08	-0.05	60.00%	Due to decrease in net sales and decrease in the average negative working capital consequent to write back of GOI Liabilities of discontinued operations, HMT Watches Limited in the previous year.
9 Net profit ratio	Net Profit After tax	Revenue	-100.53%	1561.18%	-106.44%	Due to decrease in Profit after Tax consequent to write back of GOI Liabilities of discontinued operations, HMT Watches Limited. In the previous year.
10 Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Networth + Total Debt	-	-	-	- Due to equity is negative the return on Capital Employed cannot be determined and compared
11 Return on Investment	-	-	-	-	-	- No Return on Investments, hence ratio is not determined

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

51 The Group has an Investment in Gujrat State Machine Tools Corporation Limited being an Associate Company, the Group had not accounted the same as associate due to non availability of information. Accordingly on implementation of IND AS the company has accounted as per IND AS 28.

52 The networth of the Group has been completely eroded. Considering the realisable value of the non current assets held for sale, support from the Government of India and other business plans, the Company has prepared financial statements of the Group on the basis that it is a going concern and that no adjustments are considered necessary to the carrying value of assets and liabilities.

53 Deferred Tax

Provision for income taxes has been made in terms of IndAS 12 -Income Taxes.

Movement in deferred tax asset/(liability) (Rs. In lakhs)

Particulars	As on 31.3.2025	As on 31.3.2024
Net deferred Tax asset/liability at the beginning of the year	0.17	42.68
Add: (deferred Tax benefits) / charges for the year	(2.01)	(42.51)
Net deferred Tax asset/liability at the end of of the year	(1.84)	0.17

The net Deferred Tax Asset/(Liability) comprises the tax impact arising from the timing differences on account of:

Particulars	As on 31.3.2025	As on 31.3.2024
Depreciation	(106.50)	(120.58)
Provision for employee benefits	108.34	120.41

The Holding Company has not recognised deferred tax asset on unused tax losses in the absence of reasonable certainty of future business profits

54 A charge by ID 80046855 is still open in the Index of charge on the Website of Ministry of Corporate Affairs pertains to State Bank of India. The Company has already discharged the debt of State Bank of India long back. Since the issue is almost twenty five years old, efforts will be made in co-ordination with State Bank of India for obtaining the necessary documents for satisfaction of charge .

55 The Company has invested Rs.15 lakhs (50% of Equity Shares) comprising 1,50,000 equity shares of Rs.10/- each fully paid up in Sudmo HMT Process Engineers (India) Ltd, Bangalore (M/s Submo-HMT). M/s Sudmo-HMT has no operations. The Board of HMT Ltd has approved (February 2020) for closure of the defunct Joint Venture Company and submitted the closure proposal to Ministry of Heavy Industries, Government of India (July 2021) for approval.

56 The Company has invested Rs.20.84 lakhs (39.86% of Equity Shares) comprising 20,84,050 equity shares of Rs.1/- each fully paid up in Gujarat State Machine Tools Corporation, Bhavanagar (M/s. GSMTC). The Board of HMT Ltd gave (March 2021) in principle approval for liquidation of M/s GSMTC, and issued a consent letter to Gujarat Industrial Investment Corporation Ltd (GIIC). GIIC approved (Sept. 2021) liquidation of M/s.GSMTC subject to approval from Government of Gujarat Industries and Mines Department. The Company is awaiting approval from Ministry of Heavy Industries, Government of India to initiate liquidation under the Insolvency & Bankruptcy Code, 2016 for further action.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- 57** The Company has invested 30,00,000 equity shares of 1 Naira each fully paid up in Nigeria Machine Tools Ltd, Nigeria (M/s NMTL. The Board of HMT Ltd approved (February 2020) for disinvestment of stake in M/s NMTL and sought approval from Administrative Ministry. Awaiting further communication from the Ministry of Heaving Industries, Govt. of India.
- 58** The Group has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 59** The Group has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, 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.
- 60** The Company has no transactions with struck off Companies under section 248 of the Companies Act, 2013.
- 61** BESCO has added Rs.122 lakhs in Electricity bill of MBX. ABD has already paid Rs.61 lakhs and had gone to court against the penalty/claim of BESCO. ABD is looking after the legal case and as the Estate is under control, any financial implication related to this will be taken by ABD.
- 62** MBX has leased out land to GAIL. Due to unsettled legal issues the unit is not billing any income from GAIL. Rs.1.4 Crores was received as Security Deposit from GAIL.
- 63** The ammendments in Indian Accounting Standards which are applicable to the Company are not expected to have any significant impact on the Company's Financial Statements
- 64** Balances under Trade "Receivables", 'Loans & Advances', 'Trade payables' and Other Current Liabilities' are subject to confirmation , although confirmation has been sought in most of the cases.
- 65** Previous year figures have not been disclosed for comparison as the relevant information was not compiled in the previous year.
- 66** The figures of previous year have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

64 Period and amount of Default are as follows:

HMT Limited

Nature of Borrowing	Name of the lender	Amount of installment and period of default	No of Days Delay or Unpaid
Government of India Loan [Interest Free] dated 21.01.2017 Rs.30368 lakhs	Government of India	1) Rs.6,073.60 Lakhs due since 21.01.2018.	2625
		2) Rs.6,073.60 Lakhs due since 21.01.2019.	2260
		3) Rs.6,073.60 Lakhs due since 21.01.2020.	1895
		4) Rs.6,073.60 Lakhs due since 21.01.2021.	1529
		5) Rs.6,073.60 Lakhs due since 21.01.2022.	1164
Government of India Loan [Interest Free] dated 16.02.2017 Rs.24000 lakhs	Government of India	1) Rs.4,800 Lakhs due since 16.02.2018.	2599
		2) Rs.4,800 Lakhs due since 16.02.2019.	2234
		3) Rs.4,800 Lakhs due since 16.02.2020.	1869
		4) Rs.4,800 Lakhs due since 16.02.2021.	1503
		5) Rs.4,800 Lakhs due since 16.02.2022.	1138
Government of India Loan [Interest Free] dated 29.04.2017 Rs.9790 lakhs	Government of India	1) Rs.1,958 Lakhs due since 29.04.2018.	2527
		2) Rs.1,958 Lakhs due since 29.04.2019.	2162
		3) Rs.1,958 Lakhs due since 29.04.2020.	1796
		4) Rs.1,958 Lakhs due since 29.04.2021.	1431
		5) Rs.1,958 Lakhs due since 29.04.2022.	1066

HMT Machine Tools Ltd

CAPEX Loan @15.50% interest dated 30.03.2006 Rs.395 lakhs	Government of India	1) Rs.79 Lakhs due since 02.04.2007	6572
		2) Rs.79 Lakhs due since 02.04.2008	6206
		3) Rs.79 Lakhs due since 02.04.2009	5841
		4) Rs.79 Lakhs due since 02.04.2010	5476
		5) Rs.79 Lakhs due since 02.04.2011	5111
VRS Loan @ 3.5@ interest dated 01.11.2007 Rs.2784.76 lakhs	Government of India	1) Rs.556.95 Lakhs due since 27.12.2008	5937
		2) Rs.556.95 Lakhs due since 27.12.2009	5572
		3) Rs.556.95 Lakhs due since 27.12.2010	5207
		4) Rs.556.95 Lakhs due since 27.12.2011	4842
		5) Rs.556.96 Lakhs due since 27.12.2012	4476
For payment of Statutory Dues @15.50% interest dated 29.03.2007 Rs.782 lakhs	Government of India	1) Rs.156.40 Lakhs due since 30.03.2008	6209
		2) Rs.156.40 Lakhs due since 30.03.2009	5844
		3) Rs.156.40 Lakhs due since 30.03.2010	5479
		4) Rs.156.40 Lakhs due since 30.03.2011	5114
		5) Rs.156.40 Lakhs due since 30.03.2012	4748
VRS Loan @ 3.5@ interest dated 31.12.2008 Rs.1216.43 lakhs	Government of India	1) Rs.243.29 Lakhs due since 15.01.2010	5553
		2) Rs.243.29 Lakhs due since 15.01.2011	5188
		3) Rs.243.29 Lakhs due since 15.01.2012	4823
		4) Rs.243.29 Lakhs due since 15.01.2013	4457
		5) Rs.243.27 Lakhs due since 15.01.2014	4092

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Nature of Borrowing	Name of the lender	Amount of installment and period of default	No of Days Delay or Unpaid
For payment of Statutory Dues @13.50% interest dated 24.07.2012 Rs.4442.61 lakhs	Government of India	1) Rs.888.52 Lakhs due since 01.08.2013	4259
		2) Rs.888.52 Lakhs due since 01.08.2014	3894
		3) Rs.888.52 Lakhs due since 01.08.2015	3529
		4) Rs.888.52 Lakhs due since 01.08.2016	3163
		5) Rs.888.53 Lakhs due since 01.08.2017	2798
For payment of Statutory Dues @13.50% interest dated 18.03.2014 Rs.1960 lakhs	Government of India	1) Rs.392 Lakhs due since 21.03.2015	3662
		2) Rs.392 Lakhs due since 21.03.2016	3296
		3) Rs.392 Lakhs due since 21.03.2017	2931
		4) Rs.392 Lakhs due since 21.03.2018	2566
		5) Rs.392 Lakhs due since 21.03.2019	2201
For payment of Statutory Dues @13.50% interest dated 23.09.2014 Rs.2400 lakhs	Government of India	1) Rs.480 Lakhs due since 04.10.2015	3465
		2) Rs.480 Lakhs due since 04.10.2016	3099
		3) Rs.480 Lakhs due since 04.10.2017	2734
		4) Rs.480 Lakhs due since 04.10.2018	2369
		5) Rs.480 Lakhs due since 04.10.2019	2004
Working Capital Loan @13.50 % interest dated 23.09.2014 Rs.2500 lakhs	Government of India	1) Rs.500 Lakhs due since 04.10.2015	3465
		2) Rs.500 Lakhs due since 04.10.2016	3099
		3) Rs.500 Lakhs due since 04.10.2017	2734
		4) Rs.500 Lakhs due since 04.10.2018	2369
		5) Rs.500 Lakhs due since 04.10.2019	2004
For payment of Statutory Dues @13.50% interest dated 09.10.2014 Rs.1891 lakhs	Government of India	1) Rs.378.20 Lakhs due since 11.10.2015	3458
		2) Rs.378.20 Lakhs due since 11.10.2016	3092
		3) Rs.378.20 Lakhs due since 11.10.2017	2727
		4) Rs.378.20 Lakhs due since 11.10.2018	2362
		5) Rs.378.20 Lakhs due since 11.10.2019	1997
For payment of Salaries & Wages @13.50% interest dated 09.10.2014 Rs.2743 lakhs	Government of India	1) Rs.548.60 Lakhs due since 11.10.2015	3458
		2) Rs.548.60 Lakhs due since 11.10.2016	3092
		3) Rs.548.60 Lakhs due since 11.10.2017	2727
		4) Rs.548.60 Lakhs due since 11.10.2018	2362
		5) Rs.548.60 Lakhs due since 11.10.2019	1997
For implementation of 1997 pay revision @7.00% interest dated 06.02.2015 Rs.2934 lakhs	Government of India	1) Rs.586.80 Lakhs due since 10.02.2016	3336
		2) Rs.586.80 Lakhs due since 10.02.2017	2970
		3) Rs.586.80 Lakhs due since 10.02.2018	2605
		4) Rs.586.80 Lakhs due since 10.02.2019	2240
		5) Rs.586.80 Lakhs due since 10.02.2020	1875

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Nature of Borrowing	Name of the lender	Amount of installment and period of default	No of Days Delay or Unpaid
Working Capital Loan @13.50 % interest dated 06.02.2015 Rs.5000 lakhs	Government of India	1) Rs.1000 Lakhs due since 10.02.2016	3336
		2) Rs.1000 Lakhs due since 10.02.2017	2970
		3) Rs.1000 Lakhs due since 10.02.2018	2605
		4) Rs.1000 Lakhs due since 10.02.2019	2240
		5) Rs.1000 Lakhs due since 10.02.2020	1875
For payment of Statutory Dues @13.50% interest dated 31.03.2015 Rs.2634 lakhs	Government of India	1) Rs.526.80 Lakhs due since 31.03.2016	3286
		2) Rs.526.80 Lakhs due since 31.03.2017	2921
		3) Rs.526.80 Lakhs due since 31.03. 018	2556
		4) Rs.526.80 Lakhs due since 31.03.2019	2191
		5) Rs.526.80 Lakhs due since 31..03.2020	1825
For implementation of 1997 pay revision @7.00% interest dated 30.09.2015 Rs.3170 lakhs	Government of India	1) Rs.634 Lakhs due since 03.10.2016	3100
		2) Rs.634 Lakhs due since 03.10.2017	2735
		3) Rs.634 Lakhs due since 03.10. 018	2370
		4) Rs.634 Lakhs due since 03.10.2019	2005
		5) Rs.634 Lakhs due since 03..10.2020	1639

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

65 Statutory Group Information

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Rs. in lakhs	As % of consolidated net Profit/Loss	Rs. in lakhs	As % of consolidated net Other Comprehensive income	Rs. in lakhs	As % of consolidated net Total Comprehensive assets	Rs. in lakhs
HMT Ltd								
Balance as at 31 March, 2025	22.20%	-59,802.62	-11.26%	1,610.32	-1.58%	4.44	-11.07%	1,614.76
Balance as at 31 March, 2024	22.87%	-57,331.38	0.96%	2,442.41	124.97%	42.64	0.97%	2,485.05
Subsidiaries								
1 HMT Machine Tools Ltd								
Balance as at 31 March, 2025	79.30%	-213,628.80	112.54%	-16,099.30	116.01%	-326.58	112.61%	-16,425.88
Balance as at 31 March, 2024	78.65%	-197,202.94	-6.09%	-15,524.15	-19.99%	-6.82	-6.09%	-15,530.97
2 HMT International Ltd								
Balance as at 31 March, 2025	-1.49%	4,006.23	-1.29%	184.10	-14.44%	40.64	-1.54%	224.74
Balance as at 31 March, 2024	-1.51%	3,781.49	0.03%	79.92	-4.98%	-1.70	0.03%	78.22
3 HMT Watches Ltd								
Balance as at 31 March, 2025	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March, 2024	0.00%	-	105.10%	268,078.66	0.00%	-	105.08%	268,078.66
Non-controlling interests in all subsidiaries								
Balance as at 31 March, 2025	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March, 2024	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates (investment as per the equity method)								
Balance as at 31 March, 2025	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March, 2024	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Joint ventures (investment as per the equity method)								
SUDMO-HMT Process Engineers (India) Ltd	-0.01%	17.71	0.00%	-0.50	0.00%	-0.50	0.00%	-0.50
Balance as at 31 March, 2024	-0.01%	18.20	0.00%	-0.57	0.00%	-0.57	0.00%	-0.57
Total								
Balance as at 31 March, 2025	100.00%	-269,407.48	100.00%	-14,305.38	100.00%	-281.50	100.00%	-14,586.88
Balance as at 31 March, 2024	100.00%	-250,734.63	100.00%	255,076.27	100.00%	34.12	100.00%	255,110.39

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/
associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5
of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts Rs in Lakhs)

Sl. No.	Particulars	Details		
		1	2	3
1	CIN	U02922KA1999GOI025572	U33309KA1974GOI002707	U33301KA1999GOI025573
2.	Name of the subsidiary	HMT Machine Tools Limited	HMT (International) Limited	HMT Watches Limited
3.	The date since when subsidiary was acquired	09-08-1999	13-12-1974	09-08-1999
4	Provlsons pursuant to which the Company has become a subsidiary	under Section 2(87)(i) of the Companies Act, 2013.	-	-
5	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
6	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA
7	Share capital	27659.91	72	649.01
8	Reserves & surplus (Accumulated Profit/(Losses))	(241288.44)#	3934.23	(649.01)
9	Total assets	26385.85	6045.03	-
10	Total Liabilities	240014.37	2038.80	-
11	Investments	-	-	-
12	Turnover	11077.27	1535.18	-
13	Profit before taxation	(16,099.30)	199.06	-
14	Provision for taxation	-	14.96	-
15	Profit after taxation	(16,099.30)	184.10	-
16	Proposed Dividend	NIL	NIL	NIL
17	Extent of shareholding (in percentage)	100%	100%	100%

#Includes Capital Reserve of Rs.2270.82 Lakhs

1. Names of subsidiaries which are yet to commence operations - NIL

2. Names of subsidiaries which have been liquidated or sold during the year–Nil

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture

(Rs in Lakhs)

Sl. No.	Particulars	Details	
1		Name of Associate	(Name of Joint Ventures)
		Gujarat State Machine Tools Corporation Ltd	SUDMO-HMT Process Engineers (India) Limited
2	Latest Audited Balance Sheet Date	31.03.2024	31.03.2025
3	Date on which the Associate or Joint Venture was associated or acquired	15-02-1975	05-09-1994
4	Shares of Associate held by the company on the year end		
A	Nos.	2084050 of Rs. 1/- each	150000 of Rs. 10/- each
B	Amount of Investment in Associates / Joint Venture	20.84	15.00
C	Extent of Holding %	39.86%	50%
5	Description of how there is significant influence	Investment in the equity to the extent of 39.86% paid up capital	Investment in the equity to the extent of 50% paid up capital
6	Reason why the associate / joint venture is not Consolidated	N.A	N.A
7	Networth attributable to Shareholding as per latest audited Balance Sheet	Accounts of GSMTC as on 31.3.2025 are not yet finalized	17.71
8	Profit / Loss for the year		
A	Considered in Consolidation	NIL	(0.50)
B	Not Considered in Consolidation	Accounts of GSMTC as on 31.3.2025 are not yet finalized	N.A

- Names of Associates which are yet to commence operations - NIL
- Names of Associates which have been liquidated during the year – NIL



HMT Limited

CIN No. L29230KA1953G0I000748

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