HMT Limited

72nd ANNUAL REPORT 2024 - 25

Skill India

Includes Annual Report of Subsidiaries

51st Annual Report of HMT (International) Limited
26th Annual Report of HMT Machine Tools Limited
26th Annual Report of HMT Watches Limited

Shri. H.D. Kumaraswamy, Union Minister of Heavy Industries and Steel, Shri. Rajesh Kohli, Chairman and Managing Director, (Addl. Charge), HMT Limited & Subsidiaries, Smt. Sameena Kohli, Director (Finance), (Addl. Charge), HMT Limited and other executives at inauguration of HMT stall in IMTEX 2025, Bengaluru.

Shri. H.D. Kumaraswamy, Union Minister of Heavy Industries and Steel, Shri. Rajesh Kohli, Chairman and Managing Director, (Addl. Charge), HMT Limited & Subsidiaries during visit to HMT Machine Tools Factory at Bengaluru (MBX).

HMT Senior Management at the Third Sub-Committee meeting of the Parliamentary Committee on Official Language

ANNUAL REPORT OF HMT LIMITED & SUBSIDIARY COMPANIES		
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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

(₹s 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)

		Rs. in Crores
Particulars	**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 GIIC Limited discontinued its operations since long. Now, the Board of Directors of GIIC 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 VOs 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 advice 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:

1. Suggested online filling of APAR of the officials.
2. Suggested online filling of property returns of the officials
3. Proposed to update HMT Purchase manual.
4. Digitalization of Old drawings, Record of Land, HR documents.
5. Online transaction for making payments and receipt of payment.
6. Maximizing procurement through GeM Portal.
7. Suggested Periodic inspection on Audit Report (Finance).
8. 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.
9. Suggested for SOP for allotment of quarter to HMT and Non-HMT officials.
10. SOP may be made for verification / passing of medical bills in future for prescription received from hospital.
11. Advisory Note - regarding Discrepancies in Imprest Account.
12. Suggested for updation of Delegation of power and policy of gifting of watches.
13. 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

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

Place: Bengaluru
Date: 29.09.2025

Annexure - 1

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

a) To become socially responsible corporate entity committed to improving the quality of life of the society at large.

b) To create and develop facilities for the communities we engage with.

c) 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:

a) 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;

b) 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.

c) Through its CSR Initiatives, generate community goodwill and help reinforce a positive & socially responsible image for HMT.

Main Features of the Policy

a) This policy broadly covers all relevant clause(s)/ sections of the Companies Act, 2013, the Companies Amendment Rules, 2014 and the DPE Guidelines.

b) 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.

c) 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.

d) The CSR and Sustainability budget expenditure shall be fixed in accordance with the provisions of the Act, Rules and the Guidelines.

e) 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.

f) 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.

g) 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 Imple mentation	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 Guruji 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

Annexure - 2

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	09th August 1999 Bengaluru	M/s. Rajagopal & Badri Narayanan Chartered Accountants Date of Appointment:21.09.2024
HMT (International) Limited	13th 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	7th 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

Annexure- 3A

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

Annexure – 4

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 valuated 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

Annexure-6

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 provisons 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.

"Annexure A"

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. 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 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**	
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 09th 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

Annexure – 7

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

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

Place: Bengaluru
Date: 29 September, 2025

Annexure-8

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 08thJune, 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

Annexure-8A

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

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

Place: Bengaluru
Date: 29.09.2025

Annexure - 9

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.

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

Date: 29.09.2025
Place: Bengaluru

Annexure-10

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

Annexure - 11

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 Indipendent 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/ subsidiarisation. 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 you 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 Inudstries, Government of India (July 2021) for approval.

2. We draw you 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 Inudstries, 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 finanical 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, 201 6 ("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, 1 988 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, jointventures 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)
Aggregate amount during the year				
Subsidiaries	4,086.00	44.88	-	-
Joint Venture	-	(0.17)	-	-
Balance outstanding as at the year end:				
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 it to it's 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 lnternal 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

	Directions/ Sub-directions	*Auditors' Observations*
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.

	Directions/ Sub-directions	*Auditors' Observations*
3.	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from CentraliState 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 eamed on grants received has been done as per terms and conditions ofthe Grant. List the cases ofdeviation.	During the year, the Company has not received any grants/ subsidies/ other funds for specific schemes from Cental/ 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.

	Directions/ Sub-directions	*Auditors' Observations*
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

Nawal

(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 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 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.

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 in significant 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 nstruments:

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.*

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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

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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 peed 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		
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
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**
Adjustments to reconcile profit before tax to net cash flows:		
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
Working capital adjustments:		
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/reclassfied 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

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DIN 10333951

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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)	(158.19)	(596.68)						(754.87)
Disposals			0.34	(0.34)	-	-	-	-
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)		(10.03)						(10.03)
Disposals/Adjust			1.06	(1.06)				-
Transfer to Investment Property accumulated depreciation as on 1.4.2023 (Refer Note 3B(iii) (c)	-	(284.68)			-	-	-	(284.68)
As At 31 March 2024	**-**	**225.88**	**10,651.68**	**460.51**	**620.91**	**63.55**	**10.60**	**12,033.13**
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 lalkhs.

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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:

i) The Company has classified certain land & building as investment property which is not a owner occupied property.

ii) 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)

iii) **Land:**

(a) 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 ₨1/- 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)

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

Additional Information:

(a) The land adjmeasuring 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 Doubful		
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 No.	Amount	As at 31-March-24 No.	Amount
14	**Equity Share Capital**				
	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**	1,230,000,000	123,000.00
	Issued, Subscribed & Paid up:				
	Equity shares of Rs.10 each				
	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
Equity Shares:				
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 begining 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**	**-**
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**
Aggregate Secured loans	**57.81**	**-**
Aggregate Unsecured loans	**64,171.74**	64,171.74

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 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 STANDALONE FINANCIAL STATEMENTS

(Rs. In Lakhs)

Particulars	As at 31-Mar-25	As at 31-Mar-24
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 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 expnesess 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 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:

a) Supply of CBNAAT machine to Govt. Dist TB Centre, Mandya
b) Supply of Electro therephy with Lazer and Ultrasound to Shri Guruji Seva Nyas
c) Supply of Medical Instrument to Mandya Institute of Medical science
d) 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 31-03-2025	As at 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 classifed 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 negotiatons 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**		
	Compensation of key management personnel of the Company		
	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 valution 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)
	Date of valuation	Valuation technique				
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*	**31-Mar-25**		**452,094.25**			**452,094.25**
Financial Liability						
Interest Free Government of India Loan	**31-Mar-25**		**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	Date of valuation	Valuation technique	Total	Fair value measurement using: 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						
Investment properties						
Land*	31-Mar-24		449,281.05			449,281.05
Financial Liability						
Interest Free Government of India Loan	31-Mar-24		64,171.74			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 completly eroded and hence the fair value at Rs. NIL is considered.

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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)

Particluars	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 acturial 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)**

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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 changes in 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 Benifit 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	(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 Benifit 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 deficienty, 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 forseeable 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	Repay-ment	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	Adavance Given (Net)*	Adavance 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:**	**Current Year**	**Previous Year**
	Remuneration paid to KMP		
	- 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 redcuction 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 defferred tax asset on unusable tax losses in the absence of resonable certainity 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 Governenment 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 Indipendent 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, Grauity, 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

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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 AS40-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

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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 Udhyam 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 concept 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 finanical 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 opionion 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

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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,

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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

Nawal

(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.

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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

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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 peed 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

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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/reclassfied wherever applicable.

As per our Report of even date attached

For GRSM & Associates
Chartered Accountants
F.R.N : 000863S

(Gopalkrishna Hegde)
Partner
Membership No : 208063

Place : Bangalore
Date : July 23, 2025

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

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

Kishor Kumar Shankar
Company Secretary

Sameena Kohli
Director, Finance
(Addl. Charge)
DIN 10663362

Aparna R
Chief Financial Officer

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**
Accumulatled 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 (Refer Note 3B(iii) (c)		(10.03)						**(10.03)**
Disposals/Adjust	-	(0.01)	(16.62)	(1.10)	-	-	-	**(17.73)**
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

	31-03-25	31-03-24
Net carrying value		
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 coducted during the year 2004-05 by the Offcials of Survey and Settlment Department, Ranga Reddy Dist. in view of Suprement 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 Benguluru (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 acquition 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, Benguluru, 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 transferrred 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 Cylendrical 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 Cylendrical 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 Horizantal 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 Horizantal 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 carring value			
at 31 March 2025	**176.30**	**424.75**	**601.05**
at 31 March 2024	176.30	452.66	628.96

Additional Information:

i) The Company has classified certain land & building as investment property which is not a owner occupied property

ii) 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:

(a) 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.

(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 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

(a) The land adjmeasuring 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 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.

(c) 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.

(d) 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.

(e) 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 ₨.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 ₨.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
Agrgregate 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	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
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	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
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
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
Equity Shares:				
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 begining 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

(Rs. in lakhs)

Particulars	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 Indla (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	Hypothication of Inventories & Trade Receivables	Working Capital facilities, Interest @ 16.65% p.a.	None
Cash Credit Rs.1175 lakhs	PNB	Hypothication of Inventories & Trade Receivables	Working Capital facilities, Interest @ 16.65% p.a.	None
Cash Credit Rs.565 lakhs	SBI	Hypothication of Inventories & Trade Receivables	Working Capital facilities, Interest @ 16.55% p.a.	None
Cash Credit Rs.100 lakhs	Union Bank	Hypothication of Inventories & Trade Receivables	Working Capital facilities, Interest @ 16.65% p.a.	None

2. 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.
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 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 earliers	**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 (GoI 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 charages	**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
> 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:

a) Supply of CBNAAT machine to Govt. Dist TB Centre, Mandya

b) Supply of Electro therephy with Lazer and Ultrasound to Shri Guruji Seva Nyas

c) Supply of Medical Instrument to Mandya Institute of Medical science

d) 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

	-	-

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

(Rs. in lakhs)

Particulars	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

Statement of profit and loss

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	-	-
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

(Rs. in lakhs)

Particulars	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 pertaning 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

(Rs. in lakhs)

Particulars	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 classifed 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 negotiatons 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

(Rs. in lakhs)

Particulars	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 with held 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) 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	Key Managerial Persons (KMP)

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 governmnet 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 Hirarchy

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)

			Fair value measurement using		
			Total	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						
Investment properties						
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)

	Date of valuation	Valuation technique	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						
Investment properties						
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 completly 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 :

(Rs. in Lakhs)

Particulars	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 acturial 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	01-Apr-24	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	1,540.64	-	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	01-Apr-23	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	1,444.99	-	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 subsidary 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 Benifit 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	**(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 Benifit 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	(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 forseeable 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:

(i) Gratuity (Rs. In lakhs)

Particulars	As at 31-March-2025		As at 31-March-2024	
	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

(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	**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 discontinues 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 discontinues 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

file:///C:/Users/HP/Downloads/HMT-AR-English-Combined.pdf

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 certainity 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 (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.

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 Governenment 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 BESCOM 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 BESCOM. 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								
Balance as at 31 March, 2025	**-0.01%**	17.71	**0.00%**	**-0.50**	**0.00%**		**0.00%**	**-0.50**
Balance as at 31 March, 2024	-0.01%	18.20	0.00%	-0.57	0.00%		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

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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	ProvIsions 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

1. Names of Associates which are yet to commence operations - NIL
2. Names of Associates which have been liquidated during the year – NIL

HMT Machine Tools Limited

26th Annual Report 2024-25

Chairman's Address

26th Annual General Meeting of HMT Machine Tools Limited

My Dear Shareholders,

I am honored to present to you the Annual Report of HMT Machine Tools 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, which has already funneled billions into electronics, pharmaceuticals and automotive components manufacturing. 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 continued to be characterized by resilient growth, driven by strong domestic demand, robust public infrastructure spending, and a youthful demographic dividend. Real GDP is estimated to expand by around 6.4% during FY 2024-25, maintaining its decadal average. Favorable monsoon rains have supported agricultural output, while healthy credit growth and recovering rural incomes underpin private consumption. 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 growing 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.

Agriculture

The agriculture sector saw a notable recovery in agriculture, forestry, and fishing segments. Favorable weather patterns and above-normal rainfall have boosted crop yields and strengthened rural incomes, supporting both domestic food security and rural consumption.

Performance

The Company 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.

FUTURE OUTLOOK

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.

Key growth drivers include the imperative for greater precision, productivity and flexibility in component manufacturing. Accelerating adoption of Industry 4.0 practices such as embedded sensors, digital twins and predictive-maintenance platforms enables real-time process optimization and minimizes downtime. The "Make in India" initiative and heightened private infrastructure investment are catalysing fresh capex in advanced machine tools, while the shift toward automated, multi-axis machining systems is enabling manufacturers to meet increasingly exacting tolerances and complex geometries.

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.

To offset these risks and bolster indigenous capacity, the Government of India has deployed targeted support through its Capital Goods Schemes. Under Phase II of the Scheme for Enhancement of Competitiveness in the Indian Capital Goods Sector launched in January 2022 with a total outlay of Rs.1,207 Crore (of which Rs.975 Crore is budgetary support) 33 projects have already been sanctioned, spanning Centres of Excellence, Common Engineering Facility Centres and testing & certification infrastructure. Complementary policy measures, including Production-Linked Incentive (PLI) programs for capital goods and easing of customs duties, further aim to de-risk large-scale investments and promote domestic R&D.

In conclusion, 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 Company during the year 2024-25.

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 MTL 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 Lathe (VTL 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.

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 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 26th Annual General Meeting of the Company.

HMT MACHINE TOOLS LIMITED

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BOARD OF DIRECTORS

Shri Rajesh Kohli	Chairman and Managing Director (Addl. Charge) (w.e.f 05-04-2024)
Shri K Ravishankar	Chairman and Managing Director (Addl. Charge) (upto to 05-04-2024)
Shri Prem Chandra Maurya	Director (w.e.f. 17.07.2025)
Smt. Mukta shekhar	Director (upto 23-07-2024)
Dr. Renuka Misra	Director (w.e.f 23-07-2024)
Shri Rajesh Kumar	Director (upto 17-07-2025)

STATUTORY AUDITORS

M/s. Rajgopal & Badri Narayanan	Chartered Accountant

SECRETARIAL AUDITORS

M/s. S. Kedarnath & Associates	Practicing Company Secretary

BANKERS

UCO Bank,	
Union Bank of India	Punjab National Bank
AXIS Bank	State Bank Of India

REGISTERED OFFICE

"HMT Bhavan" 59, Bellary Road Bangalore - 560 032

CORPORATE IDENTITY NUMBER

U02922KA1999GOI025572

CORPORATE VISION

To be a Manufacturing Solution Provider of international Repute, Offering Best of Products & Services with Contemporary Technologies for Customers' ultimate delight.

CORPORATE VISION

- To be a key source of : "Technology for Excellence" in the field of metal cutting / metal forming.
- To provide 'High quality cost competitive solution' for entire manufacturing Industry on 'One stop shop' basis.
- To provide sustained support to all of strategic sectors.
- To exceed customers' expectations through continuous innovation.
- To provide leadership & direction in the manufacturing sector for the overall industrial growth of nation.

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	11077	9970	14224	15253	16582	17623	21741	17708	19752	21783
Other Income	4618	3162	3280	890	1187	1577	2041	2825	2860	2164
Materials	4999	5484	5046	6470	7444	9067	8893	7583	7829	8968
Employee Costs	5356	6576	6772	8171	8401	10279	11051	13137	13176	14588
Other Costs	11,693	7,941	9,856	6874	6136	847	2474	5895	7,961	5,348
Depreciation	586	604	709	777	755	913	884	970	1010	965
Earning Before Interest	-6,939	-7,174	-4,878	-6149	-4967	-1905	480	-7051	-7364	-6033
Interest	9160	8350	8287	8424	8312	7967	6863	5874	5395	4633
Earnings /(Loss) Before Tax	-16099	-15524	-13165	-14573	-13279	-9872	-6383	-12925	-12759	-10666
Taxation										
Net Earnings	-16099	-15524	-13165	-14573	-13279	-9872	-6383	-12925	-12759	-10666
FINANCIAL POSITION										
Net Fixed Assets	3242	3652	3932	5046	5446	5443	5316	5472	6019	6731
Current Assets	23143	27686	32749	33887	37451	38218	37668	28116	27990	27018
Current Liabilities & Provisions	234816	225170	214727	203250	192138	184466	172865	151335	134168	114652
Working Capital	-211673	-197484	-181978	-169363	-154687	-146248	-135197	-123219	-106178	-87634
Capital Employed	-213628	-197203	-181672	-168474	-153983	-140805	-129881	-117747	-100159	-80903
Investments										
Miscellaneous Expenditure										
Borrowings							634	5288	10335	16797
Net Worth	-213628	-197203	-181672	-168474	-153983	-140805	-1,30,515	-123035	-110494	-97698
OTHER STATISTICS										
Capital Expenditure	220	398	691	410	164					
Internal Resources Generated	-15513	-14920	-12456	-13796	-12524	-8959	-5499	-11955	-11749	-9701
Working Capital Turnover Ratio	-0.05	-0.05	-0.08	-0.09	-0.11	-0.12	-0.16	-0.14	-0.19	-0.25
Current Ratio	0.10	0.12	0.15	0.17	0.19	0.21	0.22	0.19	0.21	0.24
Return on Capital (%)	-3.38	-3.79	-2.79	-3.81	-3.37	-1.41	-0.39	8.43	7.10	6.94
Employees (Nos)	559	649	731	796	889	1064	1246	1425	1651	1902
Per capita Sales	19.82	15.36	19.46	19.16	18.65	16.56	17.45	12.43	11.96	11.45

DIRECTORS' REPORT 2024-25

To,
The Members,
HMT Machine Tools Limited,
Bangalore

Dear Members,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report on the business and operations of the Company and Annual Financial Statements of the Company for the Financial Year 2024-25 along with the Auditors' Report thereon.

Financial summary / Performance of the Company

(Rs. in crore)

Earnings	2024-2025	2023-2024
Gross Revenue from Operations	110.77	99.70
Other Income	46.18	31.62
Total Income	156.95	131.32
Profit before Interest and Depreciation	-63.53	-65.70
Provision for Depreciation & Amortized	5.86	6.04
Gross Profit	-69.39	-71.74
Finance Charges	91.60	83.50
Net Profit Before Tax excluding OCI	-160.99	-155.24
Provision for Tax	-	-
Net Profit After Tax	-160.99	-155.24

Your Company achieved a Sales turnover of Rs. 110.77 Crore During the year 2024-25 as compared to Rs. 99.70 Crore in the previous year. The Production performance was Rs. 96.46 Crore for the year under review as against Rs. 92.20 Crore achieved during the previous year. Orders valued Rs. 73.27 Crore was procured during the financial year 2024-25 as against Rs. 104.73 Crore in the previous year.

The operations of the Company resulted in a Net Loss of Rs. (-) 160.99 Crore as against the loss of Rs. (-) 155.24 Crore (excluding OCI) incurred in the previous year.

MARKET SCENARIO AND FUTURE OUTLOOK

India's machine tool industry remains a significant player on the global stage, ranking ninth in machine tool production and sixth in consumption, according to Gardner's World Machine Tools Output Survey. The Indian machine tools market was valued at approximately USD 1.7 billion in 2024 and is expected to grow at a compound annual growth rate (CAGR) of 7.8% from 2025 to 2033. The market growth is attributed to rapid industrialization, rising demand from sectors such as automotive, aerospace, and defense, increased automation and robotics adoption, the expansion of manufacturing capabilities, demand for precision engineering, and growing focus on infrastructure development.

In this context, HMT Machine Tools Limited is strategically positioning itself to support India's industrial aspirations. The company is actively engaging with sectors such as nuclear energy, defence, aerospace, railways, and vocational training, where significant order inflows are expected in the coming year. These engagements are aligned with the Government of India's broader vision of achieving self-reliance in manufacturing and reducing dependence on imports. Through its renewed focus on innovation, modernization, and strategic outreach, HMT MTL aims to contribute meaningfully to national growth objectives and solidify its role as a key player in the machine tool industry.

India Machine Tools Market Trends:

A. Implementation of Government Initiatives

The government plays a significant role in shaping the growth trajectory of the domestic machine tools market through targeted policy interventions and financial incentives. Initiatives such as the Production Linked Incentive (PLI) scheme, the National Capital Goods Policy, and the Make in India campaign have collectively stimulated manufacturing sector growth. The manufacturing sector contributes approximately 17% to the country's GDP and provides employment to over 27.3 Million people, underscoring its critical role in the national economy. The government has introduced

a range of policies and programs aimed at increasing the sector's share to 25% of the country's economic output by 2025. The growth of the manufacturing sector positively impacts the machine tools production. Moreover, the government provides support in the form of budget support, tax policies, import substitution strategies, and industrial corridors and manufacturing cluster facilities. Aside from this, the increasing focus on the development of MSMEs and enhancing their technology strengths has further driven demand for local machine tools, decreasing dependency on imports and increasing India's competitiveness in international supply chains.

B. Growth in CNC and Hybrid Smart Tools

The rapid adoption of computer numerical control (CNC) and hybrid smart tools are significantly augmenting the India machine tools market share. The technologies are facilitating precision machining, improved operational effectiveness, and cost minimization in industries like automotive, aerospace, electronics, and general engineering. Indian manufacturers are increasingly incorporating CNC systems with robotics, additive manufacturing, and high-end materials processing to deliver hybrid tools that address multifaceted production requirements. Apart from this, the growing need for low-batch, custom production solutions in high-precision industries has further propelled this shift. In addition, local industry players are also investing in indigenously made CNC control systems to mitigate import dependence. Further, collaborative and academic initiatives are inducing innovation in smart tool development, while government-sponsored programs are offering funding incentives for technology upgradation. This results in a technologically advanced machine tools industry, enabling India's changing manufacturing aspirations.

C. Digital Transformation, Smart Manufacturing, and Industry 4.0 Adoption

The market is undergoing a paradigm shift with the integration of automation, artificial intelligence (AI), industrial IoT (IIoT), and smart manufacturing principles under the broader umbrella of Industry 4.0. The digital transformation is changing production landscapes by facilitating predictive maintenance, real-time process monitoring, and data-driven decision-making. Firms are implementing connected machines, sensors, and cloud platforms to enhance output quality, reduce downtime, and increase the use of resources. The move towards digitalization is also supported by policy initiatives like the Make in India and Digital India programs, which provide an impetus for the acceptance of smart technologies in the manufacturing sectors. Government-and-industry-sponsored training programs and digital innovation centers are facilitating the shift by MSMEs and other manufacturers to Industry 4.0. The convergence of advanced digital tools with conventional manufacturing disciplines is developing a future-proof machine tools industry capable of competing globally in productivity and efficiency.

D. Challenges and Opportunities in the Market

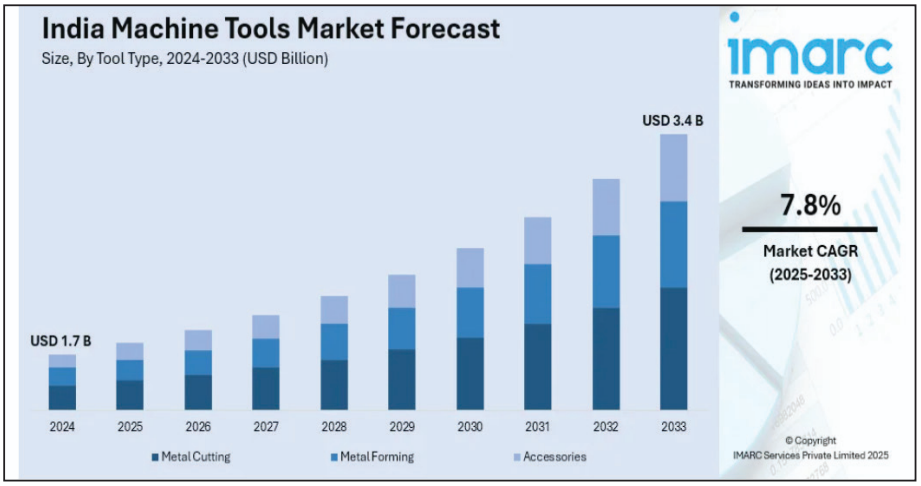
The market faces several structural challenges that hinder its full potential. One of the major issues is the lack of skilled manpower, especially to operate sophisticated CNC machines and handle computer-integrated systems. This shortage of talent delays technology uptake and influences productivity, particularly for small and medium-sized businesses. Moreover, the market faces raw material price fluctuations, particularly for steel, alloys, and precision parts, which causes cost planning and margins to be disturbed for manufacturers. The sector is also afflicted with a splintered supply chain, in which logistical inefficiencies and restricted domestic availability of key components frequently result in long lead times and dependence on imports e.g, CNC System, Ball Screw, Bearings, Linear Scale etc. Despite these challenges, as per the India machine tools market analysis, the market offers huge opportunities. Increased demand for local manufacturing, assistance from the government through initiatives such as PLI and Make in India, and enhanced investment in research and development (R&D) and automation provide huge growth opportunities. The shift towards Industry 4.0, coupled with export opportunities and infrastructure growth, makes India the focal point of the world machine tools industry.

India Machine Tools Market Size and Forecast :

Machine tools are utilized to perform a wide range of operations, such as cutting, forming, drilling, grinding

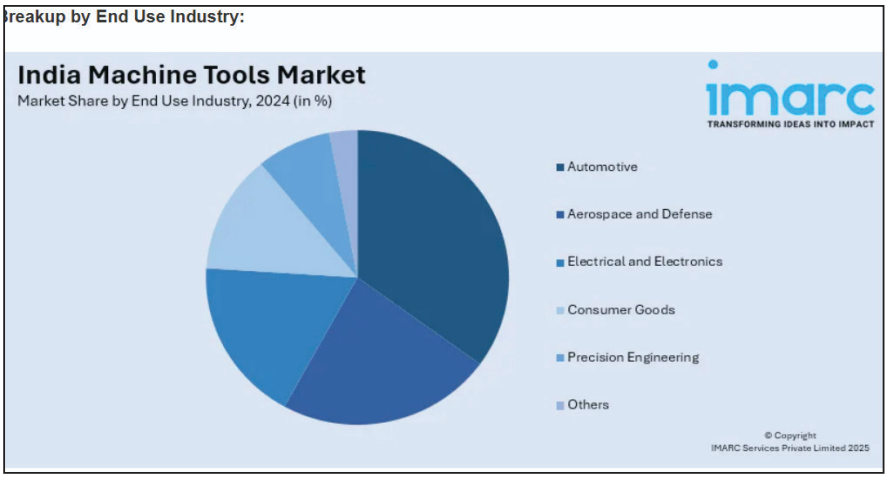
and abrading. These tools enhance product uniformity and reduce the manual efforts required. At present, various machine tools are available in the Indian market, ranging from small workbench mounted instruments to large devices that are employed in the automotive, aerospace and electronics industries.

India Machine Tools Market Size estimated by Imarc as USD 1.7 Billion and they projected it will become USD 3.4 Billion in 2033 with projected CAGR (2025-2033) as 7.8%.



Rising industrial automation to increase the overall productivity and improve the ergonomics represents one of the significant factors stimulating the market growth in India. Apart from this, an increase in the number of small and medium-sized enterprises (SMEs), along with stringent evaluation criteria on product quality, is bolstering the India machine tools market growth. Furthermore, due to lower labor and raw materials costs and reduced tax rates, several foreign companies are setting up their manufacturing bases in India. This is further providing growth opportunities to these manufacturers to expand their consumer base in the country. Moreover, the escalating energy demand is leading to the exploration of new oil and gas fields in India, which is expected to create a positive influence on market growth.

India Machine Tools Industry Segmentation:



Metal cutting tools play a vital role in the market, catering to sectors such as the automotive, aerospace, and manufacturing sectors. The tools are needed to form, size, and finish metal components, which makes them an integral part of mass manufacturing. As India develops into an international manufacturing base, demand for high-precision, long-lasting cutting tools has grown considerably. The market has also seen development, such as high-tech metal cutting tools that enhance tool life as well as cutting efficiency. Additionally, increased emphasis on automation and intelligent factories has further increased the use of high-tech metal cutting tools.

India Machine Tools market based on Technology Type :

A. Conventional machine Tools

Conventional machine tools are of great value in the industry, especially among small and medium-sized enterprises (SMEs) and traditional industries. The tools, which need to be driven manually to shape, drill, and turn metal, are affordable and easy to maintain. Even with the increasing automation wave, traditional machines remain popular for prototyping, repairs, and low-volume production. Their ease of use makes them perfect for sectors that demand flexibility and accuracy without intricate programming, making them a vital component of India's varied manufacturing sector, particularly in smaller, specialty operations.

B. CNC (Computerized Numerical Control) Machines Tools.

The machine tools market in India is revolutionized by CNC machines, which provide high accuracy, automation, and the capacity to undertake complex manufacturing operations with minimum human intervention. These cutting-edge machines, driven by computer programming, serve industries like the automotive, aerospace, and electronics sectors, where accuracy and consistency are paramount. With the country speeding up its transition toward smart manufacturing, CNC machines take center stage in increasing productivity, minimizing human errors, and maximizing efficiency. The increasing need for high-quality, personalized products, alongside industry 4.0 implementation, is still pushing the universal application of CNC technology in India's manufacturing industries.

Dividend

In view of the losses incurred during the year, your Directors are unable to recommend any Dividend on the Paid up Equity Share Capital and Preference Share Capital of the Company for the year 2024-25.

Reserves

In view of the losses incurred during the year, no amount is proposed by the Board to carry to any reserves.

Share Capital

The Issued, Subscribed and Paid up Share Capital of the Company stood at Rs. 719,59,91,370/- consisting of 27,65,99,137 Equity Shares of Rs. 10/- each and 4,43,00,000 Preference Shares of Rs.100/- each which is entirely held by HMT Limited, the Holding Company. The Net worth of the Company as on 31st March 2025 is Rs (-) 2136.29 Crore.

Indian Accounting standards

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

The Indian Accounting Standards' (Ind As) has replaced the Indian GAP prescribed under section 133 of the companies Act, 2013, read with Rule 7 of the companies (Accounts) rules, 2014.

Fixed Deposits

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

Enterprise Risk management

As per provisions of Companies Act, 2013, The Board approved Risk Management Policy in line with the holding Company. The Board has also adopted the Integrity Pact to be executed with its vendors/ suppliers/contractors/

service providers subject to threshold to be decided by the Company.

Particulars of Employees

No employees of the Company has received remuneration in excess of the limits prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014.

HUMAN RESOURCES

The total employee strength of the Company as on 31.3.2025 stood at 559, during the year under review, 81 employees have separated and no employees inducted in the Company. The details of different categories of personnel in position as on 31.3.2025 are given hereunder:

Scheduled Castes	121
Schedule Tribes	27
Other Backward Class	192
Ex-service men	0
Person with Disabilities (PWD)	8
Women Employees	33
Minority	29

EMPLOYEE RELATIONS

Harmonious and cordial Industrial relations prevailed throughout the Company during the year despite difficulties faced in operation. Further, no major IR problems were noticed during the year except some of the court cases from the transferred employees and retired employees.

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 VOs 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 advice 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 or off line 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 - Conducted workshop on Vigilance Awareness for Newly Recruited Officers.
		HMT Machine Tool 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:

1. Suggested online filling of APAR of the officials.
2. Suggested online filling of property returns of the officials
3. Proposed to update HMT Purchase manual.
4. Digitalization of Old drawings, Record of Land, HR documents.
5. Online transaction for making payments and receipt of payment.
6. Maximizing procurement through GeM Portal.
7. Suggested Periodic inspection on Audit Report (Finance).
8. 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 he 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.

9. Suggested for SOP for allotment of quarter to HMT and Non-HMT officials.
10. SOP may be made for verification / passing of medical bills in future for prescription received from hospital.
11. Advisory Note - regarding Discrepancies in Imprest Account.
12. Suggested for updation of Delegation of power and policy of gifting of watches.
13. Suggested more awareness initiatives (Training, Workshop etc.) on Vigilance to fight corruption in the organization.

CORPORATE GOVERNANCE

Your Company is committed to the adoption of best Governance practices and its adherence in the true spirit, at all times. Being a Government Company, appointment of Directors and fixing remuneration for Directors are decided by Govt. of India. With a view to strengthening the Corporate Governance framework,the Department of Public Enterprises, GOI has issued the Guidelines on Corporate Governance for PSE's which are mandatory from the financial year 2010-11. In line with the guidelines your Company strives for excellence through adoption of best governance and disclosure practices.

A report on the Corporate Governance is annexed as part of this report along with the Compliance Certificate from the Auditors. A Report on Management Discussion & Analysis and a declaration by the Chairman & Managing Director for having obtained affirmation of compliance of the Code of Conduct by the Board Members and Senior Management for the year ended March 31, 2025 is also appended to this Report.

Evaluation Of The Performance Of Board

Being a Government Company, HMT Machine Tools Limited 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 Enterprices (DPE)

Events subsequent to the date of financial statements

No Material changes and commitments affecting the financial position of the Company occurred between the end of the Financial year to which this financial statement relates on the date of this report.

Significant and material orders

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and company's operations in future.

Particulars of Loans, guarantees or investments under section 186

The Company has compiled with the provisions of section 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security to the extent applicable.

Particulars of contracts or arrangements with related parties

There were no major contracts or arrangements made with related parties as defined under section 188 of the Companies Act, 2013 during the year under review.

Transfer of Unclaimed dividend to Investor Education and protection Fund

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of section 125 of the Companies Act, 2013 do not apply.

Disclosure under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under report, the Company has not received any complaint.

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 Section134(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;

Since the overall performance of the Company is evaluated against the annual MoU targets set by the Department of Public Enterprises (DPE), no specific criteria is laid down for the evaluation of Board and of its Committees and the individual Directors. Since your Company being a Central Public Sector Enterprise (CPSE), the personnel policies and guidelines issued by DPE are being adopted in line with other CPSEs, However your Company has policy in respect of appointment or evaluation of senior management and key managerial personnel including Functional Directors.

ANNUAL RETURN

As per the provisions of Section 92(3) of the Companies Act, 2013 read with rule and Rule12 of the Companies (Management and administration) Rules 2014 as amended from time to time, the Annual return of the company has been placed on the website of the Company and can we accessed: httpS://hmtmachinetools.com

AUDITORS

1. Statutory Auditor

M/s Rajagopal & Badri Narayanan, Chartered Accountants, were appointed as Statutory Auditors of the Company for the year 2024-25 by the Comptroller & Auditor General of India and separate Branch Auditors were also appointed for the Company.

2. Cost Auditors

Your company has appointed Cost Auditors for the year 2024-25 to conduct cost audit for various units as under:

- M/s Chidananda & Co., Cost Accountants, for consolidation audit of the Company and for auditing the cost records maintained by the Company in respect of MBX, MTH & PTH Unit.
- M/s M.K.Associates, Cost Accountants for auditing the cost records maintained by the Company in respect of MTP unit.
- M/s Jai George & Associates for auditing the cost records maintained by the Company in respect of MTK unit.

- M/s R.K. Bhandari & Co., Cost Accountants for auditing the cost records maintained by the Company in respect of MTA unit.

3. Secretarial Auditor

In terms of Section 204 of The Companies Act, 2013 and Rules made there under, Mr. S. Kedarnath & Associates, Practicing Company Secretary has been appointed Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as annexure to this report along with management response thereto.

Declaration from Independent Director & Registration in the Data Bank maintained by IICA

The Company has not appointed Independent Director during the financial Year 2024-25. Accordingly provisions are not applicable to the Company.

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 there of

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 (31 of 2016) during the financial year 2024-25.

Whistle Blower Policy

The Company has 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 inappropriate or exceptional cases.

Fraud Reporting

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

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 personal manual in line with DPE guidelines.

The following changes have taken place in the composition of the Board of Directors / Key Managerial Personnel during the year 2024-25:

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.

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 Machine Tools 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.

The below changes in the Directors/ Key Managerial person happened after closure of the financial year and on the date of this report.

Ministry of Heavy Industries vide its order dated 28th April, 2025 conveyed the approval of the Hon'ble Minister (HI) to extend the entrustment of additional charge of the post of CMD, HMT Machine Tools limited to Shri Rajesh Kohli, Executive Director, Bharat Heavy Electricals Limited (BHEL), for a period w.e.f 05.04.20025 to 30.06.2025 , 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 26th June, 2025 conveyed the approval for extension of the entrustment of additional charge of the post of Chairman & Managing Director, HMT Limited to Shri. Rajesh Kohli, Executive Director, Bharat Heavy Electricals Limited (BHEL), for a period beyond 30.06.2025 to 24.03.2026 i.e. date of his attaining the age of superannuation in BHEL, or till the joining of a regular incumbent, or until further orders, whichever is the earliest, subject to the approval of the Appointment Committee of the Cabinet (ACC).

Ministry of Heavy Industries vide its order dated 14th July, 2025 conveyed the approval of the president to nominate Shri Prem Chandra Maurya, Joint Secretary, Ministry of Heavy Industries as Government Nominee Director on the Board of HMT Machine Tools Limited, Bengaluru with immediate effect and until further orders, vice Shri Rajesh Kumar, Principal Chief Controller of Accounts, Ministry of Heavy Industries.

Shri Prem Chandra Maurya (DIN: 11198433) is proposed for appointment as Director in terms of Article 77(1) of the Article of Association of the Company read with Section 160 of the Companies Act, 2013 in the ensuing Annual General Meeting.

Shri Rajesh Kohli, Chairman and Managing Director (Additional Charge), Shri Alok Kumar Behera, Chief Financial Officer and Shri Om Prakash Singh , 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.

Acknowledgements

The Directors are thankful to HMT Limited, the Holding Company, its Subsidiaries, various Departments and Ministries in the Government of India, particularly the Ministry of Heavy Industries, Ministry of Corporate Affairs, Comptroller & Auditor General of India, Principal Director-Commercial Audit, Statutory and Branch Auditors, various State Governments, Suppliers and Dealers, the Consortium of Banks led by UCO Bank and valued customers of the Company both in India and abroad for their continued co-operation and patronage. The Directors also wish to sincerely appreciate the contributions made by the employees at all levels in the operations during the year, despite the difficult situation faced by the Company

For and on behalf of the Board of Directors

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

Place: Bengaluru
Date: 24th September 2025

MANAGEMENT DISCUSSION AND ANALYSIS

A. Industry Structure and Development

Indian machine tool industry has around 1000 units of which 500 are OEMs and rest are supply chain engaged in the production of machine tools, accessories/ attachments, subsystems and parts as per data available from IMTMA. Of these, around 25 in large scale sector account for 70% of the turnover and the rest are in the MSME sector of the industry. Approximately 75% of the major Indian machine tool producers are ISO certified. While the large organised players cater to India's heavy and medium industries, the small-scale sector meets the demand of small and medium machine tools, ancillary and other units. Many machine tool manufacturers have also obtained CE Marking certification in keeping with the requirements of the European markets.

Metal Cutting & Metal Forming (Metal working) machine tools play a major role in the production of diverse products in sectors such as Automotive, Aerospace, Defence, Railways, Instrumentation and Electronics, General Engineering, Tool and die, Agriculture, Wood working, Earth Moving and construction, Furniture etc. The metal working machine tool industry in India has been serving the need of the manufacturing industry by offering a variety of machine tools like turning machines, machining centers, milling machines, drilling machines, grinding machines, presses, punching machines, multi-tasking, metal additive and Special Purpose machines. Although the industry is yet to meet the full potential and demand for higher technology machines, domestic market share for Indian machines have improved in recent years.

India is approaching a significant milestone in its economic development. The country is now the fourth-largest economy globally, propelled by 'AatmaNirbhar' Bharat vision and strong domestic reforms. India remains the fastest-growing major economy, with a real GDP growth rate of 6.5%, and nominal GDP rising from Rs. 106.57 lakh crore (2014-2015) to Rs. 331.03 lakh crore (2024-2025).

The growth momentum is projected to persist, with the Reserve Bank of India estimating real GDP growth at 6.5% (2025-2026). Services exports rose significantly from US$158 billion (2013-2014) to US$387 billion (2024-2025). Foreign direct investment also reached US$1.05 trillion, with a record 27% rise in equity inflows during the first nine months of FY25. Inflation decreased from an average of 8.2% (2004-2014) to around 5% (2015-2025), with retail inflation dropping to 4.6% (2024-2025), the lowest since 2018-2019.

Some measures announced in the Union Budget 2025, Including the allocation of ₹20,000 crore to promote private sector-led research and the launch of a National Manufacturing Mission covering small, medium, and large industries, can strengthen manufacturing initiatives. The Indian machine tool industry stands out as the backbone of manufacturing and I am confident that the industry will continue to play a significant role in Nation's development.

Indian machine tool industry continues its upward trend, with production in FY 2024-25 estimated to have increased by 7% to reach 14,566 crores (US$1.7 billion) while consumption is estimated to have increased by 17% to reach 31,781 crores (US$3.7 billion) during the period.

As per the World Machine Tool Survey 2025 published by Gardner Intelligence, Indian machine tool industry ranks 9 in Production of machine tools and 4th in Consumption in the calendar year 2024.The automotive and auto components sectors dominate Indian machine tool demand, making up around 50% of the total potential. General Engineering, Railways, Defence, Aerospace, Electrical and Electronics, and other sectors are also looking for machine tools.There is a need to identify and develop new products, adopt sustainable practices, and attain technological excellence through in-depth research and development, thereby fulfilling the emerging needs of various industry sectors.

As per IMARC group, the Indian Machine Tool Market expected to reach US$ 3.2 Bn by 2032, exhibiting a growth rate (CAGR) of 8.2% during 2024-2032. Rising industrial automation to increase the overall productivity and improve the ergonomics represents one of the

significant factors stimulating the market growth in India. Apart from this, an increase in the number of small and medium sized enterprises (SMEs), along with stringent evaluation criteria on product quality, is bolstering the market growth. Furthermore, due to lower labour and raw materials costs and reduced tax rates, several foreign companies are setting up their manufacturing bases in India. This is further providing growth opportunities to these manufactures to expand their consumer base in the country. Moreover, the escalating energy demand is leading to the exploration of new oil and gas fields in India, which is expected to create a positive influence on market growth.

B. High Dependence on Imports:

The Indian Machine Tools industry is currently able to meet about 56% of the total consumption. India currently continuous to be dependent on import of low volume, high value, high technology, and large sized machine tools.

C. Major drivers of growth:

- India is expected to become third-largest economy in the world with a GDP of $ 5 trillion in the next 3 years and touch $ 7 trillion by 2030 on the back of continued reforms.
- Manufacturing has emerged as one of the high growth sectors in India. With 17% of the nations GDP, the manufacturing sector plays a significant role in the Indian economy.
- India can take advantage of four market opportunities: expanding exports, localizing imports, internal demand and contract manufacturing.
- India is gradually progressing on the road to Industry 4.0 through Government of India's initiatives like the National Manufacturing Policy which aims to increase the share of manufacturing in GDP to 25% by 2025.
- Also PLI scheme for manufacturing to develop the core manufacturing sector at par with global manufacturing standards.
- Government of India " Make in India" program was launched to place India on the world map as a manufacturing hub and give global recognition to the Indian economy.
- Therefore, good number of orders are expected from Nuclear, Defence, Aerospace, Railways and Department of Employment & Training during 2025-26 in comparison to the previous year.

D. Threats:

- Increased interest rate due to poor credit rating of the company.
- Lowering of import duty for CNC Machinery & equipment's.
- Influx of second hand / reconditioned imported machines.
- No level playing for public sector undertakings.
- Fast technology obsolescence.
- Shortage of skilled manpower in critical area and attrition of man power.
- Increased competition in global market.

E. Segment wise or Product wise performance

Segment wise sales for the year 2024-25 of the company is as under-

The company received an overall new order booking of Rs.73.27 Cr. Out of total sales Rs.110.77 Cr during the year 2024-25. The segment wise sales is as follows:

SECTOR	Rs. In Cr.
Automobile	10.41
Railways	0.49
Defence	25.49
Metal	8.32
Industrial Machinery & Intermediates	13.97
Power	14.34
Consumer Durables	0.66
Others	25.42
Spares	11.67
Total	110.77

F. OUTLOOK

The primary user industries include Defence, Power, Consumer durables. Prominent users of machine tools in the intermediate goods include bearings, auto components, electronics etc. Sectors like Industrial Machinery, Metal & Mining, Automobiles recorded a significant growth in turnover during 2024-25.

According to IMARC group, The India Machine Tools Market faces several structural challenges that hinder its full potential. One of the major issues is the lack of skilled manpower, especially to operate sophisticated CNC machines and handle computer-integrated systems. This shortage of talent delays technology uptake and influences productivity, particularly for small and medium-sized businesses. Moreover, the market faces raw material price fluctuations, particularly for steel, alloys, and precision parts, which causes cost planning and margins to be disturbed for manufacturers. The sector is also afflicted with a splintered supply chain, in which logistical inefficiencies and restricted domestic availability of key components frequently result in long lead times and dependence on imports. Despite these challenges, as per the India machine tools market analysis, the market offers huge opportunities. Increased demand for local manufacturing, assistance from the government through initiatives such as PLI and Make in India, and enhanced investment in research and development (R&D) and automation provide huge growth opportunities. The shift towards Industry 4.0, coupled with export opportunities and infrastructure growth, makes India the focal point of the world machine tools industry.

The Government of India recent initiatives are playing a significant role in shaping the growth trajectory of the domestic machine tools market through targeted policy interventions and financial incentives. Govt. of India Initiatives such as the Production Linked Incentive (PLI) scheme, the National Capital Goods Policy, and the Make in India campaign have collectively stimulated manufacturing sector growth. The manufacturing sector contributes approximately 17% to the country's GDP and provides employment to over 27.3 Million people, underscoring its critical role in the national economy. The government has introduced a range of policies and programs aimed at increasing the sector's share to 25% of the country's economic output by 2025. The growth of the manufacturing sector positively impacts the machine tools production. Moreover, the government provides support in the form of budget support, tax policies, import substitution strategies, and industrial corridors and manufacturing cluster facilities. Aside from this, the increasing focus on the development of MSMEs and enhancing their technology strengths has further driven demand for local machine tools, decreasing dependency on imports and increasing India's competitiveness in international supply chains. Govt schemes, sectoral industrial parks, infrastructure spending, push for defence exports, preference for domestic procurement of capital goods, world preferring multiple sources for supply chain and India being one of the preferred sources.

As a result, the industry is becoming more efficient, productive, and competitive. This growth will be driven by the government's Make in India initiative, which is aimed at boosting domestic manufacturing. The industry is also benefiting from the increasing investment in research and development by Indian machine tools companies.

G. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has appropriate Internal Control systems for business processes, with regard to efficiency of operations, financial reporting & controls, compliance with applicable laws and regulations, etc. The salient features of internal control system are:

- Clear delegation of power with authority limits for incurring capital and revenue expenditure.
- Well laid down corporate policies for accounting, reporting and Corporate Governance.
- Safe guarding assets against unauthorized use or losses or disposition, and ensuring that the transactions are authorized, recorded and reported correctly.
- Process for formulating and reviewing annual and long term business plans have been laid down.

- Detailed Annual budget giving further break up of monthly targets under various heads.
- Continuous review of the performance by the core committee with reference to the budgets on an ongoing basis.

H. HUMAN RESOURCES

Your Company continues to believe that Human Resources would be a critical factor for its growth.

The emphasis was on grooming in-house talent enabling them to take higher responsibilities.

Training and retraining was provided to the employees during the year. The key focus remained on retaining and talents grow to meet the growth, aspirations of the Company

I. CORPORATE SOCIAL RESPONSIBILITY

HMT Group has set up Hospitals, Schools and Playgrounds at various Manufacturing Units for the benefit of employees and the local community.

J. COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961

In accordance with the revised disclosure requirements, the Company hereby affirms its compliance with the provisions of the Maternity Benefit Act, 1961. This declaration confirms that the Company continues to uphold all statutory obligations relating to maternity benefits, thereby ensuring the protection and welfare of women employees in the workplace.

CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

As on 31.03.2025, the Board of Directors comprised of Chairman & Managing Director (Additional Charge), two part -time Official Director. During the year 2024-25, four Board Meetings were held on August 06 , September 02, December 30 in the calendar year 2024 and on March 31 in the calendar year 2025. The composition of Directors and their attendance at the Board Meetings and at the General Meetings during the year are as follows:

Name	Category	Attendance particulars			No. of other Directorships and Committee Member / Chairmanship held		
		Board Meetings	Attendance % in Board Meeting	General Meeting	Directorship	Committee	
						Membership	**Chairmanship**
Shri Krishnaswami. Ravishankar (DIN: 10540509) (upto 05.04.2024	C & NENI	0	NA	NA	3	1	-
Shri Rajesh Kohli (DIN: 10333951) (W.e.f 05.04.2024	C & NENI	4	100%	Yes	4	4	1
Ms. Mukta Shekhar (DIN: 10118859) (upto 23.07.2024	NENI	0	NA	NA	8	-	-
Dr. Renuka Mishra (DIN:08635835) (w.e.f 23.07.2024	NENI	4	100%	Yes	9	3	1
Shri Rajesh Kumar (DIN: 09403746)	NENI	4	100%	Yes	3	3	-

*CMD&NENI : Chairman &, ENI : Executive & Non Independent, NENI : Non Executive & Non Independent, NEI : Non Executive& Independent, NA : Not Applicable

Brief Resume of Directors appointed during the year:

Shri. Rajesh Kohli

Shri. Rajesh Kohli has been entrusted with the additional charge of the post of Chairman & Managing Director, HMT Limited w.e.f. 05.04.2024.

Shri. Rajesh Kohli, aged 58, 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.

Shri. Rajesh Kohli is holding the additional charge of posts of Chairman & Managing Director in HMT Limited, HMT (International) Limited and HMT Watches Limited, and is holding directorship in Raichur Power Corporation Limited.

With his hands-on, practical approach & vast experience, he will drive the Team-HMT to deliver the best.

Dr. Renuka Mishra

Dr. Renuka Mishra has been appointed as Government Nominee Director on the Board of HMT Limited w.e.f. 23.07.2024. She is presently Economic Adviser in Ministry of Heavy Industries, Government of India.

Dr. Renuka Mishra, PhD, MA (Economics), aged 52 years 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, renewal energy, climate change and vulnerability of women.

FAMILIARISATION & TRAINING PROGRAMMES FOR DIRECTORS

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

COMMITTEES OF THE BOARD

A. Audit Committee

During the year 2024-25, three Audit Committee Meetings were held on August 06 , September 02 , December 30 in the calendar year 2024. The composition of Directors and their attendance at the Committee Meetings during the year are as follows:

Name of the Director	Designation in the Committee	Attendance particulars		
		No. of Meeting eligible to attend	No. of Meeting attended	Percentage of attendance
Shri Rajesh Kumar	Chairperson	3	3	100%
Shri K Ravishankar (upto 05.04.2024)	Member	0	0	NA
Shri Rajesh Kohli (DIN: 10333951) (W.e.f 05.04.2024	Member	3	3	100%

B. Nomination & Remuneration Committee

During the year 2024-25 One Meeting of the Committee was held on 6th August 2024 in the calendar year 2024. The composition of Directors and their attendance in the Committee are as follows:

Name of the Director	**Designation in the committee**	**Attendance particulars**		
		No. of Meeting eligible to attend	**No. of Meeting Attended**	**Percentage of attendance**
Shri Rajesh Kumar (Chairman	Chairperson	1	1	100%
Shri K Ravishankar (upto 05.04.2024)	Member	0	0	NA
Shri Rajesh Kohli (DIN: 10333951) (W.e.f 05.04.2024	Member	1	1	100%

REMUNERATION OF DIRECTORS

Sitting fees of Rs. 5000/- per meeting of Board and Rs.3000/- for Audit Committees is fixed to the Independent Director for attending meetings of the Board and Committees. Conveyance for attending Board/ Committee Meetings is reimbursed by the Company as per actuals Rs. 500/- is reimbursed to the Director using personal conveyance for attending the meeting.

The details of remuneration of whole time Director & Independent directors is Nil, since Company has no whole time director & Independent Directors during the financial year ended 31.03.2025.

GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue
2021-22	28.09.2022	12:30 P.M.	Registered Office at No. 59, Bellary Road, Bangalore - 560032
2022-23	29.09.2023	09:30 A.M	As above
2023-24	30.10.2024	11:00 A.M	As above

Annual General Meeting for the current year is scheduled to be held in the month of September 2025 at the Registered Office of the Company.

DISCLOSURES

There were no transactions of material nature with its Promoters, the Directors or the Management or their relatives which may have the potential conflict with the interest of the Company at large.

The Company has filed the statutory returns for the year 2022-23 with the Ministry of Corporate Affairs/ ROC, Bangalore.

There are outstanding Statutory Dues payable by some of the Units of the Company.

MEANS OF COMMUNICATION

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

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Annexure to the Directors Report-Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo

A. The details of conservation of energy, technology and absorption, foreign exchange earnings and outgo are as follows:

a) Energy Conservation measures taken:

i. Created awareness on the importance of energy conservation and practices among employees & residents has resulted in reduction of electricity consumption.

ii. Recycle water, particularly for use with less-critical requirements.

iii. Reducing excessive illumination levels to standard level using switching, de clamping etc.

iv. Lights / fans / Exhaust fans etc being switched off when not in use.

v. Focused on reducing scrap and rework to conserve energy.

vi. Optimizing the tariff structure with utility supplier.

vii. Scheduling operations to maintain a high load factor.

viii. Replacing fluorescent tubes with LED lights & Solar Panels wherever possible.

ix. Optimum usage of all electrical appliances.

x. Many of the units the lunch is being outsourced, hence electricity consumption reduced in the canteen.

xi. Shut off unnecessary printers, computers, copier machines at night.

xii. Idle running of machines avoided.

xiii. Replacing energy efficient motors.

xiv. Controlling the maximum demand of electricity to reduce the electricity bill and usage of natural light.

xv. By carrying out regular maintenance to optimize furnace performance and maintain yield resulting reduction in energy consumption.

xvi. Job planning in heat treatment / foundry furnaces resulted in reduction of specific energy consumption.

xvii. Running induction furnace on Sunday to reduce maximum demand and consumption of diesel.

xviii. Retrofitting of furnace with heat recovery devices.

xix. Regular preventive maintenance of capacitors.

xx. Under loading of stress relieving furnace is avoided.

xxi. Maximized utilization of medium frequency furnace and reduced usage of line frequency furnaces in Foundry.

xxii. Maintaining power factor up to 0.98 and getting rebate in electricity bill.

xxiii. Maximized utilization of omegas and mixer thereby savings in energy.

xxiv. Compressed air leakage minimized and are being switched off during shift change / Lunch break.

b) Additional investments and proposals if any being implemented for reduction of energy consumption

Proposals to setup roof top photovoltaic solar power plants at all manufacturing units to meet captive power requirement of manufacturing unit, street lighting, residential colony, shopping complex are being re-evaluated.

c) Impact on cost of Production of Goods:

The above-mentioned measures have resulted in substantial reduction in consumption of electrical energy at various load centres and helped in reducing the energy cost.

d) Total energy consumption per unit of production:

Not applicable, as the company is not covered in the list of specific industries.

B. Technology Absorption- Form B

Research and Development (R&D)

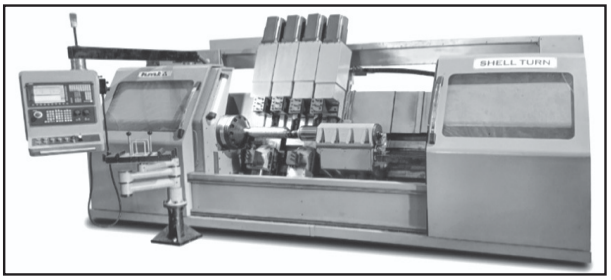
1. Specific areas in which R&D carried out by the company:

a) Technology Acquisition/Absorption:

- Successfully developed and manufactured prototype TPMZ & supplied to M/s. IGCAR valued Rs. 65 Lakhs.
- BEL Adaptor Assembly:
  HMT developed and supplied 11 units of adaptor assemblies to BEL, which are used in Anti-Submarine Warfare (ASW) Shallow Water Ships (SWC).

b Technology enhancement/upgradation for product development:

- Successfully completed TPM – 35 Pairs + 6 Pairs project to M/s. BARC, Mumbai.
- HMC-500 SLD First time development with In-line Spindle, bought out ATC and Bought out DDR Table which leads to reduction in assembly hours and commissioning time.
- HMT SHELLTURN CNC machine is specifically designed for the rough machining of shells from forged blanks. The machine features a computer-optimized bed with a tubular structure, providing better rigidity and stability. The 20-degree configuration allows for easy swarf flow and accessibility for loading and unloading jobs. The bed guides are hardened and ground. MTK has designed, developed, and supplied three Shell Turn Lathes to Ordnance Factory Ambajhari.



- HMT developed 20 Stallion 200S machines to 20 polytechnic colleges in the Odisha district as part of a major turnkey project. These machines are IoT-integrated with cloud support.

C) Development of existing machines

- Re-development of Motorized Over Arm on FN3U Milling Machine.
- Development of TRM5V with new head in order to eradicate dependency on import heads.
- Development of New Improved Version of VMC-300M with feed Motor under column and lower foot print.
- Design improvement in the machine VT539 by providing In-built guide ways on Column and Cross Slide to reduce manufacturing cycle time and to save cost.
- Design improvement in the machine VT607 by modifying Cross Slide & Cross Rail and tool clamping arrangement to reduce manufacturing cycle time and to save cost.

  Die making machine (model DC102) encoder mounting arrangement changed for easy assembly.

2. Benefits derived as a result of the above R&D

Efficiency of machines increased, production cycle reduced and developed new opportunity.

3. Future plans of action:

a) Focus on manufacturing new products in line with Mother technologies to make India self-sufficient and build machines "Make in India".

b) MoU with IIT BHU for the development of the technology for the ram type boring machine , Roll grinding machine & Wear and friction measurement for the rolling and sliding contact

c) Development of New variants in Double Column CNC VTLs.

d) Disscussion and presentation given for the establishment of axle machining line with the finiancial support of Railways

e) Seeking the technological partner for developing and manufacturing the high speed multi axes machining centres , multi tasking machines .

f) Establishment of the corporate design and research & development

g) Establishment of the ultra modern foundary facilities at Kalamassery and Bangalore

h) Development of the CNC system in India with indegenious research

i) Setting up of Ball screw manufacturing facility for catering the demand for the ball screws in the country .

4. Expenditure on R & D particulars (Rs. In Lakhs)

a)	Capital	Rs. NIL
b)	Recurring	Rs. NIL
	Total	Rs. NIL

5. Total R & D Expenditure:

% (as % of turnover) NA

6. Technology absorption, adaption and innovation & MoU signed:

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.

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

C. Foreign exchange earnings and out go:

Activities relating to exports, initiatives taken to increase export markets for products and services and plant exports of the company's products are managed by HMT (International) Limited, the wholly owned subsidiary of HMT Limited, the Holding Company.

Total Foreign Exchange used and earned:

	Particulars	(Rs. In Lakhs)
1.	Foreign Exchange earned	999.19
2.	Outgo of Foreign Exchange (CIF value of imports)	195.39
3.	Expenditure in Foreign currency on account of travelling	Nil
4.	Currencies on account of Royalty	Nil
5.	Know-how / Professional Fees, Interest and other matters	Nil

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3)of section 134 of the and Rule 8(2) of the Companies (Accounts) Rules, 2014)

From for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third provison there to

1. Details of contracts or arrangements or transactions not at arm's length basis
   (a) Name(S) of the related party and nature of transactions not at arm's length basis
   (b) Nature of contracts/arrangements/transactions: Not Applicable
   (c) Duration of the contracts/arrangements/transactions: Not Applicable
   (d) Sailent terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
   (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
   (f) Date(s) approval by the Board: Not Applicable
   (g) Amount paid as advances, if any: Not Applicable
   (h) Date on which the special resolution was passed in general meeting as required under first provision to section 188: Not Applicable
2. Details pf meterioal contracts or arrangement or transactions at arm's length basis
   (a) Name(S) of the related party and nature of relationship: Not Applicable
   (b) Nature of contracts/arrangements/transactions: Not Applicable
   (c) Duration of the contracts/arrangements/transactions: Not Applicable
   (d) Sailent terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
   (e) Date(s) approval by the Board: Not Applicable
   (f) Amount paid as advances, if any: Not Applicable
   On behalf of the Board of Directors

On behalf of the Board of Directors

Place: Bangaluru
Date: 24th September 2025

(Rajesh Kohli)
Chairman & Managing Director (Additional Charge)

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 etcetera. 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: FOO3031G001201351

Date: September 08, 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
IICSI UDIN: F003031G001201351

Date: September 08, 2025
Place: Bengaluru

ADDENDUM TO SECRETARIAL AUDIT REPORT FOR THE YEAR 2024-25 IN RESPECT OF 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	COMPANY'S REPLY
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 etcetera 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.

Place: Bengaluru
Date: 8th September .2025

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

CERTIFICATE OF CORPORATE GOVERNANCE

Corporate identity number : U02922KA1999GOI025572

To

The Members of HMT Machine Tools Limited, Bangalore

We have examined the compliance of conditions of corporate governance by HMT Machine Tools Limited (The Company) for the year ended on 31st March, 2025, as stipulated in guidance on corporate governance for Central Public Sector Enterprises.

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

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

a) Being a material subsidiary of a Listed Entry, there shall be at leasr one Independent Director of its Holding Company on its Board under Regulatuon 24(1) of SEBI (LODR) Regulation 2015. The Company is yet to comply with this Regulation and Section 149(4) of the Companies Act, 2013, with respect of composition of Board of Directors of the Company.

b) During the Audit it was observer that the ompany has not made timely payment of Employees related statutory dues in several instances and as a result, defaulted the provision fimds and Misellanceous Provisions Act, 1952, Payment of Gratuity Act, 1972 etcetera and received Notices from Statutory Authorities, Besides, there are ongoing litigations with various courts of law.

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

For Rajagopal & Badri Narayanan
Chartered Accountants

Membership No. 020244
Firm Reg. No. 0030248

Place: Bangalore
Date: 20.09.2025
UDIN: 25020244BMIVFD7262

DECLARATION BY THE MANAGING DIRECTOR

Sub: Code of Conduct – declaration under Clause 3.4.2

This is to certify that:

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

The said Code of Conduct has been uploaded on the website of the company and also been Circulated to the BoardMembers and the Senior Management Personnel of the company; and, All Board members, and the Senior Management Personnel have affirmed compliance of the said code of Conduct , for the year ended March 31, 2025

Place : Bengaluru
Date : 8th September 2025

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

REVISED INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF HMT MACHINE TOOLS LIMITED, BANGALORE
CIN: UO2922KA1000GOIO25572

(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(MT)/1.31/185 dated 01.09.2025 and it supersedes our Independent Audit report dated 11.07.2025)

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s.HMT MACHINE TOOLS LIMITED, BANGALORE** ('the Company'), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including other comprehensive Income), Statement of changes in Equity and the Statement of Cash flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

We state that, the financial statements of the Company include the compilation of the eight divisional financial statements of **HMT Bangalore Complex, HMT Ajmer, HMT Pinjore, HMT Hyderabad, HMT Kalamassery, Praga Tools - Hyderabad, HMT Marketing Division - Bangalore and HMT Directorate - Bangalore** which have been subjected to independent statutory audit appointed by Comptroller and Auditor General of India for each division except for **HMT Directorate - Bangalore.** Out of the same six units / divisions are audited by other Statutory Auditors, Marketing Unit / Division at Bangalore is audited by us and **HMT Directorate - Bangalore** is not audited independently.

In our opinion and to the best of our information and according to the explanations given to us, except for the matters described in basis for qualified opinion paragraph of our report the aforesaid 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 Indian Accounting standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS) and Other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2025, the loss, Total Comprehensive Income, Changes in Equity and its Cash flows for the year ended on that date.

Basis for Qualified Opinion (for HMT Machine Tools Limited – All Units / Divisions except HMT Bangalore complex for which disclaimer of opinion has been expressed by the Component auditor).

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 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 (the "ICAI") 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statements.

We draw attention to the following matters reported by the component auditors of various Units / Divisions which in our opinion result in material misstatements and have been considered in forming the qualified opinion on the consolidated financial statements:

1. **MTA, Ajmer:**

   a) The Unit / Division has defaulted in settlement / payment of gratuity to the extent of **Rs.2,99,34,694/-** in the case of employees retired / separated from the Unit / Division. Further the Unit / Division has not made any provision for interest for non-payment / settlement of gratuity.

b) Unit / Division has not reversed GST Input for those supplies and services, the payment of which are outstanding as on 31.03.2025 for more than 180 days. The amount involved is Rs. 14,69,890 /-.

2. MTK - Kalamassery

a) The Unit/Division has shown a claim recoverable of **₹1,99,92,112/-** as at 31st March 2025, which has been outstanding in the books for several years. No movement has been recorded during the year. No supporting documentation, confirmations, or correspondence has been provided to substantiate the validity or recoverability of this claim. Furthermore, no assessment of impairment has been made under Ind AS 109 – Financial Instruments.

b) The Unit/Division has not filed its monthly GST returns (GSTR-1 and GSTR-3B) for the period January to March 2025. No provision has been made for probable interest, late fees, or penalties, which is not in compliance with Ind AS 37- provisions, contingent liabilities and contingent assets.

c) The Unit/Division has provided electricity, water, and land facilities to an external party operating a hotel business. However, no income has been recognized in respect of rent from the said party. The electricity and water charges incurred by the hotel have been paid by the Company, and the same have been classified under "Employee Benefit Expenses" in the books of account. In our opinion, the non-recognition of income and incorrect recognition of expenses is not in compliance with the applicable financial reporting framework. The financial impact of the above could not be quantified in the absence of appropriate records and supporting documentation.

d) We draw your attention to the audit report of Kalamassery Unit/Division, as per the electricity bill issued by the Kerala State Electricity Board (KSEB), there exists an amount of **Rs.8,95,32,123/-** payable by the Company as on 31st March 2025. However, the Company has recognized only **Rs.5,68,01,959/-** as liability in its financial statements. The remaining amount of **Rs,3,27,30,264** /- has not been acknowledged or provided for, although no formal dispute or legal proceeding has been initiated by the Company against the same. In the absence of any supporting documentation to indicate that the liability is genuinely disputed. We are of the opinion that provision should have been made for the said amount in accordance with the applicable financial reporting framework.

3. MTP – Pinjore

a) The Unit/Division has not carried out an actuarial valuation of its Provident Fund obligations, which qualifies as a defined benefit plan under Ind AS 19 – Employee benefits.

4. MTH – Hyderabad

a) The Inventory held by the Unit / Division is significantly carrying substantial amount as compared to the Operational Activities, hence without prejudice to the Verification of the Inventory Procedure, there arises doubt of the existence of the physical inventory. Although, we have obtained sufficient appropriate audit evidence in this regard, the relevance of the evidence for the said purpose cannot be accomplished as the measurability for such provision in accordance with Ind AS 2 was not derived.

b) The Unit/Division has not complied with the Ind AS40-Investment property under which the Unit/ Division must disclose the property from which it is earning the rental income.

c) The Unit/Division has substantial amount due to various local bodies and authorities, while these amounts are subject to distortions and disputes before the respective forum, no ultimate orders were given by them in this regard and the same in confirmation with management has been reported as part of Contingent Liabilities. Also, the C&AG has commented on the recognition of Property Tax payable to Greater Hyderabad

Municipal Corporation, that the Company has shown the same under contingent liabilities. According to the explanation of the management, there have been negotiations with the Commissionerate of Municipal Corporation and the resulting effect shall be pronounced in subsequent years. Though, persistent information is available in case of these contingent liabilities, the certain foreseeable outcome of the items cannot be ascertained and as a result the opinion thereto.

5. Marketing Division

a) The Unit/Division has filed monthly GST returns in Form GSTR-1 and GSTR-3B for the year. However, reconciliation between the Input Tax Credit (ITC) as per GSTR-2B and the books of accounts has not been carried out. In the absence of such reconciliation, we are unable to comment on the correctness and completeness of input tax credit accounted for in the books.

b) The Unit/Division has earned Commission Income from other GST-registered Unit/Divisions outside Karnataka state under the same PAN but did not discharge the tax. As per Section 25(4) of the CGST Act, such Unit/Divisions are treated as distinct persons. Under Section 7(1) (c) read with Schedule I of CGST Act, inter-Unit/Division supplies between distinct persons are taxable supplies.

6. PTH, Hyderabad

a) The Unit/Division has not carried out an impairment assessment of its Property, Plant and Equipment as required under Ind AS 36 – Impairment of Assets.

b) Other current liabilities include long-outstanding dues towards Provident Fund Trust and Gratuity Trust settlements amounting to ₹56.16 crore. No provision has been made for penal interest arising from delayed remittances of statutory dues.

c) Statutory filings under GST, TDS, and Profession Tax were delayed or not filed, resulting in interest and penalties. Further, no provision has been made for late fees and penalties relating to these non-compliances.

7. Basis for Disclaimer of opinion - MBX, Bangalore

We draw attention to the audit report of one MBX Bangalore of the Company included in the consolidated financial statements, wherein the component auditor has disclaimed their opinion on account of significant limitations in audit evidence. The component auditor has reported that :

(i) Ind AS 2 – Inventories

We draw attention to Note No.5 in the financials. According to the information and explanation provided to us, the value of Raw Materials including consumables have been done on cost basis as appearing in the ERP. The basis of valuation of raw material has not been explained to us. The value of Work-in-progress, Finished Goods and Goods in transit is taken based on job cards issued for the work order and stock valuation including overheads is on an estimated cost basis. The correctness of the inventory quantities and the price considered for each item of inventory could not be verified as necessary working/supporting were not provided. As per Ind AS-2, the valuation of the inventory should be at cost or net realizable value whichever is lower. The valuation of inventory at estimated cost is in violation of Ind AS-2 requirements and is not in line with the accounting policy 2(j).

(ii) Valuation of Inventories (continued)

- Records for scrap generation and valuation : Records for generation of scrap on a daily basis were not available for verification. Proper control over scrap generation and tracking of physical scrap quantity was not available. Records for valuation of scrap were also not provided.
- Physical verification of inventories : No physical verification of inventory has happened during the year. Further, the management replied for the qualifications made by the CAG auditor in the previous year which is as follows “Unit/Division will

submit all the documents to Branch Auditor evidencing the compliance of Ind AS 2, during the Audit for the FY 2024-25. The Unit/Division will also ensure that physical verification of stock is done at regular intervals." The management also assured us that physical verification of inventory will be done during the year but the same was not complied with.

- Stock Ledgers: The item wise stock ledgers were not provided to us for our verification. Out of the total purchases of Rs.579.70 lakhs, purchases totalling to about Rs.370.30 lakhs were accounted as non-stock items and not through regular stock codes.
- Provision for non-moving inventories: Refer Note - 5 of the financials and accounting policy no. 2(j) - The Unit/Division has created provision for non- moving inventory items which are not moving for more than 5 years. The Unit/Division has provided 95% of the total cost of non-moving items as provision. The ageing details of raw material and work-in-progress were provided. However, the ageing could not be verified as necessary details were not given. In the absence of complete details, we are unable to comment on the correctness of the provision for inventory and the corresponding impact of short or excess provision for non- moving inventory in the financials.

Due to non-availability of working of Inventories based on actual cost incurred, basis of arriving the quantities, and on account of physical verification of stock not being done at regular intervals, we are unable to comment on the correctness of Inventory quantities and the value considered for the financials and the compliance with Ind AS 2 and its impact on financials.

(iii) Physical verification of Property, Plant & Equipment

We draw attention to Note No.3A in the financials. We were told that the management has policy of physical verification of Property, Plant and Equipment to be done once in three years. The physical verification of PPE was earlier done in FY 2021-22 and should have been done during the FY 24-25 which was not done. The policy of Physical verification to be followed was also not provided to us. In the absence of policy details and non-conducting of the physical verification, we are unable to comment on the physical existence of Property, Plant and Equipment and consequently the corresponding impact on the financials could not be ascertained.

(iv) MSME Vendors - Identification and Interest provisions

We draw attention to Note No.16 wherein the trade payables to MSME vendors have been disclosed. The management has not provided the basis and the methodology or process followed by the Unit/Division for identification of MSME vendors.

We had sought the details of Udhyam registration to ascertain the correctness of MSME vendors classified by the Unit/Division. However, the same was not provided.

Interest on MSME dues for the period prior to the financial year 24-25 pertaining to bills pending from earlier periods were not provided.

In view of the above, we are unable to confirm the correctness of disclosure and quantify the interest impact if any on the financials.

(v) Trade receivables

- Confirmations : We draw attention to Note No.6 of the financial statements, which discloses trade receivables amounting to Rs.4,402.72 lakhs (Pr. year Rs.4,383.19 lakhs). Customer-wise balance confirmations were not provided for the year ended March 31, 2025.
- In the absence of confirmation letters from customers, we are unable to confirm on the correctness of trade receivables.

- Ageing : Ageing of trade receivables was not done on due date basis rather the ageing was done from the date of invoice.
- Consequently, we are unable to confirm the correctness regarding the ageing of trade receivables disclosed in Note No.6A.
- Doubtful receivables and write off: The total trade receivables are Rs.4,402.71 Lakhs out of which Rs. 2,653.71 lakhs are shown as doubtful.
- The provisions for doubtful debts of Rs.1,556.33 lakhs pertain to the FY 1986-87 to financial years 2015-16 itself. A significant number of debtors must have been written off which has not been done thereby incorrectly showing the total amounts of receivables and provision figures where there is no possibility of recovery.
- Provisions for receivables : It is the policy of the company to make provisions if the receivables are more than 5 years. We had sought clarifications on the reason why amounts are pending against individual invoices even when they are less than 5 years. We were not provided with the reasons, and the information is not available. In the absence of such information, it cannot be confirmed whether the amounts shown as outstanding's are good in such cases.
- The auditor in the emphasis Para report for the previous year has mentioned that the Unit / Division is required to write off the balance of debtors outstanding for more than 3 years in its books. We had sought the written policy in this regard. However, the same was not provided. The Unit/Division has only created a provision for doubtful debt for debtors outstanding for more than 5 years.

  However, based on our review of the provision for doubtful debts, we observed that an amount of ₹13.28 lakhs, pertaining to the financial years 2017–18 to 2019–20, has not been provided for. The provision for doubtful debts is understated and trade receivables are overstated to that extent.
- Invoice-wise outstanding : The trade receivables invoice wise outstanding and provision made invoice wise as on 31.03.24 was not provided to us.

  In view of all the above, we are unable to confirm the correctness of Trade Receivables, Trade receivables ageing disclosed and provisions required if any in the financials.

(vi) Trade Payables

- We draw attention to Note No.16 of the financial statements, which discloses trade payables amounting to Rs.789.96 lakhs (Pr. year Rs.1,285.87 lakhs).
- Balance confirmation : Vendor-wise balance confirmations were not provided for the year ended March 31, 2025.
- Ageing : Further the ageing of the trade payables was not done on due date basis. In many instances, trade payables were outstanding for more than three years. Out of the overall outstanding of Rs.789.96 lakhs, Rs.267.52 lakhs is outstanding for more than 3 years.
- In view of the above we are unable to confirm and satisfy ourselves regarding correctness of the amount shown as trade payables and the ageing in the financials.

(vii) Order of significant value amount not executed with time even after extended period-Implications

Advance received from customer - Dept. of Atomic Energy : Refer Note 18 - Rs.10.59 crores received from Department of Atomic Energy during FY 2015-16 and FY 2016-17 towards supply of TPM-Z machine. The company has issued advance bank guarantee to the tune of Rs.10.66 Crores as security for the advance received from customer. The original due date for effecting supplies was 10-11-2017. The Unit/Division had

to supply 54 pair of the machine by FY 2017-18 totalling to Rs.35.10 crores by 10.11.2017. As at 31st March 2025 only one pair of the product has been supplied to the tune of Rs.65 lakhs. As per the revised extension of supply date till 31.12.2024, maximum liquidated damages to the extent of 5% of value of product will be levied for all delayed supplies. The Unit / Division had requested for extension of delivery schedule till 30th Jun 2026, which is pending for approval by the customer.

In the absence of further communication from the customer extending the supply date and the terms, we are unable to comment on the impact on the financials on account of the non-supply of the ordered quantity within the extended time given by the customer and the liability that Unit/ Division may have to discharge on this order.

(viii) Credits lying in advance from customers written back as income Note 21 –Miscellaneous Income

- Miscellaneous income includes Rs.306.19 lakhs of old credits lying in advance from customer relating to approximately 234 customers which was written back. The details of advances written back like date of advance, reasoning why the same was pending etc were not made available. The reversal to miscellaneous income was approved by office note reasoning that "no order was pending against the customer". Rs. 110 lakhs out of the advance written back pertains to amount received from Department of Heavy industries against which CA utilization certificate copy was given to us as of Dec 2020, which implies that income should have been recognized in the FY 20-21 or earlier.
- Prior year income : The miscellaneous income of Rs. 306.19 lakhs is a prior year item which has not been so disclosed in the financials. Liability towards Goods and Service Tax or other indirect tax dues if pertaining to period prior to GST on the said reversal of advance from customer was also not created.

In the absence of complete reasoning and reconciliation of the advances from customer including the earlier periods, we are unable to comment on the correctness of recognizing the amounts as miscellaneous income. Further, we are unable to comment on the Income tax implications and indirect tax implications on income taken to current year pertaining to amounts reversed of earlier years.

(ix) Amounts in provisions written back to Income

Refer Note 21A, provisions withdrawn includes a sum of Rs.313.58 lakhs towards reversal of provision for gratuity, 1992 base revision arrears (Rs.310.49 lakhs) and warranty (Rs.3.09 Lakhs). Office notes and approval dated 22nd May 2025 for reversal of the provision towards gratuity to the tune of Rs. 310.49 lakhs were provided as approval document for the reversal. However, the details as to when the provision was created, workings and reason for creating the provision was not made available.

In the absence of complete workings and details, we unable to comment on the correctness of the reversal of the provisions in the financial statements. Further, the reversal is a prior year item as it pertains to old years and necessary disclosures as a prior year income also has not been given in the financials.

(x) Rental Income from properties of this division accounted in parent company of HMT Ltd.

- Rental income received and deposits collected : Rental income accounted in the books of HMT Limited, the parent company to the tune of Rs.845 lakhs pertain to the land and buildings of this Unit / Division. The listing of the rental incomes was given to us. We have been informed that HMT ltd also collected deposits on the properties let out. We were given a list showing an amount of Rs.219.6 lakhs in this regard.
- No disclosure : No disclosure has been given in the financials regarding the rental income

of Rs. 845 lakhs relating to the properties of this Unit/Division and deposits collected on renting of such properties getting accounted in the books of HMT ltd in the current year.

- Basis and approvals for such treatment : The reason as to why the rental income is accounted in the books of the HMT Limited (Parent entity) has not been explained to us with documentation showing the necessary approvals for such treatment. The only reason cited is similar to the response given to auditor's qualification in the audit report of HMT Ltd for the financial year 31.03.2024 where the fact of recognizing revenue without recognizing the asset was brought out. The qualification and the management reply given in HMT Ltd financials for the year ended 31.03.2024 is as under:

Qualification

"b) The Company records rental income generated from the buildings situated on the land which is not recorded in the books of accounts of the Company. On examination of records produced for verification, the status of the land and its ownership is in the name of HMT Limited."

***"Management Response** - "The Unit/ Division was formed to look after the Estate maintenance of the Unit / Divisions at Bangalore. Consequently, due to an increase in the maintenance cost of the Unit / Division start generating the income. Post subsidization in 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/Division. 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 / Division books to maintain the estate etc."*

- Income accounting from many years : It appears from the previous financials and as explained by the company that the said methodology of accounting revenue in HMT Limited for lands and buildings owned by the Unit/Division is coming from many years.
- Property tax on such properties borne by the Unit / Division: From the property tax payment dealt in our basis for disclaimer of opinion in our Para 10 above, it appears that the property tax relating to the properties whose rental income are accounted in the parent Company HMT Ltd are paid and getting accounted in this Unit/Division.
- Details sought : We had sought full details regarding the accounting of income in the hands of the Parent Company. More particularly we had sought the following:
  - Reasoning on why the rental income is recognized in HMT Limited books though MBX division of HMT Machine tools is the owner of the property.
  - Why expenditure on Property tax for the said properties is accounted in the books of the Unit/Division (MBX of HMT Machine tools) without earning any income from the said properties
  - The arrangement between HMT Machine tools limited and HMT limited in this regard. No proper response with full details was made available to us.
- Internal controls on such income: Even though the rental income has been stated as recognized in HMT Limited, the internal controls with regard the following could not be ascertained in the absence of proper explanation and details like:

- Listing of complete properties, mapping with the documents available and entries in the PPE register
- Listing of let out properties out of above and mapping of revenue against the said properties to identify if any revenue recognition is missed out for property let out and properties kept for rent but were idle and did not yield any rent
- Any unauthorized occupancy of the property
- The amounts indicated as income has been accounted on accrual basis
- The expenditure that has been agreed to be incurred on the maintenance of such properties and comparison with that incurred.

- **Explanation offered**

  We were offered an explanation to the treatment of rental income in the parent company as under :

  "ABD / CSD Unit / Division was formed to look after the estate maintenance of the Unit / Divisions at Bangalore. Consequently, due to an increase in the maintenance cost of the estate the Unit / Division started generating income. Post subsidization in 2000 of the Company the land and buildings had been transferred to M/s.HMT Machine Tools Ltd. in line with the scheme of arrangement. Hence, the land and buildings are not recorded in the books of accounts of ABD. However, the mutation of Title Deeds is yet to be done in the name of HMT Machine Tools Ltd. in the revenue records to that 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 Bangalore the rental income is recorded in the books of ABD to maintain the estate.

  Further the rental income received by ABD division will be verified by their Statutory Auditors."

  Except a list showing the income accounted in the ABD division of HMT Ltd. no details were given to us regarding the nature and maintenance expenses incurred by them.

  In the absence of proper explanation with documentary proof and justification on all the above, we are unable to comment on the following:

  - ⇨ Correctness of the treatment of accounting the income of the property of Rs.845 lakhs relating to the Unit/Division in the hands of the parent Company and implication thereof cannot be quantified
  - ⇨ Any implication of indirect taxes on treatment of rental income of the Unit / Division in the hands of the parent company
  - ⇨ Correctness on the nature of land and buildings disclosed under PPE as no investment property has been shown
  - ⇨ Correctness of accounting of the expenditure towards property tax on such properties in the Unit/Division and the implications cannot be quantified
  - ⇨ Whether any electricity charges relating to such properties were accounted in the books of the Unit/Division as a common bill is received

  The implication if any on previous year's financials can be ascertained only if complete details are made available.

  Since the values of income generated is significant when compared to the overall income for the Unit/Division it is essential that there is a complete disclosure is required on all the above.

(xi) Lands and buildings of the Unit/Division

The mapping of lands in the name of the Unit / Division as per land records or documents to the lands as per PPE listing were not made available.

Refer Annexure -1 of PPE schedule regarding the land and buildings.

As informed to us, the Unit/Division owns total land of 330.20 acres in Bangalore Complex, which were partly gifted and partly acquired over the years. The said land is used for factory buildings, offices, residential quarters, hospital, cinema, stadium, commercial complex, internal roads etc. In addition, there exists vast area of open spaces.

We noticed that there was minor variation in the documents of the lands made available to us as under :

1. Sy.No.20 of Peenya village, 20 guntas of land was given to the Government of Karnataka, represented by the Tahsildar, Bangalore North Taluk on dt. 03-11-1976 vide letter No.LND (3) 55/73-74 dt.08-10-1976 at free of cost. However, the said land is appearing as part of the land listing provided to us. The balance area of land 2.34 acres is not matching with the title deeds.

2. Sy. No.21&22 of J.B Kaval, 4.55 acres of land documents were provided to us. However, the area as per the land documents was not matching with the area stated in the statement of land provided to us.

   There is also a letter dated 04.11.2024 from Karnataka Forest Department regarding illegal occupation and possession of Forest Land which has been responded by the Company as can be made out from the extract of the minutes of the Board provided to us. But no further details on this were provided to us.

   Apart from the extract of the Board minutes we were not provided any further details regarding the case in the Supreme Court and its implication if any on the land and buildings of the Unit/ Division.

The details of the lands provided in the Annexure-1 to the Property Plant and Equipment note is after sale of 140.12 acres of lands earlier as given in the listing to us, but we were not provided any documentation regarding those.

The document of title mentions the original purchase or gifted quantity only and no title document is made available to show the balance quantities on hand under respective survey numbers after sale of lands and acquisition under Karnataka Municipal Corporation Act / other order.

The Unit/Division having a sound internal control system regarding its process of letting out of properties where the income is getting accounted in the parent Company has not been demonstrated to us.

We were told that the application for obtaining khatha for the properties has been made.

Since the most valuable property of the Unit/Division is its land and buildings, a thorough verification of all the lands and buildings by qualified professionals is to be done and made available for audit.

A legal opinion on the title of the land & building with identification of constructed area / survey numbers and the listing of the documents of title for each survey numbers and other documents required for the land and buildings, details on the nature of land must be made available.

In view of what has been outlined in the above Paragraphs, we are unable to comment on the accuracy of the area of land available, usage and encroachment of lands if any, nature of the land and mapping the cost of the lands with that shown in the books of the company under PPE.

(xii)Disclosure of Investment Property under Ind As-40

The Unit/Division has disclosed entire land and buildings under Property, plant and equipment. There are land and buildings that have been let out and income is earned by the Unit/Division. During the year the rentals earned is Rs.249 lakhs (Refer note-21A). There are Land and buildings that have been let out for rentals for Rs 845 lakhs which has been recognized as income in the books of HMT limited (Holding company). As per IND AS -40, any land or building with the intention to earn rentals should be disclosed as investment property. Further, the Unit/Division has not disclosed the fair valuation of Investment property from a registered valuer as defined under Rule 2 of Companies (Registered Values and Valuation) Rules, 2017 as required by Ind AS-40.

(xiii) Land acquired by BBMP - Compensation received not shown as income but shown under other non-current liability

The Unit/Division handed over 4.25 acres extent of land to BBMP as per the terms agreed for acquisition by them. The compensation of the acquisition was agreed and fixed. The Unit/Division had received Rs. 18.51 crores by 31.03.2018 itself out of the total compensation receivable of Rs.20.04 crores. We were told that the balance compensation of Rs.1.53 crores is pending to be received.

From the correspondence made available to us the possession had been given long back to BBMP.

As per the letter dated **23.11.2022** by the Company, the joint measurements have also been done for handover of the property to BBMP.

BBMP has referred to the following Government Orders based on which the property was acquired. However, the order copies were not provided

- Govt Order No: UDD 375 MNY 2018, Bengaluru Dt 20.09.2019
- Govt Order No: UDD 183 MNY 2020, Bengaluru Dt 13.09.2020

The Company has not yet accounted the revenue for compensation received in its books and shown the same as "Compensation amount received against acquisition of Land" under other non-current liability Note No.14A.

However, it is to be noted that transfer must be recognized in books on account of the following -

- The physical possession of the land has been transferred, and the Unit/Division does not have any hold on the said property at present.
- Majority of the consideration has been received.
- No dispute has been raised by BMMP or by the Unit/Division for the said land acquisition
- Acquisition was done under section 175 of KMC act 1976.

All the above point out that the performance obligation is met which warrants recognition of compensation received as revenue.

The explanation offered for not recognizing revenue is that the registration has not taken place in the sub-registrar office. Since it is a case of acquisition through Government order we were informed that registration is

not necessary and based on the notification the title in the records can be changed.

As per the provisions of Section 45(5)(a) of the Income tax, the compensation is taxable in the year of first receipt of compensation.

The cost of the property transferred to BBMP from the books of the Unit/Division also could not be ascertained.

Because of non-accounting of revenue received towards compensation, the reserves and surplus of earlier years have been understated. However, the impact could not be quantified as the cost details of the property transferred is not available. Further, if necessary, provision for income tax liability must be created for the compensation received in the earlier year.

(xiv) Delayed payment of statutory dues

No provision has been made in these Accounts for Interest / penalty / damages for the delayed remittance of provident fund dues to the appropriate authorities as at March 31, 2025, and the same is non-quantifiable. Further, no provision has been made for penalty/damages, if any, payable on non-settlement/non-payment of gratuity dues as at March 31, 2025. The fact of delayed payment of Gratuity/Provident funds dues also has not been disclosed as part of Contingent liability. We are unable to express an opinion on the impact of this non-provision on the financial statements.

(xv) Non-compliance of IND AS provisions

Provision for expected credit loss in accordance with IND-AS109 - financial instruments have not been provided in the financials towards Trade receivables. Ind-AS 109 requires an entity to apply expected credit loss (ECL) model for measurement and recognition of impairment loss. However, as per the information and explanation given to us no ECL matrix was prepared for the period under audit for creating provision for loss allowance. Hence, we are unable to ascertain its impact, if any, on the financial statements.

(xvi)Contingent liabilities

We draw attention to Annexure B of the financial statements, which discloses contingent liabilities related to pending litigations and various cases against the Division to the tune of Rs.5446.72 Lakhs.

We are unable to measure the impact of these contingent liabilities on the financial statements, the correctness of the amounts disclosed, as the current status of many cases could not be tracked due to insufficient information.

(xvii) Impairment loss for asset not used completely or not used to the full capacity

We draw attention to Note No. 3A of the financial statements.

The management has provided a valuation report dated 01-07-2024 for the plant, machinery, and other assets of the HMT (MBX) division. However, the report does not include a detailed list of assets specifying their quantity, type, and value, nor is it mapped to the fixed asset register. In the absence of such comprehensive information, we are unable to comment on the requirement of impairment provision if any. The report only says that the valuation of assets is more than book value as on 31st March 2024.

The Unit/Division has plant and machinery and special tools with a written down value of Rs.701 lakhs.

The utilization of the plant and machinery and the special tools were sought for. However, no explanation was provided.

In the absence of complete workings and explanation of the utilization of the said assets we are unable to comment on the impairment of the said assets as required under Ind AS- 36.

(xviii)TDS Returns and payment

TDS returns have not been filed by the Unit / Division since April'2024. There were delays in remittance of TDS. Interest for delayed remittance of TDS has not been provided in the books.

(xix) GST Returns and demands

Reconciliation of GST return figures with books: According to the information provided to us and as per the GST Common portal, the Unit/Division has filed GSTR-3B returns for all the months from April 2024 to March 2025. However, reconciliation of the GST returns filed with the books data has not been provided for audit.

In the absence of complete reconciliation, we are unable to comment on the correctness of the GST liability, GST input and closing balance of gst ledgers appearing in the books.

GST demands

GST demands appearing in contingent liability- Rs.1955.15 Lakhs.

The Unit/Division has disclosed the following gst demands as contingent liability including interest and penalty (on the said demands).

Sl. No.	Financial year to which amount to relate to	Amount (Rs in Lakhs)
1	2017-2018	305.20
2	2017-2018, 2018-19	149.67
3	2017-2018, 2018-19	365.83
4	2018-2019, 2019-2020, 2020-21	844.15
5	2020-2021	290.30

The details of appeal/action taken against the said notice/order were sought for which has not been provided till date. The said GST demand is appearing as part of Contingent liability. In the absence of complete details, we are unable to quantify the impact of the pending demands and cases if any on the financials and whether any provision is required to be created for the said demands.

(xx)Confirmations regarding other assets and liabilities

In the absence of confirmation from parties and details from when the said balances were outstanding regarding other current assets, other current and non-current finance liability, other current liability the process of reconciliation of party balances is incomplete. Due to non-availability of confirmations of balance from parties, we are unable to express an opinion on the correctness of the balances stated and their impact if any on the financial statements.

(xxi) Warranty Provision

Refer Accounting policy 2(k) on warranties, the Unit/Division had to provide for the warranty related costs based on historical precedence. The provision for warranty in the financials is to the tune of Rs.0.84 lakhs. The workings and basis for warranty provisions has not been provided to us.

In the absence of proper workings, we are unable to comment on the adequacy and correctness of the warranty provision recognized in the financial statements.

(xxii) Balance in a UCO Bank account recovered by PF authorities

Incorrect bank balance was shown in the last year and the fact that an amount of Rs.20 lakhs was recovered by PF organisation on 07.03.2024 was not recorded in the books.

This amount of Rs.20 lakhs was adjusted against the provision of Rs.24.32 lakhs. Meanwhile, stay was granted against further recovery.

In the financials the contingent liability was reduced to the extent of Rs.24 lakhs which has been already provided in the books and an amount of Rs.48.69 lakhs have been disclosed as contingent liability.

The Unit/Division had to disclose entire disputed amount of Rs.73 lakh as contingent liability and the amount of Rs.20 lakh should have been shown as recoverable in the books.

In the absence of complete clarity on the above, we are unable to determine the correctness of disclosure of contingent liability, provision created against the said liability in books.

(xxiii)Prior year items

- **Rs.10 lakhs in interest paid others account**

  Note-26 - Interest on others includes Rs.10 lakhs paid towards interest on Gratuity. The said interest on gratuity was paid based on the order of Karnataka High Court. The said payment was made in the FY 2019. The expenditure pertains to a prior financial year and the same should have been accounted as prior year expenditure in the financials.

- **Rs.15.11 lakhs shown under interest on others**

  We draw attention to Note No.9 of the financial statements. The Company has incorrectly debited interest receivable on margin money amounting to ₹15.11 lakhs under "Interest on Others" for the financial year 2024–25. The amount represents income receivable and should have been recognized under "Interest Income – Margin Money" in the earlier years.

  Accordingly, the misclassification has resulted in an overstatement of other interest expense for the year to that extent with corresponding adjustments to prior year adjustment/interest income based on the correct figures that will have to be arrived.

(xxiv)Rs.10 lakhs Due to HMT Sports Club.

An amount of Rs.10 lakhs has been shown as due to HMT Sports Club under other current liabilities Note no.18. This is due from FY 2011-12. We were not given any explanation regarding the arrangement between the parties regarding treatment of this amount. Also, we were not explained, whether it is repayable along with details of terms of repayment, amount and interest, if any, due thereon. In the absence of details regarding the arrangement, we are unable to comment on impact of the amount on the financials and its disclosure.

(xxv) Hospital Expenses and Income

We draw attention to Note No. 21, Note No.24 and Note No. 27 of the financial statements. The hospital is being used by the employees of the Unit/Division, parent company, other organizations and public.

The amount realised of Rs.145.21 lakhs is shown as Miscellaneous Income under Note No.21. Out of the total amount spent for hospital of Rs.140.38 lakh of Rs.25.87 lakhs is shown as Miscellaneous Expenses under Note No.27 and Rs.114.50 lakhs is shown as welfare expenses under Note No.24 relating to employees. We were not given any workings relating to how both the figures have been arrived at. In the absence of proper workings and details we are unable to comment on the correctness of disclosure of both the amounts.

(xxvi)Land leased out GAIL

Refer note 12 of additional disclosures wherein the Unit/Division has disclosed that the Unit/Division has leased out land belong to the Unit/Division to GAIL. Rental income has not been recognized on account of unsettled legal issues. What was unsettled legal issue and the reason for non- accounting of lease rentals has not been explained to us. The Unit/Division had received Rs.140 lakhs

as security deposit which is disclosed under other non- current financials liabilities in Note-14. The rental income receivable and not accounted has not been disclosed.

In the absence of complete details, we are unable to comment on the amount of rental income not accounted, any implications on security deposit amount taken and disclosure if any required under contingent liability in the financials.

Machine tools Directorate:

(xxvii) Interest on GOI Loan:

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,59779.03 i.e. under Interest Accrued & Due Rs. 59,384.25 lakh and under Other Current Liabilities for penal interest up to 31.03.2006 Rs. 394.78 lakh.

Emphasis of Matter Paragraph

We draw attention to the following matters reported by component auditors, which are fundamental to users' understanding of the financial statements. Our opinion is not modified in respect of these matters:

1. MBX, Bangalore

a) We refer to additional disclosure to disclosure in Note no.11 regarding the statement that financial implication relating to this will be taken care of by HMT Ltd. The amount of Rs.61.32 lakh was short provided towards electricity charges when compared to the figures appearing in the March month electricity bill which has been explained in the said note.

b) The PF trust loss of Rs.386 lakhs provided in the books for Fy 24-25 under Note - 27other expenses is based on provisional financials of the trust.

c) We refer to additional disclosures to the balance sheet as below -

- Refer Point 5 of Additional disclosure to Balance Sheet- Note on trade receivables includes dues towards erection and commissioning for a period exceeding one year. We were given the breakup details of the amount pertaining to Rs.194.13 lakhs. However, we were not provided sufficient details to confirm whether these are the only amounts which require disclosure under this note.
- Refer Point 10 of Additional disclosure to Balance Sheet-Note on expenditure on research and development includes Rs.23.64 lakhs. The Unit/ Division had given breakup of salary cost for the research and development expenses. The nature of research activity undertaken has not been explained. Other cost incurred like material, labour and other overheads have not been disclosed under this head. In the absence of complete explanation on the above, we are unable to comment on the correctness of the disclosure in the financial statements.

2. MTA, Ajmer

a) The Unit/Division has not provided the balance confirmations for Debtors, Creditors and Advances etc.

c) The Unit/Division is paying Interest on late payment of its Statutory Dues. It is informed to us that the Unit/Division is facing financial crunch since long.

c) The Unit/Division has not paid any interest which has been due and payable for the period of delay in making payments (which have been paid but beyond the appointed day during the year) and without adding the Interest specified under micro, small, and Medium Enterprises Development Act, 2006.

d) The Unit/Division has not written back the Trade payables which are due for more than 5 years and wherein the party has not claimed the money.

e) As referred in Land Notes 4.1 Due to pending finalization of rates by the Government of Rajasthan, provision of conversion charges, if any, payable for conversion of Revenue land for industrial use at Machine Tool Unit/Division Ajmer, has not been made in the accounts as the matter is sub-judice and execution of lease deed is pending.

3. MTK Unit/Division – Kalamassery

a) We draw your attention to the audit report of Kalamassery where it states that the Unit/Division has received a demand notice from Kalamassery Municipality for arrears of building tax amounting to **Rs.99,65,039**/- pertaining to the financial years 2011-12 to 2024-25. However, the Company has recognized only **Rs.51,83,611/-** in its books of account as outstanding building tax liability for the period from FY 2017-18 to FY 2024-25. The balance amount of Rs.47,81,428/- has not been provided for. Further, the Company has not initiated any legal proceedings or filed any formal dispute against the demand raised by the Municipality. Management has replied that the same will be disclosed as contingent liability in the financial statements of company and dispute procedure is already started against it.

b) We draw attention to the fact that balance confirmations have not been obtained for trade receivables and payables. The consequential effect on the financial statements, if any, could not be ascertained.

4. MTP – Pinjore

a) The Unit/Division has not written off the customs refund claim of Rs.8.78 lakhs which is pending since 1987 as informed by the management. However, the Unit/Division has made provision against the same to the tune of Rs.8.78 Lakhs. The Unit/Division has not obtained any information from the customs department for such claim; neither Unit/Division has any information regarding this claim.

b) The Unit/Division has not written off the claim recoverable of Rs.1.55 lakhs which have been pending since 2007 as stated by the management. However, the Unit/Division has made the provision against the same to the tune of Rs.1.55 Lakhs. The Unit/Division has not obtained any information regarding this claim. Also, the management has informed the Head Office of the vide letter dated 28.01.2020 and again on 18.02.2025 to write off the refund claim, as there is no certainty of refund shall be received the Unit/ Division.

5. MTH - Hyderabad

a) A significant portion of the Property, Plant and Equipment comprises heavy machinery that is fully depreciated and continues to be carried at nominal value. Although the Fixed Asset Register is maintained and the assets physically exist, the Unit/Division has not complied with Schedule II of the Companies Act, 2013 regarding residual value, and no assessment of continued useful life has been made. In the absence of such evaluation, the measurement and depreciation of assets under Ind AS 16 could not be validated.

b) The component auditor referred to security deposits held with local authorities under Non-Current Assets and raised concern over their recoverability due to perceived disputes. Management has clarified that no such disputes exist other than those that are already disclosed in contingent liabilities. Our opinion is not modified in respect of this matter.

c) Balance confirmations were not received and disclosures under Ind AS 107 and ECL methodology under Ind AS 109 may not fully comply with the respective standards.

d) The audit report of the MTH Unit/Division refers to advances to employees under a government-backed compensation scheme for past pay scale revisions. Due to the historical nature of these advances and lack of supporting documentation, the component auditor was unable to independently verify their accuracy. Management has confirmed the validity of these balances.

6. MTMD, Bangalore

a) We draw attention to the fact that balance confirmations have not been obtained for trade receivables and payables. The consequential effect on the financial statements, if any, could not be ascertained.

7. PTH - Hyderabad

a) The Division has been incurring substantial losses for the past four financial years and has accumulated negative net worth. Notwithstanding

these conditions, the financial statements have been prepared on a going concern basis, based on management's assessment of continuing support from the Government and anticipated improvements in operations.

b) Other expenses include ₹2.91 crore pertaining to losses sustained by the Provident Fund Trust due to non-compliance with applicable provisions and ₹1.69 crore towards operational charges.

c) The Division does not maintain its books of account on a real-time basis. Several transactions were initially routed through suspense accounts and later modified without appropriate approvals, indicating weaknesses in the accounting process.

d) Reconciliation of GST as per the books with those reflected in the GST Portal has not been carried out, and necessary adjustments, if any, have not been accounted for.

e) Balances under Other Financial assets (Rs.60.59 lakhs), Trade receivables of (Rs.5.02 lakhs) and Trade payables (Rs.3.27crores) are subject to reconciliation and confirmation from respective parties.

f) The statutory dues of Property Tax raised by Greater Hyderabad Municipal Corporation (GHMC). The Division has received a demand of Rs. 462.49 lakhs from GHMC up to 31st March 2025, against which only Rs. 6.96 lakhs have been paid and accounted under Other Expenses. The balance demand of Rs. 455.53 lakhs have not been provided in the books of account under Current Liabilities and has instead been partly disclosed under Contingent Liabilities amounting to Rs. 277.36 lakhs.

Our Opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Going Concern

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.

Responsibility of the Management for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows and changes in equity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Unit/Division 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 Standards on Auditing (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 based on 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

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

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

Other Matters

a) We have not audited the financial statements of the six Unit/Divisions of the company namely MBX, Bangalore, MTP -Pinjore , MTK - Kalamassery, MTH -Hyderabad, PTH -Hyderabad ; which reflect assets of Rs.23,957.70 lakhs (Out of Rs.26,385.85 lakhs for HMT machine tools Ltd) as at March 31,2025 & Total revenue of Rs.13,082.52 lakhs (out of 15615.04 lakhs for HMT Machine tools Ltd) for the year ended March 31, 2025, as considered in financial statements of the company and MTD, Directorate has not been audited.

b) These financial statements have been audited by the other auditors appointed by C&AG whose reports have been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of these Unit/Divisions and our report in terms of Section 143 of the act, in so far as it relates to the aforesaid Unit/Divisions, is based solely on the reports of other auditors.

c) This revised audit report has been issued in supersession of our earlier report dated 11.07.2025 pursuant to the receipt of provisional comments from the Comptroller and Auditor General of India (C&AG) and after considering modifications in the branch auditor(s) report(s). Except for the changes arising from the incorporation of these matters, there is no change in the profit/loss of the Company for the year ended 31.03.2025.

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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Unit/Divisions not visited by us.

   (c) The reports on the accounts of the Unit/Divisions of the Company audited under sub-section (8) by Unit/Division auditors appointed under Section 139 have been sent to us under the proviso to the said sub-section and have been properly dealt with by us in preparing this report.

   (d) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account and with the reports received from the Unit/Divisions not audited by us but by other auditors.

   (e) In our opinion and based on the reports of other auditors the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except Ind AS 2 -Inventories, Ind AS 40 -Investment property, Ind AS 19 - Employee benefits and Ind AS 36 - Impairment of Assets, Ind AS 108 – Segment reporting, Ind AS 109 – Financial Instruments.

   (f) On the basis of the written representations received from the directors as on 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of section 164(2) of the Act.

   (g) 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".

B. 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 details of pending litigations in contingent liabilities note of financial statements.

(ii) According to the information and explanations given to us and based on our audit procedures, the Company did not have any long-term contracts including derivative contracts as at the reporting date for which there material foreseeable losses were requiring provisioning.

(iii) According to the information and explanations given to us and based on our audit procedures, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented in Note No.37 that, to the best of it's knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Unit/ Division ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented Note No.38 that, to the best of it's knowledge and belief that, no funds have been received by the Unit/ Division from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Unit/Division shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed 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 under sub-clause (i) and (ii) of Rule 11(e), as provided under Para 2B(iv)(a) and 2B(iv)(b) above, contain any material misstatement.

(v) Pursuant to the requirements of rule 11(g) of the companies (Audit and Auditors rules,2014 (as amended) we report that as represented by the management and based on our audit procedure ,and the reports of the other auditors who has audited the Unit/Divisions other than Unit/Divisions audited by us ,the company has maintained its books of accounts using accounting software's .However the said software's does not have the feature of recording an audit trial as required under the proviso to sub rule (1) of Rule 3 of companies (Accounts) rules,2014 (as amended) for the financial year ended March 31, 2025.

Accordingly, we are unable to comment on the maintenance and operation of such audit trial and whether the same has been preserved by the company as per statutory requirements.

(vi) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

The Company being a Government Company, the provisions in relation to payment of managerial

remuneration as mandated by Section 197 read with Schedule V to the Companies Act, 2013, is not applicable.

(vii) No dividend has been declared or paid during the year by the Company.

(viii) As required by sub section 143(5) of the Act, we give in "Annexure C", a statement on the matters specified by the Comptroller and Auditor General of India for the Company.

For RAJAGOPAL & BADRI NARAYANAN
Chartered Accountants

M.S. RAJAGOPAL
Partner
Membership.No.020244
Firm Regn.No.003024S

PLACE : Bengaluru
DATE : 11.09.2025
UDIN : 25020244BMIVEJ9393

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the company on the financial statements for the year ended March 31, 2025, we report that:

(i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment except for MBX Unit/ Division -Bangalore where the situation or location of the fixed asset in the factory has not been mentioned in the Property, Plant and Equipment schedule.

(B) The company does not have any intangible assets.

(b) These property, plant, and equipment have been physically verified during the year by the management at reasonable intervals. In our opinion and according to the information given to us and based on the reports of the other auditors the coverage and procedure of such verification by the Management is appropriate having regard to the size of the company and the nature of its operations **except PTH Unit/ Division -Hyderabad, and MBX Unit/Division - Bangalore, where Fixed assets have not been physically verified by the management during the year 2024-25.** However, no discrepancies of 10% or more in the aggregate were noticed on such physical verification when compared with books of account.

(c) According to the information and explanations given to us and on the basis of our examination of records of the company & the reports of other auditors, the title deed of immovable property (Other than the immovable properties where the company/Unit/Divisions is be lessee and lease agreements are duly executed in favour of lessee) disclosed in financial statements are held in the name of the company except in case of.

MTA -Ajmer:

Pending finalization of rates by the Government of Rajasthan, provision of conversion charges, if any, payable for conversion of Revenue land for industrial use at Machine Tool Unit/Division Ajmer, has not been made in the accounts as the matter is sub-judice and execution of lease deed is pending.

MTK -Kalamassery:

Description of property	Gross Carrying Value	Held in the name of	Rela tionship	Period held
Land in Schedule No. 3A Property, Plant and Equipment	Rs.6,67,901	HMT LTD	Holding Company	From Inception
Land in Schedule No. 3B Property, Plant and Equipment	Rs.7,35,696	HMT LTD	Holding Company	From Inception

MBX -Bangalore:

(i) As informed to us, the Unit/Division owns total land of 330.20 acres in Bangalore Complex, which were partly gifted and partly acquired over the years. The said land is used for factory buildings, offices, residential quarters, hospital, cinema, stadium, commercial complex, internal roads etc. In addition, there exists vast area of open spaces. We have given our detailed remarks in the Basis for Disclaimer of Opinion para 11.

(ii) As informed to us, a portion of the land used for the Roads measuring approximately 4.25 acres has been acquired by Bruhat Bangalore Mahanagara Palike (BBMP). As at March 31, 2025, BBMP has paid compensation amount of Rs. 18.50 Crores. This is reflecting as advance received in the books under Note-18. The land is continued to be shown under Property, Plant and Equipment even though BBMP has taken over physical possession of the Land. Refer our detailed remarks in Basis for Disclaimer of Opinion para 13.

(d) 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 revalued any of its property, plant and equipment.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the company & the reports of other auditors, there are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company & the reports of other auditors, physical verification of inventory has been conducted at reasonable intervals by the management except – **MBX, Bangalore**, **PTH -Hyderabad, MTA -Ajmer, MTH -Hyderabad** and In our opinion coverage and procedures and documentations for verification of Inventory needs to be strengthened.

(b) According to the information and explanations provided to us and based on our verification of the records of the company, the Company has been sanctioned working capital limits in excess of five crores in aggregate from banks or financial institutions on the basis of security of current assets at any point of time during the year. However, the quarterly returns or statements filed with banks were not in agreement with the books of accounts. However, complete details have not been provided to us for verification and disclosure.

(iii) According to information and explanations given to us and on the basis of examination of records of the Company & the reports of other auditors the company has not made any investments in or provided security to companies, firms, Limited liability partnerships or any other parties during the year. The company has not provided guarantees, granted loans and advances in the nature of loans during the year to companies, firms, Limited liability partnerships or any other parties during the year. Hence reporting under clause 3(iii) of the order is not applicable.

(iv) According to the information and explanations given to us and based on our examination of the records during the year & the reports of other auditors, the company has not entered into any transactions to which the provisions of section 185 and 186 of the Act is applicable. Hence reporting under Clause 3(iv) of the order is not applicable.

(v) According to information and explanations given to us and on the basis of examination of records of the company & the reports of other auditors the company has not accepted any deposits or deemed deposits. Hence reporting under Clause 3(v) of the order is not applicable.

(vi) According to the information and explanations given to us the Central Government has prescribed the maintenance of cost records under sub-section (1)

of section 148 of the Companies Act, 2013 for the products/services of the Company. Based on the reports of other auditors, proper cost records have been maintained by the company.

(vii) (a) According to information and explanations given to us and on the basis of our examinations of the records of the company and the reports of other auditors, amounts deducted / accrued in the Books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Goods and Services Tax, cess, and other material statutory dues have not been regularly deposited by the Company during the year with the appropriate authorities. Outstanding dues for a period of more than six months from the date they became payable are as below -

MBX Bangalore:

Nature of Dues	Total dues (Rs. In lakhs)	More than six months as at 31.03.2025 (Rs. In lakhs)
Provident Fund	2,750.65	2,649.58
Pension Contribution and Administration Charge	218.36	208.69
Gratuity	1,436.92	1,385.24
Property tax	115.19	115.19
Tax deducted at Source	26.40	10.33
Total	**4,547.52**	**4,369.04**

MTMD-Bangalore:

Nature of Dues	Total amount Due (Amount in Lakhs)	Total amount exceeding 6months (Amount in Lakhs)
Provident Fund	139.39	97.94
Gratuity and Interest	341.18	314.60

MTK – Kalamassery:

Nature of Statue	Nature of the dues	Amount	Period
The Employees Provident Fund and Miscellaneous Act, 1952	PF contribution to PF Trust	1,99,08,166.00	Sep 2023-Sep 2024
Central Goods and Services Tax Act	GST TDS	63,27,891.00	Apr-23-Sep-24
Income tax act 1961	Income tax collected at source	3,82,966.00	More than 6 months
Kerala forest act 1961	Forest Development Tax	97,761.00	More than 6 months

PTH – Hyderabad:

Sl. No.	Particulars	Amount in Rs.
1	Professional Tax	1,46,600
2	Provident Fund	4,96,50,247
3	Pension	19,20,129
4	TDS Payable on salary	1,88,672
5	TDS Payable on Professionals Payments	2,83,143
6	TDS Payable on Contractors	13,898
7	ESIC	1,65,415
8	GST Payable	70,65,287

MTH – Hyderabad:

Name of the Statute	Nature of the Dues	Amount in Rupees
Income Tax Act, 1961	TDS Defaults	39,07,405
Employees' State Insurance Act, 1948	ESI	4,25,119
Employee Provident Fund & Miscellaneous Provisions Act, 1952	Pension	88,29,792
Employee Provident Fund & Miscellaneous Provisions Act, 1952	PF	21,44,86,616
Telangana Tax on Profession, Trades, Callings and Employment Act, 1987	Professional Tax	14,31,500

MTA -Ajmeer:

Sl.No	Nature of Dues	Amount due for more than 6 Months (Rupees)
1	Gratuity	Rs.2,99,34,694

MTP -Pinjore:

Sl. No	Nature of Dues	Amount due for more than 6 months (Rs. In lakhs)
1	Provident Fund, Pension, VPF, CPF and loan including interest	4704.65
2	Gratuity	1206.75

(vii) (b) According to the information and explanations given to us and based on the examination of the records of the company and reports of other auditors, there are dues in respect of Provident Fund, Income-tax, Goods and Service tax, cess, which have not been deposited with the appropriate authorities on account of any dispute. The details of these are below -

MBX –Bangalore:

Sl. No.	Nature of Statute	Nature of the dues	Financial year it pertains to	Total amount (in Lakhs)	Forum where it is pending
1	Provident Fund Act	Provident Fund	Not available	71.95	PF Commissioner's No details provided
		Provident Fund	Not available	664.98	
		Provident Fund	Not available	344.19	
		Provident Fund	Not available	425.55	
		Provident Fund	Not available	388.49	
		Provident Fund	Not available	829.44	
		Provident Fund	Not available	48.70	
2	Central Excise Act, 1944	Excise Duty	Not available	221.17	No details provided
		Excise Duty	2008-09	6.42	No details provided
		Excise Duty	2009-10	4.94	No details provided
		Excise Duty	2012-13	58.76	No details provided
3	Goods & Services Tax Act, 2017	Goods and Service Tax	2018-2019, 2019-2020, 2020-2021	844.15	Order by Superintendent of GST. Appeal yet to be filed. Status not updated for audit
4	Goods & Services Tax Act, 2017	Goods and Service Tax		214.35	No details provided
5	Goods & Services Tax act,2017	Goods and Service Tax	2017-2018	305.20	Appeal yet to be filed. Status not updated for audit
6	Goods & Services Tax act,2017	Goods and Service Tax	2017-2018, 2018-2019	149.67	Appeal yet to be filed. Status not updated for audit

Sl. No.	Nature of Statute	Nature of the dues	Financial year it pertains to	Total amount (in Lakhs)	Forum where it is pending
7	Goods & Services Tax Act, 2017	Goods and Service Tax	2017-2018	365.83	Appeal yet to be filed. Status not updated for audit
8	Central Excise Act, 1944	Goods and Service Tax	2020-2021	290.30	Appeal yet to be filed. Status not updated for audit

MTK – Kalamassery

Nature of the Statue	Nature of the dues	Amount (Rs)	Period	Forum where the dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax	2,13,54,611	FY 2008-2009	High Court of Kerala
Central Goods and Services Tax Act, 2017	Goods and Service Tax	4,14,03,781	FY 2019-2020	GST Appellate Authority

MTH – Hyderabad

Name of the Statute	Nature of the Due	Period to which the amount relates	Forum where Dispute is pending	Amount in Rupees
Central Excise Act, 1944	Excise Duty	2011-12	Commissionerate of Central Excise (Appeals), Hyderabad	32.31 Lakhs
Employee Provident Fund & Miscellaneous Provisions Act, 1952	PF	2001-02	High Court of Telangana	64.77 Lakhs

(viii) According to the information and explanations given to us and based on our examination of the records during the year & based on reports of other auditors the company did not surrender or disclose any transaction which was not recorded in the books of account as an income previously during the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to the information and explanations given to us and on the basis of our examination of records of the company & reports of other auditors, the company has defaulted in repayment of loans or other borrowings or in the payment of interest to Government of India whose details are as follows.

The Company has availed the loan from the Government of India and has defaulted in repayment of loans and borrowings to Government of India. The following are the details of default as at the year-end.

(Rs in Lakhs)

Particulars	Principal	Interest	Total	No. of Days Delay
Term Loan from Government of India	34,852.80	59,747.94	94,237.05	Not Ascertainable

(b) According to the information and explanations given to us & reports of other auditors, as referred in Note No - 43 the company has not been declared as wilful defaulter by any Financial Institutions, Bank or any other lender during the year.

(c) According to the information and explanations given to us & reports of other auditors, the company has not utilised any funds of terms loans during the year. Hence reporting under this clause is not applicable.

(d) According to information and explanations given to us & reports of other auditors, no funds raised for short term basis used for long term purposes.

(e) According to information and explanations given to us & reports of other auditors, the company has not raised any money from any person or entity for the account of or to pay the obligations of its associates, subsidiaries or joint ventures.

(f) According to information and explanations given to us & reports of other auditors, the company has not raised any loans during the year by pledging securities held in their subsidiaries, joint ventures or associate companies.

(x) (a) The reporting under Clause 3(x)(a) of the Companies (Auditor's Report) Order, 2020, relating to raising of money through initial public offer, further public offer (including debt instruments), and its application, is not applicable, as the company is wholly owned subsidiary of HMT ltd.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially optional convertible) during the year. Hence reporting under Clause 3(x) (b) of the order is not applicable.

(xi) (a) According to the information and explanations given to us and based on our examination of the records of the company, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the company or no fraud on the company has been noticed or reported during the year.

(b) As there were no frauds noticed or reported during the year, filing of report under sub-section (12) of section 143 of the companies act by auditors in Form ADT-4 does not arise. Hence reporting under Clause 3(xi)(b) of the order is not applicable.

(c) According to information and explanations given to us and on the basis of our examination of records and reports of other auditors, the company has policy of whistle blower mechanism in place. However, no complaints have been received during the year.

(xii) The reporting under Clause 3(xii) of the Companies (Auditor's Report) Order, 2020, relating to compliance with the provisions applicable to Nidhi companies is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as per the requirement of the applicable accounting standards.

(xiv) The company has internal audit system, which needs to be strengthened to commensurate with the size and nature of its business as per the Clause 3(xiv)(a) and reports of the Internal Auditors have been considered for the period under audit.

(xv) The company has not entered in any non-cash transactions with directors or persons connected

with them and hence reporting under Clause3 (xv) of the order is not applicable.

(xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act; 1934.Hence reporting under Clause 3(xvi) of the order is not applicable.

(xvii) According to the information and explanation given to us, the company has incurred cash losses in the current and in the immediately preceding financial year. Details of which are given below.

Particulars	FY 2024-2025	FY 2023-2024
Cash losses (In lakhs)	15.839.45 lakhs	13234.65 lakhs

(xviii) The change in auditors is due to a fresh appointment made by the Comptroller and Auditor General of India under Section 139(5) of the Companies Act, 2013. There has been no resignation of the statutory auditors during the year. Hence, reporting under Clause 3(xviii) of the order is not applicable.

(xix) According to the information and explanations given to us and based on our examination of the records of the company , ageing, ratios and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of management plans, in our opinion, material uncertainty exists as on the date of the audit report that the company is capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within one year from the balance sheet date.

(xx) The compliance with Corporate Social Responsibility (CSR) obligations under Section 135 of the Companies Act, 2013, is not applicable for the company. Hence reporting under Clause 3(xx) of the order is not applicable.

(xxi) In respect of financial statements of the Company, as explained in the main audit report, the financial statements include financial information of various Unit/Divisions, which have been audited by other auditors. We have considered the reports of such other auditors while reporting under CARO, 2020. To the extent reports under CARO, 2020 have been made available to us by such auditors; we have included

For RAJAGOPAL & BADRI NARAYANAN
Chartered Accountants

M.S. RAJAGOPAL
Partner
Membership.No.020244
Firm Regn.No.003024S

PLACE : Bengaluru
DATE : 11.09.2025
UDIN : 25020244BMIVEJ9393

HMT MACHINE TOOLS LIMITED : BANGALORE

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

their observations in the relevant clauses of this report.

We have audited the Internal Financial Controls over financial reporting of **M/s. HMT MACHINE TOOLS LTD, BANGALORE** ('The Company'), as of March 31, 2025 in conjunction with our audit of the financial statements of the unit for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the unit 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 ('ICAI'). 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 unit'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") and the Standards on Auditing, issued by ICAI 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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 unit's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in

reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 unit'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.

Opinion

In our opinion & based on the reports of other auditors the company has, in all material respects, an adequate internal financial controls system over financial reporting except in the areas mentioned below , 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.

a) The Company does not have an appropriate internal control system for ensuring capitalisation of Property, Plant and Equipment, at the period available for use, due to delay in issuance of Utilisation Certificate by respective departments which has potentially resulted in impact on operational results due to under charge of depreciation.

b) The Company has not verified with respect to existence of balances of various assets and liabilities at the end of year. The Company is unable to provide Balance Confirmations from respective parties of Trade Receivables and Trade Payables. This signifies the internal control deficiency of the Company.

c) The company has material weakness in the implementation of procedures for physical verification, examination, validation of existence and completeness of inventory.

d) The Company also has significant deficiency in control over selection and application of accounting principles and period end financial reporting process.

Our opinion is Qualified in respect of these matters.

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 financial statements of the Company, and these material weaknesses have affected our opinion on financial statements of the Company and we have given a qualified opinion on financial statements.

Based on the audit procedures performed by us

For RAJAGOPAL & BADRI NARAYANAN
Chartered Accountants

M.S. RAJAGOPAL
Partner
Membership.No.020244
Firm Regn.No.003024S

PLACE : Bengaluru
DATE : 11.09.2025
UDIN : 25020244BMIVEJ9393

HMT MACHINE TOOLS LIMITED : BANGALORE

Annexure - C to the Auditors' Report

Reporting on directions as per the requirement under Section 143(5) of Companies Act

during the course of audit, the above-mentioned material weaknesses have been identified in operating effectiveness of Company's internal control over financial reporting as of March 31, 2025.

I. 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.

The Company has provided for post-retirement benefits of employees based on actuarial valuation. As informed, investments relating to such benefits are to be made by the Trust. However, no details or documentation regarding such investments were made available to us. Accordingly, we are unable to assess the fair valuation of these investments or comment on the valuation methodology and compliance with Ind AS in this regard.

II. 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.

Yes, the company processes all accounting transactions through the IT systems. However, the systems require upgradation to comply with audit trail and other regulatory requirements. No material transactions were noted outside the IT system during the year. Accordingly, there were no significant financial implications observed.

III. 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.

The funds (grants/subsidy etc.,) received for specific schemes from government or its agencies were properly accounted for as per applicable accounting standards or norms and the funds were utilised as per its terms and conditions of the grant. However, the amounts received is parked in Escrow account for which no interest is earned during the year.

IV. 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?

During the year, and based on the information and explanations provided to us, the company has not formally identified any key risk areas. Accordingly, no Risk Management Policy has been formulated, and we are unable to comment on the aspects relating to global best practices or identification and valuation of data assets.

V. 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, CERTIN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.

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. Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERTIN, Ministry of Electronics and Information Technology and National Payments Corporation of India are not applicable for the company and According to information and explanation given to us, the company has complied with the provisions of Ministry of Corporate Affairs.

For RAJAGOPAL & BADRI NARAYANAN
Chartered Accountants

M.S. RAJAGOPAL
Partner
Membership.No.020244
Firm Regn.No.003024S

PLACE : Bengaluru
DATE : 11.09.2025
UDIN : 25020244BMIVEJ9393

QUALIFIED OPINION OF STATUTORY AUDITOR'S AND MANAGEMENT REPLIES

STATUTORY AUDITOR'S QUALIFIED OPINION	MANAGEMENT REPLIES
MTA, Ajmer:	
a) The Unit / Division has defaulted in settlement / payment of gratuity to the extent of Rs.2,99,34,694/- in the case of employees retired / separated from the Unit / Division. Further the Unit / Division has not made any provision for interest for non-payment / settlement of gratuity.	a) Due to severe financial crunch, the Unit is not in a position to make the gratuity payment at the time of retirement. Many employees are approaching the ALC for the delayed Gratuity payment along with interest. Based on the ALC order, the company is making provision for interest for those employees .
b) Unit / Division has not reversed GST Input for those supplies and services, the payment of which are outstanding as on 31.03.2025 for more than 180 days. The amount involved is Rs. 14,69,890 /-.	b) Noted the observation and necessary ITC reversal will be carried out during the next financial year. Steps will be taken for not to repeat such deviations in future.
MTK - Kalamassery	
a) The Unit/Division has shown a claim recoverable of ₹1,99,92,112/- as at 31st March 2025, which has been outstanding in the books for several years. No movement has been recorded during the year. No supporting documentation, confirmations, or correspondence has been provided to substantiate the validity or recoverability of this claim. Furthermore, no assessment of impairment has been made under Ind AS 109 – Financial Instruments.	a) The observation is noted and will be reviewed during the next financial year.
b) The Unit/Division has not filed its monthly GST returns (GSTR-1 and GSTR-3B) for the period January to March 2025. No provision has been made for probable interest, late fees, or penalties, which is not in compliance with Ind AS 37- provisions, contingent liabilities and contingent assets.	b) Noted, All statutory compliance will be adhered to
c) The Unit/Division has provided electricity, water, and land facilities to an external party operating a hotel business. However, no income has been recognized in respect of rent from the said party. The electricity and water charges incurred by the hotel have been paid by the Company, and the same have been classified under "Employee Benefit Expenses" in the books of account. In our opinion, the non-recognition of income and incorrect recognition of expenses is not in compliance with the applicable financial reporting framework. The financial impact of the above could not be quantified in the absence of appropriate records and supporting documentation.	c) The Unit does not have a direct agreement with the individual operating the hotel business, instead, the arrangement was established through a clear understanding and agreement with the Agricultural Cooperative Society. Under this agreement, the society was responsible for collecting and remitting rent, electricity charges, and water charges to the Unit. The Agricultural Cooperative Society has failed to fulfill its obligation. The Unit has already initiated the formal procedure to seek full reimbursement of all outstanding rent electricity and water charges directly from the individual operating the hotel.

d) We draw your attention to the audit report of Kalamassery Unit/Division, as per the electricity bill issued by the Kerala State Electricity Board (KSEB), there exists an amount of Rs.8,95,32,123/- payable by the Company as on 31st March 2025. However, the Company has recognized only Rs.5,68,01,959/- as liability in its financial statements. The remaining amount of Rs,3,27,30,264 /- has not been acknowledged or provided for, although no formal dispute or legal proceeding has been initiated by the Company against the same. In the absence of any supporting documentation to indicate that the liability is genuinely disputed. We are of the opinion that provision should have been made for the said amount in accordance with the applicable financial reporting framework.	d) KSEB has added Rs. 327.30 lakhs in the bill for electricity charges during the month May -2024 without any proper justification and not yet provided the detailed bill/working of the said amount even after repeated reminders. The Unit raised objection on this unreasonable claim during the discussion with the Chairman, KSEB and the same will be verified and necessary rectification will made by KSEB.
MTP – Pinjore	
a) The Unit/Division has not carried out an actuarial valuation of its Provident Fund obligations, which qualifies as a defined benefit plan under Ind AS 19 – Employee benefits.	Noted. The actuarial valuation of provident fund obligation will be carried out from FY 2025-26.
MTH – Hyderabad	
a) The Inventory held by the Unit / Division is significantly carrying substantial amount as compared to the Operational Activities, hence without prejudice to the Verification of the Inventory Procedure, there arises doubt of the existence of the physical inventory. Although, we have obtained sufficient appropriate audit evidence in this regard, the relevance of the evidence for the said purpose cannot be accomplished as the measurability for such provision in accordance with Ind AS 2 was not derived.	The majority of the inventories pertains to more than 5 years which are provided in the books of accounts.
b) The Unit/Division has not complied with the Ind AS40-Investment property under which the Unit/ Division must disclose the property from which it is earning the rental income.	Ind AS40 shall be complied with.

c) The Unit/Division has substantial amount due to various local bodies and authorities, while these amounts are subject to distortions and disputes before the respective forum, no ultimate orders were given by them in this regard and the same in confirmation with management has been reported as part of Contingent Liabilities. Also, the C&AG has commented on the recognition of Property Tax payable to Greater Hyderabad Municipal Corporation, that the Company has shown the same under contingent liabilities. According to the explanation of the management, there have been negotiations with the Commissionerate of Municipal Corporation and the resulting effect shall be pronounced in subsequent years. Though, persistent information is available in case of these contingent liabilities, the certain foreseeable outcome of the items cannot be ascertained and as a result the opinion thereto.	The company is proposing to make one time settlement with the concerned authorities, the outcome shall be ascertained for proper disclosure .
Marketing Division	
a) The Unit/Division has filed monthly GST returns in Form GSTR-1 and GSTR-3B for the year. However, reconciliation between the Input Tax Credit (ITC) as per GSTR-2B and the books of accounts has not been carried out. In the absence of such reconciliation, we are unable to comment on the correctness and completeness of input tax credit accounted for in the books.	Noted. The reconciliation will be carried out.
b) The Unit/Division has earned Commission Income from other GST-registered Unit/Divisions outside Karnataka state under the same PAN but did not discharge the tax. As per Section 25(4) of the CGST Act, such Unit/Divisions are treated as distinct persons. Under Section 7(1) (c) read with Schedule I of CGST Act, inter-Unit/Division supplies between distinct persons are taxable supplies.	Noted. The same will be complied with.
PTH, Hyderabad	
a) The Unit/Division has not carried out an impairment assessment of its Property, Plant and Equipment as required under Ind AS 36 – Impairment of Assets.	The unit has carried out the impairment valuation during the FY 2023-24

b) Other current liabilities include long-outstanding dues towards Provident Fund Trust and Gratuity Trust settlements amounting to ₹56.16 crore. No provision has been made for penal interest arising from delayed remittances of statutory dues.	The unit is in the practice of creating liability for interest on delayed payment. Notice for penal interest, is contested by the unit.
c) Statutory filings under GST, TDS, and Profession Tax were delayed or not filed, resulting in interest and penalties. Further, no provision has been made for late fees and penalties relating to these non-compliances.	Noted, the due dates for statutory filing of returns will be complied with.
Basis for Disclaimer of opinion - MBX, Bangalore We draw attention to the audit report of one MBX Bangalore of the Company included in the consolidated financial statements, wherein the component auditor has disclaimed their opinion on account of significant limitations in audit evidence. The component auditor has reported that : **(i) Ind AS 2 – Inventories** We draw attention to Note No.5 in the financials. According to the information and explanation provided to us, the value of Raw Materials including consumables have been done on cost basis as appearing in the ERP. The basis of valuation of raw material has not been explained to us. The value of Work-in-progress, Finished Goods and Goods in transit is taken based on job cards issued for the work order and stock valuation including overheads is on an estimated cost basis. The correctness of the inventory quantities and the price considered for each item of inventory could not be verified as necessary working/supporting were not provided. As per Ind AS-2, the valuation of the inventory should be at cost or net realizable value whichever is lower. The valuation of inventory at estimated cost is in violation of Ind AS-2 requirements and is not in line with the accounting policy 2(j).	Noted, and necessary documents will be submitted to Auditors in future
(ii) Valuation of Inventories (continued) • Records for scrap generation and valuation : Records for generation of scrap on a daily basis were not available for verification. Proper control over scrap generation and tracking of physical scrap quantity was not available. Records for valuation of scrap were also not provided.	The manufacturing process begins with metal pouring and molding in the foundry, with most scrap arising during the scrapping and finishing stages. Therefore, it is not practically feasible to track scrap generation at individual process stages. However attempt will be made to introduce the control mechanism

• Physical verification of inventories : No physical verification of inventory has happened during the year. Further, the management replied for the qualifications made by the CAG auditor in the previous year which is as follows "Unit/Division will submit all the documents to Branch Auditor evidencing the compliance of Ind AS 2, during the Audit for the FY 2024-25. The Unit/Division will also ensure that physical verification of stock is done at regular intervals." The management also assured us that physical verification of inventory will be done during the year but the same was not complied with.	Physical verification Stores items are a regular process. Unit has already completed verification of A & B class items. Class C items are under progress. The working papers were also furnished to the auditor.
• Stock Ledgers: The item wise stock ledgers were not provided to us for our verification. Out of the total purchases of Rs.579.70 lakhs, purchases totaling to about Rs.370.30 lakhs were accounted as non-stock items and not through regular stock codes.	Noted and will be reviewed
• Provision for non-moving inventories: Refer Note - 5 of the financials and accounting policy no. 2(j) - The Unit/Division has created provision for non-moving inventory items which are not moving for more than 5 years. The Unit/Division has provided 95% of the total cost of non-moving items as provision. The ageing details of raw material and work-in-progress were provided. However, the ageing could not be verified as necessary details were not given. In the absence of complete details, we are unable to comment on the correctness of the provision for inventory and the corresponding impact of short or excess provision for non- moving inventory in the financials.	The details were provided to the auditor during the course of audit.
Due to non-availability of working of Inventories based on actual cost incurred, basis of arriving the quantities, and on account of physical verification of stock not being done at regular intervals, we are unable to comment on the correctness of Inventory quantities and the value considered for the financials and the compliance with Ind AS 2 and its impact on financials.	In ERP, ageing data is available as was indicated in the query & explained during audit. Provisions have been recorded in books in line with ageing as per company policy. Compliance of Ind AS2 will be ensured.

Physical verification of Property, Plant & Equipment We draw attention to Note No.3A in the financials. We were told that the management has policy of physical verification of Property, Plant and Equipment to be done once in three years. The physical verification of PPE was earlier done in FY 2021-22 and should have been done during the FY 24-25 which was not done. The policy of Physical verification to be followed was also not provided to us. In the absence of policy details and non-conducting of the physical verification, we are unable to comment on the physical existence of Property, Plant and Equipment and consequently the corresponding impact on the financials could not be ascertained.	Physical Verification of Fixed Asset has been done in the FY 2021-22 and as per the company norms it is supposed to be done during the FY 2024-25. Due to shortage of manpower the physical verification of PPE could not be carried out. However, the physical verification will be carried out during FY 2025-26
MSME Vendors - Identification and Interest provisions We draw attention to Note No.16 wherein the trade payables to MSME vendors have been disclosed. The management has not provided the basis and the methodology or process followed by the Unit/Division for identification of MSME vendors. We had sought the details of Udhyam registration to ascertain the correctness of MSME vendors classified by the Unit/ Division. However, the same was not provided. Interest on MSME dues for the period prior to the financial year 24-25 pertaining to bills pending from earlier periods were not provided. In view of the above, we are unable to confirm the correctness of disclosure and quantify the interest impact if any on the financials.	At the time vendor registration, the unit has collected the MSME certificate. Necessary action will be taken to insert the Udhyam registration details in the ERP. Payment to vendors is delayed due to severe financial constraints being faced by the unit, however the same will be provided during the next financial year.
Trade receivables • Confirmations: We draw attention to Note No.6 of the financial statements, which discloses trade receivables amounting to Rs.4,402.72 lakhs (Pr. year Rs.4,383.19 lakhs). Customer-wise balance confirmations were not provided for the year ended March 31, 2025. • In the absence of confirmation letters from customers, we are unable to confirm on the correctness of trade receivables. • Ageing: Ageing of trade receivables was not done on due date basis rather the ageing was done from the date of invoice.	The Company made all the efforts to collect confirmations from the customers. Reconciliation as per the available records is carried out ongoing basis. As per practice, unit has been classifying ageing on the basis of invoice date. However, the observation is noted and necessary correction will be done during 2025-26.

• Consequently, we are unable to confirm the correctness regarding the ageing of trade receivables disclosed in Note No.6A. • Doubtful receivables and write off: The total trade receivables are Rs.4,402.71 Lakhs out of which Rs. 2,653.71 lakhs are shown as doubtful. • The provisions for doubtful debts of Rs.1,556.33 lakhs pertain to the FY 1986-87 to financial years 2015-16 itself. A significant number of debtors must have been written off which has not been done thereby incorrectly showing the total amounts of receivables and provision figures where there is no possibility of recovery. • Provisions for receivables: It is the policy of the company to make provisions if the receivables are more than 5 years. We had sought clarifications on the reason why amounts are pending against individual invoices even when they are less than 5 years. We were not provided with the reasons, and the information is not available. In the absence of such information, it cannot be confirmed whether the amounts shown as outstanding's are good in such cases. • The auditor in the emphasis Para report for the previous year has mentioned that the Unit / Division is required to write off the balance of debtors outstanding for more than 3 years in its books. We had sought the written policy in this regard. However, the same was not provided. The Unit/Division has only created a provision for doubtful debt for debtors outstanding for more than 5 years. However, based on our review of the provision for doubtful debts, we observed that an amount of ₹13.28 lakhs, pertaining to the financial years 2017–18 to 2019–20, has not been provided for. The provision for doubtful debts is understated and trade receivables are overstated to that extent. • Invoice-wise outstanding: The trade receivables invoice wise outstanding and provision made invoice wise as on 31.03.24 was not provided to us. In view of all the above, we are unable to confirm the correctness of Trade Receivables, Trade receivables ageing disclosed and provisions required if any in the financials	Trade receivables shown as doubtful are reviewed by Management at various meetings. After due review the figures has been arrived and provisions are made. The process of write off is done with the approval of competent authority and entries in the books are ensured accordingly. Noted. The amount of Rs.13.28 Lacs will be reviewed and necessary provisions will be made during the FY 2025-26. Regarding providing for outstanding debtors for more that 3 years instead of 5 years will be reviewed. Unit had submitted the details on invoice wise outstanding.

Trade Payables • We draw attention to Note No.16 of the financial statements, which discloses trade payables amounting to Rs.789.96 lakhs (Pr. year Rs.1,285.87 lakhs). • Balance confirmation: Vendor-wise balance confirmations were not provided for the year ended March 31, 2025. • Ageing: Further the ageing of the trade payables was not done on due date basis. In many instances, trade payables were outstanding for more than three years. Out of the overall outstanding of Rs.789.96 lakhs, Rs.267.52 lakhs is outstanding for more than 3 years. • In view of the above we are unable to confirm and satisfy ourselves regarding correctness of the amount shown as trade payables and the ageing in the financials.	Due to severe financial crunch, the company is unable to clear the dues to creditors. The company made all the efforts to collect confirmations from the Vendors. Reconciliation as per the available records is carried out on ongoing basis.
Order of significant value amount not executed with time even after extended period-Implications Advance received from customer - Dept. of Atomic Energy : Refer Note 18 - Rs.10.59 crores received from Department of Atomic Energy during FY 2015-16 and FY 2016-17 towards supply of TPM-Z machine. The company has issued advance bank guarantee to the tune of Rs.10.66 Crores as security for the advance received from customer. The original due date for effecting supplies was 10-11-2017. The Unit/Division had to supply 54 pair of the machine by FY 2017-18 totaling to Rs.35.10 crores by 10.11.2017. As at 31st March 2025 only one pair of the product has been supplied to the tune of Rs.65 lakhs. As per the revised extension of supply date till 31.12.2024, maximum liquidated damages to the extent of 5% of value of product will be levied for all delayed supplies. The Unit / Division had requested for extension of delivery schedule till 30th Jun 2026, which is pending for approval by the customer. In the absence of further communication from the customer extending the supply date and the terms, we are unable to comment on the impact on the financials on account of the non-supply of the ordered quantity within the extended time given by the customer and the liability that Unit/Division may have to discharge on this order.	This is a new developmental order. Unit was able to make one pair as per specification. As noted in the para the customer has provided time extension up to 31/12/2024 and the unit has already sought further time extension till June 2026, the same being developmental order. To execute the order, the material and manufacturing process are special as the same is used for strategic sector. The amount received from TPM-Z pertained FY 2015-16 and 2016-17 is addressed/ discussed with the party and the same will be supplied during FY 2025-26 onwards. Hence, there is no impact on financials to be considered in books.

Credits lying in advance from customers written back as income Note 21 – Miscellaneous Income • Miscellaneous income includes Rs.306.19 lakhs of old credits lying in advance from customer relating to approximately 234 customers which was written back. The details of advances written back like date of advance, reasoning why the same was pending etc were not made available. The reversal to miscellaneous income was approved by office note reasoning that "no order was pending against the customer". Rs. 110 lakhs out of the advance written back pertains to amount received from Department of Heavy industries against which CA utilization certificate copy was given to us as of Dec 2020, which implies that income should have been recognized in the FY 20-21 or earlier. • Prior year income : The miscellaneous income of Rs. 306.19 lakhs is a prior year item which has not been so disclosed in the financials. Liability towards Goods and Service Tax or other indirect tax dues if pertaining to period prior to GST on the said reversal of advance from customer was also not created. In the absence of complete reasoning and reconciliation of the advances from customer including the earlier periods, we are unable to comment on the correctness of recognizing the amounts as miscellaneous income. Further, we are unable to comment on the Income tax implications and indirect tax implications on income taken to current year pertaining to amounts reversed of earlier years.	The amounts payable to the customers pertains to more than 5 years and there was no claim from the customers. Hence, the amount was written back and considered as other income.
Amounts in provisions written back to Income Refer Note 21A, provisions withdrawn includes a sum of Rs.313.58 lakhs towards reversal of provision for gratuity, 1992 base revision arrears (Rs.310.49 lakhs) and warranty (Rs.3.09 Lakhs). Office notes and approval dated 22nd May 2025 for reversal of the provision towards gratuity to the tune of Rs. 310.49 lakhs were provided as approval document for the reversal. However, the details as to when the provision was created, workings and reason for creating the provision was not made available.	There are no dues payable to the employees. Hence as the provision is no longer required, the same has been written back to Income in line with the approval as indicated in the para

In the absence of complete workings and details, we unable to comment on the correctness of the reversal of the provisions in the financial statements. Further, the reversal is a prior year item as it pertains to old years and necessary disclosures as a prior year income also has not been given in the financials.	
Rental Income from properties of this division accounted in parent company of HMT Ltd. • Rental income received and deposits collected : Rental income accounted in the books of HMT Limited, the parent company to the tune of Rs.845 lakhs pertain to the land and buildings of this Unit / Division. The listing of the rental incomes was given to us. We have been informed that HMT ltd also collected deposits on the properties let out. We were given a list showing an amount of Rs.219.6 lakhs in this regard. • No disclosure : No disclosure has been given in the financials regarding the rental income of Rs. 845 lakhs relating to the properties of this Unit/ Division and deposits collected on renting of such properties getting accounted in the books of HMT ltd in the current year. • Basis and approvals for such treatment : The reason as to why the rental income is accounted in the books of the HMT Limited (Parent entity) has not been explained to us with documentation showing the necessary approvals for such treatment. The only reason cited is similar to the response given to auditor's qualification in the audit report of HMT Ltd for the financial year 31.03.2024 where the fact of recognizing revenue without recognizing the asset was brought out. The qualification and the management reply given in HMT Ltd financials for the year ended 31.03.2024 is as under:	The matter will be reviewed and necessary action will be taken in future with the approval of the competent authority.
Qualification "b) The Company records rental income generated from the buildings situated on the land which is not recorded in the books of accounts of the Company. On examination of records produced for verification, the status of the land and its ownership is in the name of HMT Limited."	

➢ Income accounting from many years : It appears from the previous financials and as explained by the company that the said methodology of accounting revenue in HMT Limited for lands and buildings owned by the Unit/Division is coming from many years. ➢ Property tax on such properties borne by the Unit / Division: From the property tax payment dealt in our basis for disclaimer of opinion in our Para 10 above, it appears that the property tax relating to the properties whose rental income are accounted in the parent Company HMT Ltd are paid and getting accounted in this Unit/Division. ➢ Details sought : We had sought full details regarding the accounting of income in the hands of the Parent Company. More particularly we had sought the following:	"ABD / CSD Unit / Division was formed to look after the estate maintenance of the Unit / Divisions at Bangalore. Consequently, due to an increase in the maintenance cost of the estate the Unit / Division started generating income. Post subsidization in 2000 of the Company the land and buildings had been transferred to M/s. HMT Machine Tools Ltd. in line with the scheme of arrangement. Hence, the land and buildings are not recorded in the books of accounts of ABD. However, the mutation of Title Deeds is yet to be done in the name of HMT Machine Tools Ltd. in the revenue records to that effect.
➢ Reasoning on why the rental income is recognized in HMT Limited books though MBX division of HMT Machine tools is the owner of the property.	Rental income details have been submitted to the auditor during the course of the audit.
➢ Why expenditure on Property tax for the said properties is accounted in the books of the Unit/ Division (MBX of HMT Machine tools) without earning any income from the said properties ➢ The arrangement between HMT Machine tools limited and HMT limited in this regard. No proper response with full details was made available to us.	Since the ABD is looking after estate and employees of Bangalore based offices including HMT Machine Tools Bangalore the rental income is recorded in the books of ABD to maintain the estate. The details sought in the queries regarding data has been fully furnished during the audit.
➢ Internal controls on such income: Even though the rental income has been stated as recognized in HMT Limited, the internal controls with regard the following could not be ascertained in the absence of proper explanation and details like: ➢ Listing of complete properties, mapping with the documents available and entries in the PPE register ➢ Listing of let out properties out of above and mapping of revenue against the said properties to identify if any revenue recognition is missed out for property let out and properties kept for rent but were idle and did not yield any rent	

➢ Any unauthorized occupancy of the property ➢ The amounts indicated as income has been accounted on accrual basis ➢ The expenditure that has been agreed to be incurred on the maintenance of such properties and comparison with that incurred. Except a list showing the income accounted in the ABD division of HMT Ltd. no details were given to us regarding the nature and maintenance expenses incurred by them. In the absence of proper explanation with documentary proof and justification on all the above, we are unable to comment on the following: • Correctness of the treatment of accounting the income of the property of Rs.845 lakhs relating to the Unit/Division in the hands of the parent Company and implication thereof cannot be quantified • Any implication of indirect taxes on treatment of rental income of the Unit / Division in the hands of the parent company • Correctness on the nature of land and buildings disclosed under PPE as no investment property has been shown • Correctness of accounting of the expenditure towards property tax on such properties in the Unit/Division and the implications cannot be quantified • Whether any electricity charges relating to such properties were accounted in the books of the Unit/ Division as a common bill is received The implication if any on previous year's financials can be ascertained only if complete details are made available. ➢ Since the values of income generated is significant when compared to the overall income for the Unit/ Division it is essential that there is a complete disclosure is required on all the above.	

Lands and buildings of the Unit/Division The mapping of lands in the name of the Unit / Division as per land records or documents to the lands as per PPE listing were not made available. Refer Annexure -1 of PPE schedule regarding the land and buildings. As informed to us, the Unit/Division owns total land of 330.20 acres in Bangalore Complex, which were partly gifted and partly acquired over the years. The said land is used for factory buildings, offices, residential quarters, hospital, cinema, stadium, commercial complex, internal roads etc. In addition, there exists vast area of open spaces. We noticed that there was minor variation in the documents of the lands made available to us as under : 1. Sy.No.20 of Peenya village, 20 guntas of land was given to the Government of Karnataka, represented by the Tahsildar, Bangalore North Taluk on dt. 03-11-1976 vide letter No.LND (3) 55/73-74 dt.08-10-1976 at free of cost. However, the said land is appearing as part of the land listing provided to us. The balance area of land 2.34 acres is not matching with the title deeds. 2. Sy. No.21&22 of J.B Kaval, 4.55 acres of land documents were provided to us. However, the area as per the land documents was not matching with the area stated in the statement of land provided to us. There is also a letter dated 04.11.2024 from Karnataka Forest Department regarding illegal occupation and possession of Forest Land which has been responded by the Company as can be made out from the extract of the minutes of the Board provided to us. But no further details on this were provided to us. Apart from the extract of the Board minutes we were not provided any further details regarding the case in the Supreme Court and its implication if any on the land and buildings of the Unit/Division.	Company has provided the details of land holdings with necessary disclosures. Auditor has also physically verified all the original records.

The details of the lands provided in the Annexure-1 to the Property Plant and Equipment note is after sale of 140.12 acres of lands earlier as given in the listing to us, but we were not provided any documentation regarding those. The document of title mentions the original purchase or gifted quantity only and no title document is made available to show the balance quantities on hand under respective survey numbers after sale of lands and acquisition under Karnataka Municipal Corporation Act / other order. The Unit/Division having a sound internal control system regarding its process of letting out of properties where the income is getting accounted in the parent Company has not been demonstrated to us. We were told that the application for obtaining khatha for the properties has been made. Since the most valuable property of the Unit/ Division is its land and buildings, a thorough verification of all the lands and buildings by qualified professionals is to be done and made available for audit. A legal opinion on the title of the land & building with identification of constructed area / survey numbers and the listing of the documents of title for each survey numbers and other documents required for the land and buildings, details on the nature of land must be made available. In view of what has been outlined in the above Paragraphs, we are unable to comment on the accuracy of the area of land available, usage and encroachment of lands if any, nature of the land and mapping the cost of the lands with that shown in the books of the company under PPE.	

Disclosure of Investment Property under Ind As-40 The Unit/Division has disclosed entire land and buildings under Property, plant and equipment. There are land and buildings that have been let out and income is earned by the Unit/Division. During the year the rentals earned is Rs.249 lakhs (Refer note-21A). There are Land and buildings that have been let out for rentals for Rs 845 lakhs which has been recognized as income in the books of HMT limited (Holding company). As per IND AS -40, any land or building with the intention to earn rentals should be disclosed as investment property. Further, the Unit/Division has not disclosed the fair valuation of Investment property from a registered valuer as defined under Rule 2 of Companies (Registered Values and Valuation) Rules, 2017 as required by Ind AS-40.	Noted ,this will be fully reviewed.
Land acquired by BBMP - Compensation received not shown as income but shown under other non-current liability The Unit/Division handed over 4.25 acres extent of land to BBMP as per the terms agreed for acquisition by them. The compensation of the acquisition was agreed and fixed. The Unit/Division had received Rs. 18.51 crores by 31.03.2018 itself out of the total compensation receivable of Rs.20.04 crores. We were told that the balance compensation of Rs.1.53 crores is pending to be received. From the correspondence made available to us the possession had been given long back to BBMP. As per the letter dated **23.11.2022** by the Company, the joint measurements have also been done for handover of the property to BBMP. BBMP has referred to the following Government Orders based on which the property was acquired. However, the order copies were not provided • Govt Order No: UDD 375 MNY 2018, Bengaluru Dt 20.09.2019 • Govt Order No: UDD 183 MNY 2020, Bengaluru Dt 13.09.2020 The Company has not yet accounted the revenue for compensation received in its books and shown the same as "Compensation amount received against acquisition of Land" under other non-current liability Note No.14A.	Company has not recognized the amount as revenue as company has not received the balance amount of Rs.1.53 Cr from BBMP. Further as per the letter of BBMP they are going for registration. However the necessary action will be taken in the FY 2025-26.

However, it is to be noted that transfer must be recognized in books on account of the following - • The physical possession of the land has been transferred, and the Unit/Division does not have any hold on the said property at present. • Majority of the consideration has been received. • No dispute has been raised by BMMP or by the Unit/Division for the said land acquisition • Acquisition was done under section 175 of KMC act 1976. All the above point out that the performance obligation is met which warrants recognition of compensation received as revenue. The explanation offered for not recognizing revenue is that the registration has not taken place in the sub-registrar office. Since it is a case of acquisition through Government order we were informed that registration is not necessary and based on the notification the title in the records can be changed. As per the provisions of Section 45(5)(a) of the Income tax, the compensation is taxable in the year of first receipt of compensation. The cost of the property transferred to BBMP from the books of the Unit/Division also could not be ascertained. The Company has not yet accounted the revenue for compensation received in its books and shown the same as "Compensation amount received against acquisition of Land" under other non-current liability Note No.14A. Because of non-accounting of revenue received towards compensation, the reserves and surplus of earlier years have been understated. However, the impact could not be quantified as the cost details of the property transferred is not available. Further, if necessary, provision for income tax liability must be created for the compensation received in the earlier year.	

Delayed payment of statutory dues No provision has been made in these Accounts for Interest / penalty / damages for the delayed remittance of provident fund dues to the appropriate authorities as at March 31, 2025, and the same is non-quantifiable. Further, no provision has been made for penalty/ damages, if any, payable on non-settlement/non-payment of gratuity dues as at March 31, 2025. The fact of delayed payment of Gratuity/Provident funds dues also has not been disclosed as part of Contingent liability. We are unable to express an opinion on the impact of this non-provision on the financial statements.	Noted, all efforts will be made to ensure statutory compliance. However, the Company is facing severe financial constraints due to lack of working capital. Interest and penalties are accounted for as and when the payment is made.
Non-compliance of IND AS provisions Provision for expected credit loss in accordance with IND-AS109 - financial instruments have not been provided in the financials towards Trade receivables. Ind-AS 109 requires an entity to apply expected credit loss (ECL) model for measurement and recognition of impairment loss. However, as per the information and explanation given to us no ECL matrix was prepared for the period under audit for creating provision for loss allowance. Hence, we are unable to ascertain its impact, if any, on the financial statements.	The Trade Receivables shown as doubtful is reviewed by management at various meetings. After due discussions the figures has been arrived and provided for. However, the necessary compliance as per Ind AS 109 will be addressed in the FY 2025-26.
Contingent liabilities We draw attention to Annexure B of the financial statements, which discloses contingent liabilities related to pending litigations and various cases against the Division to the tune of Rs.5446.72 Lakhs. We are unable to measure the impact of these contingent liabilities on the financial statements, the correctness of the amounts disclosed, as the current status of many cases could not be tracked due to insufficient information.	The contingent liabilities are made based on the decisions pending from various statutory bodies. The Company will furnish data/details regarding these disclosures.
Impairment loss for asset not used completely or not used to the full capacity We draw attention to Note No. 3A of the financial statements. The management has provided a valuation report dated 01-07-2024 for the plant, machinery, and other assets of the HMT (MBX) division. However, the report does not include a detailed list of assets specifying their quantity, type, and value, nor is it mapped to the fixed asset register. In the absence of such comprehensive information, we are unable to comment on the requirement of impairment provision if any. The report only says that the valuation of assets is more than book value as on 31st March 2024.	The company is a going concern; the impairment loss is not applicable as the valuation of assets is more than the book value. The Company will ensure and report if any loss due to impairment.

The Unit/Division has plant and machinery and special tools with a written down value of Rs.701 lakhs. The utilization of the plant and machinery and the special tools were sought for. However, no explanation was provided. In the absence of complete workings and explanation of the utilization of the said assets we are unable to comment on the impairment of the said assets as required under Ind AS- 36.	
TDS Returns and payment TDS returns have not been filed by the Unit / Division since April'2024. There were delays in remittance of TDS. Interest for delayed remittance of TDS has not been provided in the books.	Noted, all the efforts will be made for ensure statutory compliances
GST Returns and demands Reconciliation of GST return figures with books: According to the information provided to us and as per the GST Common portal, the Unit/Division has filed GSTR-3B returns for all the months from April 2024 to March 2025. However, reconciliation of the GST returns filed with the books data has not been provided for audit. In the absence of complete reconciliation, we are unable to comment on the correctness of the GST liability, GST input and closing balance of gst ledgers appearing in the books. **GST demands** GST demands appearing in contingent liability- Rs.1955.15 Lakhs. The Unit/Division has disclosed the following gst demands as contingent liability including interest and penalty (on the said demands).	The Figures as per the GST returns and books are reconciled and the same was provided to the auditor during the course of audit.

Sl. No.	Financial year to which amount to relate to	Amount (Rs in Lakhs)
1	2017-2018	305.20
2	2017-2018, 2018-19	149.67
3	2017-2018, 2018-19	365.83
4	2018-2019, 2019-2020, 2020-21	844.15
5	2020-2021	290.30

The details of appeal/action taken against the said notice/order were sought for which has not been provided till date. The said GST demand is appearing as part of Contingent liability. In the absence of complete details, we are unable to quantify the impact of the pending demands and cases if any on the financials and whether any provision is required to be created for the said demands.	
Confirmations regarding other assets and liabilities In the absence of confirmation from parties and details from when the said balances were outstanding regarding other current assets, other current and non-current finance liability, other current liability the process of reconciliation of party balances is incomplete. Due to non-availability of confirmations of balance from parties, we are unable to express an opinion on the correctness of the balances stated and their impact if any on the financial statements.	The confirmation of balances is sought and reconciliation as per the available records is carried out on ongoing basis, consequential adjustments are made wherever required as per the guidelines and policies.
Warranty Provision Refer Accounting policy 2(k) on warranties, the Unit/ Division had to provide for the warranty related costs based on historical precedence. The provision for warranty in the financials is to the tune of Rs.0.84 lakhs. The workings and basis for warranty provisions has not been provided to us. In the absence of proper workings, we are unable to comment on the adequacy and correctness of the warranty provision recognized in the financial statements.	Warranty provisions are made based on the historical precedence and the workings of the same were provided during the course of audit.
Balance in a UCO Bank account recovered by PF authorities Incorrect bank balance was shown in the last year and the fact that an amount of Rs.20 lakhs was recovered by PF organisation on 07.03.2024 was not recorded in the books. This amount of Rs.20 lakhs was adjusted against the provision of Rs.24.32 lakhs. Meanwhile, stay was granted against further recovery.	Noted, will be reviewed during 2025-26

In the financials the contingent liability was reduced to the extent of Rs.24 lakhs which has been already provided in the books and an amount of Rs.48.69 lakhs have been disclosed as contingent liability. The Unit/Division had to disclose entire disputed amount of Rs.73 lakh as contingent liability and the amount of Rs.20 lakh should have been shown as recoverable in the books. In the absence of complete clarity on the above, we are unable to determine the correctness of disclosure of contingent liability, provision created against the said liability in books.	
Prior year items • Rs.10 lakhs in interest paid others account Note-26 - Interest on others includes Rs.10 lakhs paid towards interest on Gratuity. The said interest on gratuity was paid based on the order of Karnataka High Court. The said payment was made in the FY 2019. The expenditure pertains to a prior financial year and the same should have been accounted as prior year expenditure in the financials. • Rs.15.11 lakhs shown under interest on others We draw attention to Note No.9 of the financial statements. The Company has incorrectly debited interest receivable on margin money amounting to ₹15.11 lakhs under "Interest on Others" for the financial year 2024–25. The amount represents income receivable and should have been recognized under "Interest Income – Margin Money" in the earlier years. Accordingly, the misclassification has resulted in an overstatement of other interest expense for the year to that extent with corresponding adjustments to prior year adjustment/interest income based on the correct figures that will have to be arrived.	The actual transactions occurred during the current financial year and accounted. The classification will be reviewed during the FY 2025-26.

Rs.10 lakhs Due to HMT Sports Club. An amount of Rs.10 lakhs has been shown as due to HMT Sports Club under other current liabilities Note no.18. This is due from FY 2011-12. We were not given any explanation regarding the arrangement between the parties regarding treatment of this amount. Also, we were not explained, whether it is repayable along with details of terms of repayment, amount and interest, if any, due thereon. In the absence of details regarding the arrangement, we are unable to comment on impact of the amount on the financials and its disclosure.	The amount has been received from the sports club and the same has been shown in the liability. There is no claim from the sports club towards interest. The same will be reviewed in 2025-26.
Hospital Expenses and Income We draw attention to Note No. 21, Note No.24 and Note No. 27 of the financial statements. The hospital is being used by the employees of the Unit/Division, parent company, other organizations and public. The amount realised of Rs.145.21 lakhs is shown as Miscellaneous Income under Note No.21. Out of the total amount spent for hospital of Rs.140.38 lakh of Rs.25.87 lakhs is shown as Miscellaneous Expenses under Note No.27 and Rs.114.50 lakhs is shown as welfare expenses under Note No.24 relating to employees. We were not given any workings relating to how both the figures have been arrived at. In the absence of proper workings and details we are unable to comment on the correctness of disclosure of both the amounts.	Expenses related to employees have been appropriately accounted as welfare exp and the rest has been properly classified as miscellaneous expenses based on the nature of expenses. The details sought has been fully furnished during the cource of audit
Land leased out GAIL Refer note 12 of additional disclosures wherein the Unit/Division has disclosed that the Unit/Division has leased out land belong to the Unit/Division to GAIL. Rental income has not been recognized on account of unsettled legal issues. What was unsettled legal issue and the reason for non- accounting of lease rentals has not been explained to us. The Unit/Division had received Rs.140 lakhs as security deposit which is disclosed under other non- current financials liabilities in Note-14. The rental income receivable and not accounted has not been disclosed. In the absence of complete details, we are unable to comment on the amount of rental income not accounted, any implications on security deposit amount taken and disclosure if any required under contingent liability in the financials.	The complete legal issue is discussed and explained with the auditor during the course of audit.

Machine Tools Directorate: **Interest on GOI Loan:** 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 on 31.03.2025 is Rs.59747.94 lakh, but the company has incorrectly accounted a total of Rs.59779.03 ie. Under Interest accrued & due Rs.59384.25 lakh and under Other Current Liabilities for penal interest up to 31.03.20206 Rs.394.78 lakh.	The excess provision will be reversed during FY 2025-26

For and on behalf of Board Directors

(RAJESH KOHLI)
Chairman and Managing Director
(Additional Charge)
DIN:10333951

Date:20th August 2025
Place:Bangalore

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPNIES ACT, 2013 ON THE FINNCIAL STATEMENTS OF HMT MACHINE TOOLS LIMITED FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of HMT Machine Tools Limited 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 139 (5) of the Acty are responsible for expressing opinion on the financial statements under section 143 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 11 September 2025 which supersedes their earlier Audit Report dated 11 July 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of HMT Machine Tools Limited 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 Statutory Auditors' report under Section 143(6)(b) of the Act.

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

Sd/-
(V.M.V.Nawal Kishore)
Principal Director of Commercial Audit
Hyderabad

Place:Hyderabad
Date:19 September 2025

Material Accounting Policies for the year ended March 31, 2025

1. Background:

HMT Machine Tools Limited ('the Company') is a Schedule 'B' CPSE established on 09.08.1999 as a wholly owned subsidiary of HMT Limited – the Holding Company. HMT Machine Tools Limited is in the business of manufacture and marketing of Machine Tools as well as providing services in reconditioning and refurbishing of machines, catering to both domestic and international markets.

2. Matrial 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 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 re-measurement 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, 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.

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

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 andSAin 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 year-end for Gratuity, ELE and SA is restated as per the actuarial valuation done at the year-end

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

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

n) Income taxes:

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

i) Current taxes:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

ii) *Deferred Taxes:*

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

o) Provisions:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized in the statement of Profit and loss.

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

p) Impairment:

i) Financial assets:

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

ii) *Non-financial assets:*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of

the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

q) Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i) Cash & cash equivalents:

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

ii) Financial assets at amortised cost:

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

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

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

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

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

v) Financial Liabilities:

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

vi) De-recognition of financial instruments:

The Company 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 canceled 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.

iii) 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.

*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

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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 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), re-measurements 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 Re-measurement 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.

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BALANCE SHEET AS AT MARCH 31, 2025

Rs in Lakhs

Particulars	Notes	As at 31.03.2025	As at 31.03.2024
ASSETS			
1. Non-current Assets			
(a) Property, Plant and Equipment	3A	2,435.04	2,679.46
(b) Capital work in progress	3A	209.70	331.29
(c) Investment Property	3B	27.17	27.60
(d) Non Current Assets held for Sale	3C	-	-
(e) Financial Assets		-	-
(i) Investments	4	-	-
(ii) Other Financial Assets	9	264.50	301.51
(f) Intangible Assets under development	3D	-	-
(g) Other Non- Current Assets	10	306.07	312.44
		3,242.48	**3,652.30**
2. Current assets			
(a) Inventories	5	8,379.49	10,408.16
(b) Financial Assets		-	-
(i) Trade Receivables	6	9,523.29	11,065.81
(ii) Cash and cash equivalents	7A	203.97	1,177.66
(iii) Bank balances other than cash and cash equivalents	7B	1,954.98	2,067.02
(iv) Loans	8	-	-
(v) Other Financial Assets	9	0.40	0.21
(c) Other Assets	10	3,081.24	2,967.37
(d) Current Tax Assets (net)	10A	-	-
		23,143.37	**27,686.23**
TOTAL ASSETS		**26,385.85**	**31,338.53**
EQUITY AND LIABILITIES			
1. Equity			
(a) Share Capital	11	27,659.91	27,659.91
(b) Other Equity	12	(241,288.44)	(224,862.58)
Total Equity		**(213,628.53)**	**(197,202.67)**

BALANCE SHEET AS AT MARCH 31, 2025

Rs in Lakhs

Particulars	Notes	As at 31.03.2025	As at 31.03.2024
2. Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	-	-
(ii) Non-current Financial Liability	14	-	-
(b) Provisions		-	-
(i) Provision for Employee Benefits	15	3,299.38	3,300.65
(c) Deferred Tax Liabilities (net)		-	-
(d) Other Non-Current Liabilities	14A	1,898.93	1,921.21
		5,198.31	**5,221.86**
3. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	73,355.70	69,348.16
(ii) Trade Payables	16	-	-
Dues to Micro, Small & Medium Enterprises		684.94	370.67
Dues to Other than Micro, Small & Medium Enterprises		5,776.14	7,006.40
(iii) Other Financial Liabilities	17	108,956.10	102,766.91
(b) Other Current Liabilities	18	44,127.30	41,457.18
(c) Provisions		-	-
(i) Provision for Employee Benefits	15	1,810.84	2,287.88
(ii) Others	19	105.03	82.14
		234,816.05	**223,319.34**
Total Liabilities		**240,014.36**	**228,541.20**
TOTAL EQUITY AND LIABILITIES		**26,385.85**	**31,338.53**

Material Accounting Policies and Notes forming part of Accounts
For and on behalf of the Board of Directors of HMT Machine Tools Ltd.

As per our Report of Even date

(Rajesh Kohli)	**(Rajesh Kumar)**	**for RAJAGOPAL & BADRI NARAYANAN**
Chairman & Managing Director (Addl. Charge)	Director	Chartered Accountants
DIN 10333951	DIN 09403746	FRN : 003024S
(Y Ramadevi)	**(Om Prakash Singh)**	**M.S. Rajagopal**
AGM (Finance)	Company Secretary	Partner
		M.No.020244

Place : Bangalore
Date : 11.07.2025
UDIN : 25020244BMIVCI5031

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

Rs in Lakhs

Particulars	Notes	Year Ended 31.03.2025	Year Ended 31.03.2024
CONTINUING OPERATIONS			
Sale of goods		10,461.50	9,502.21
Rendering of services		615.77	467.78
Revenue from Operations	20	11,077.27	9,969.99
Other income	21	4,617.78	3,161.85
Total Income		**15,695.05**	**13,131.83**
EXPENSES			
Cost of raw materials consumed	22	4,999.48	5,483.80
Changes in Inventories of finished goods, Stock in trade and work-in-progress	23	1,675.75	113.67
Employee benefits expense	24	5,355.75	6,575.75
Depreciation and amortization expense	25	586.41	604.26
Finance costs	26	9,160.04	8,349.80
Other expenses	27	10,202.31	7,827.62
Less: Jobs Done for Internal Use	28	185.41	298.91
Total expense		**31,794.35**	**28,656.01**
Profit/(loss)before exceptional items and tax from continuing operations		**(16,099.30)**	**(15,524.17)**
Exceptional items		-	-
Profit/(loss)before and tax from continuing operations		**(16,099.30)**	**(15,524.17)**
(1) Current tax		-	-
(2) Deferred tax		-	-
		-	-
Profit/(Loss) for the year from continuing operations		**(16,099.30)**	**(15,524.17)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on defined benefit plans		(326.58)	(6.82)
Tax expenses/Income		(326.58)	(6.82)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(326.58)**	**(6.82)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(16,425.88)**	**(15,530.98)**

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

Rs in Lakhs

Particulars	Notes	Year Ended 31.03.2025	Year Ended 31.03.2024
Earnings per share for continuing operations			
• Basic, profit from continuing operations attributable to equity holders of the parent		(5.82)	(5.61)
• Diluted, profit from continuing operations attributable to equity holders of the parent		(5.82)	(5.61)
Earnings per share for discontinued operations			
• Basic, profit from continuing operations attributable to equity holders of the parent			
• Diluted, profit from continuing operations attributable to equity holders of the parent			
Earnings per share from continuing and discontinued operations			
• Basic, profit for the year attributable to equity holders of the parent		(5.82)	(5.61)
• Diluted, profit for the year attributable to equity holders of the parent		(5.82)	(5.61)

Material Accounting Policies and Notes forming part of Accounts

For and on behalf of the Board of Directors of HMT Machine Tools Ltd.

As per our Report of Even date

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

(Rajesh Kumar)
Director
DIN 09403746

for RAJAGOPAL & BADRI NARAYANAN
Chartered Accountants
FRN : 003024S

(Y Ramadevi)
AGM (Finance)

(Om Prakash Singh)
Company Secretary

M.S. Rajagopal
Partner
M.No.020244

Place : Bangalore
Date : 11.07.2025
UDIN : 25020244BMIVCI5031

CASHFLOW STATEMENT FOR THE YEAR ENDED 31.03.2025

Rs. In Lakhs

Particulars	Year ended 31.03.2025	Year ended 31.03.2024
Operating activities		
Profit/(Loss) before tax from continuing operations	(16,099.30)	(15,524.17)
Profit/(loss) before tax from discontinued operations	-	-
Profit/(Loss) before tax	**(16,099.30)**	**(15,524.17)**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment & IP	586.41	603.83
Gain on disposal of property, plant and equipment	(17.30)	(23.09)
Interest income	(124.55)	(129.65)
Finance costs	9,160.04	8,349.80
Working capital adjustments:	(782.00)	(475.20)
Movements in provisions	1,471.84	5,016.93
(Increase)/Decrease in trade and other receivables and prepayments	2,028.67	12.07
(Increase)/Decrease in inventories	1,754.13	1,780.36
Increase/(Decrease) in trade and other payables	(2,022.05)	(389.13)
Income tax paid/reversed	(2,022.05)	(389.13)
Net cash flows from operating activities		
Investing activities	17.30	23.09
Proceeds from sale of property, plant and equipment	(219.97)	(397.94)
Purchase of property, plant and equipment	124.55	129.65
Interest received	(22.28)	(20.35)
Receipt/(Application) of Grant in Aid	112.05	(322.19)
Deposits In Bank	11.64	(587.74)
Net cash flows used in investing activities		
Financing activities	(2,970.85)	(2,191.70)
Interest Paid		
Proceeds/(Repayment) from borrowings	4,007.55	2,734.13
Net cash flows from/(used in) financing activities	**1,036.70**	**542.43**
Net increase (decrease) in cash and cash equivalents	(973.71)	(434.44)
Net foreign exchange difference		
Cash and cash equivalents at the beginning of the year	1,177.66	1,611.67
Cash and cash equivalents at year end	**203.97**	**1,177.66**

Note: 1) The above statement has been prepared under the indirect method as set out in Ind AS 7

Material Accounting Policies and Notes forming part of Accounts
For and on behalf of the Board of Directors of HMT Machine Tools Ltd.

As per our Report of Even date

(Rajesh Kohli)	**(Rajesh Kumar)**	**for RAJAGOPAL & BADRI NARAYANAN**
Chairman & Managing Director (Addl. Charge)	Director	Chartered Accountants
DIN 10333951	DIN 09403746	FRN : 003024S
(Y Ramadevi)	**(Om Prakash Singh)**	**M.S. Rajagopal**
AGM (Finance)	Company Secretary	Partner
		M.No.020244

Place : Bangalore
Date : 11.07.2025
UDIN : 25020244BMIVCI5031

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

3A. PROPERTY, PLANT AND EQUIPMENT

Rs in Lakhs

Particulars	Land & Land Development	Buildings	Factory Buildings	General Building	Plant and Machinery	Furniture, Fittings & Office Appliances	Air conditioning and ventilations	Computers and data process	Electrical installations	Measuring Equipment	Factory Equipment	Water supply and sanitations	Vehicles	Special Tools	Interior Partitions	Road Wall and Fencing	Total
Gross carrying value																	
As At 1 April 2023	101.36	1,446.72	479.84	241.34	21,706.76	519.45	488.59	1,286.20	878.14	708.82	2,900.25	174.32	24.31	1,680.43	8.63	40.74	32,685.90
Additions	- -		-	-	65.00	-	-	4.48	29.55	-	-	-	-	298.91	-	-	397.94
Disposals	-	-	-	-	-2.92	-0.06	-5.00	-	-	-	-9.76	-	-	-	-	-	-17.74
As At 31 March 2024	**101.36**	**1,446.72**	**479.84**	**241.34**	**21,768.84**	**519.39**	**483.59**	**1,290.68**	**907.69**	**708.82**	**2,890.49**	**174.32**	**24.31**	**1,979.34**	**8.63**	**40.74**	**33,066.10**
Accumulated Depreciation																	
As At 1 April 2023	-	1,356.86	449.07	225.88	19,495.58	506.54	482.74	1,263.26	875.39	686.50	2,865.87	165.52	24.31	1,353.65	8.63	40.74	29,800.55
Depreciation charge for the period	-	4.64	3.77	1.16	398.56	2.19	0.35	14.16	1.14	0.35	3.53	2.02	-	171.96	-	-	603.83
Deduct/Adjust	-	-	-	-	-2.92	-0.06	-5.00	-	-	-	-9.76	-	-	-	-	-	-17.74
As At 31 March 2024	**-**	**1,361.50**	**452.84**	**227.04**	**19,891.22**	**508.67**	**478.09**	**1,277.42**	**876.53**	**686.85**	**2,859.64**	**167.54**	**24.31**	**1,525.61**	**8.63**	**40.74**	**30,386.64**
Net carrying value																	
As At 31 March 2024	**101.36**	**85.22**	**27.00**	**14.30**	**1,877.62**	**10.72**	**5.50**	**13.26**	**31.16**	**21.97**	**30.85**	**6.78**	**-**	**453.73**	**-**	**-**	**2,679.46**
Gross carrying value																	
As At 1 April 2024	101.36	1,446.72	479.84	241.34	21,768.84	519.39	483.59	1,290.68	907.69	708.82	2,890.49	174.32	24.31	1,979.34	8.63	40.74	33,066.10
Additions	-	-	20.34	-	110.00	1.28	18.52	-	-	-	6.01	-	-	185.41	-	-	341.56
Disposals	-	-	-	-	-	0.34	-	-	-	-	-4.84	-	-5.36	-	-	-	-9.86
As At 31 March 2025	**101.36**	**1,446.72**	**500.18**	**241.34**	**21,878.84**	**521.01**	**502.11**	**1,290.68**	**907.69**	**708.82**	**2,891.67**	**174.32**	**18.95**	**2,164.75**	**8.63**	**40.74**	**33,397.80**
Accumulated Depreciation																	
As At 1 April 2024	-	1,361.50	452.84	227.04	19,891.22	508.67	478.09	1,277.42	876.53	686.85	2,859.64	167.54	24.31	1,525.61	8.63	40.74	30,386.63
Depreciation charge for the period	-	6.12	3.43	1.16	376.40	2.12	1.48	9.21	2.10	0.35	3.51	0.93	-	179.17	-	-	585.98
Deduct/Adjust	-	-	-	-	-	0.34	-	-	-	-	-4.84	-	-5.36	-	-	-	-9.86
As At 31 March 2025	**-**	**1,367.62**	**456.27**	**228.20**	**20,267.62**	**511.13**	**479.57**	**1,286.63**	**878.63**	**687.20**	**2,858.31**	**168.47**	**18.95**	**1,704.78**	**8.63**	**40.74**	**30,962.75**
Net carrying value																	
As At 31 March 2025	**101.36**	**79.10**	**43.91**	**13.14**	**1,611.22**	**9.88**	**22.54**	**4.05**	**29.06**	**21.62**	**33.36**	**5.85**	**-0.00**	**459.96**	**-**	**-**	**2,435.04**

	31.03.2025	31.03.2024
3A CAPITAL WORK IN PROGRESS		
As At 1st April 2024	**331.29**	**331.29**
Additions	-	-
Disposals/adjusted	(121.59)	-
As At 31 March 2025	**209.70**	331.29

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Agewise details as at the end of current 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	
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	
CONSTRUCTION OF NEW HANGER	-	-	-	11.59	11.59
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, whose 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
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	**-**	**-**	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Additional Information

1 Fixed Assets have been transferred from the Holding Company to the Subsidiary at Gross value of Rs. 202.10 Cr. Reserve for depreciation of Rs. 151.46 Cr. and net value of Rs. 50.64 Cr. As on 01.04.2000 in line with the Scheme of Arrangement approved by the Department of Company Affairs.

2 Fixed Assets include immovable properties, vested under the Scheme of Arrangement approved by the Govt. of India. However, the mutation of title deeds is yet to be done in the revenue recdords to that effect. Fresh Lease Deed in respect of Lease Hold Lands are pending to be executed.

3 Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated/ amortised over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Statement of Profit and Loss amounting to Rs. 321.73 laks during FY.2014-15.

4 Land:

4.1 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 subjudice 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 Machine Tools Limited, Ajmer Since 1976. Vacant possession of this land has not been given so far by the Govt. Though the compensation for land has been paid to land owner but the compensation for built-up Pakka/Khachha houses situated in this land has not been paid till the amount of compensation is finalized by the Govt. as per the agreement.

4.2 The Company is in possession of Gift land located at Bangalore, Kalamassery & Hyderabad gifted by the respective State Governments measuring 177.75 Acres, 166 Acres and 227.30 Acres respectively, nominally valued at Rs. 1 each.

4.3 Praga Tools Division is in possession of 195 acres and 33 guntas land handed over by the Govt. of Andhra Pradesh. The company 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 the Company has sourght directions for demarking 195.33 acres of land for handing over the same to the company. As per the survey conducted during the year 2004-05 by the Offficials 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 the Company, but the company 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 alloted 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 238.86sq. Yds of land for road widening programme undertaken by them out of the 3000sq. yds available at Kavadiguda, Secunderabad without any compensation. The Company 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.

4.4 EPFO attached land (0.57 acre) at kavadiguda, Hyderabad towards non payment of PF dues.

NOTES FORMING PART OF BALANCE SHEET

3B. INVESTMENT PROPERTY **(Rs. In Lakhs)**

Particulars	Land	Buildings	Total
Cost or valuation			
At 31 March 2024	**7.36**	**26.17**	**33.53**
Additions	-	-	**-**
Assets Held for Disposal	-	-	**-**
Disposal/Adjustment	-	-	**-**
At 31 March 2025	**7.36**	**26.17**	**33.53**
Depreciation and Impairment			
At 31 March 2024	**-**	**5.93**	**5.93**
Depreciation charge for the period	-	0.43	**0.43**
Adjustments during the period	-	-	**-**
Deduction/Adjustment	-	-	**-**
Assets Held for Disposal	-	-	**-**
At 31 March 2025	**-**	**6.36**	**6.36**
Net book value			
At 31 March 2025	**7.36**	**19.81**	**27.17**
At 31 March 2024	**7.36**	**20.24**	**27.60**

Additional Information

i) The Company has classified certain land & building as investment property which is not an owner occupied property

ii) The Company has not obtained any fair valuation of investment property from independent valuer. However, based on the guidance value, the fair value of the investment property as at March 31, 2025 is Rs.1074,20.04 lakhs (previous year Rs.1074,20.04 Lakhs)

iii) The Company is in possession of Gift land located at Kalamassery gifted by the State Government measuring 182.85 acres nominally valued at Re.1.

Information regarding income and expenditure of Investment property

Rs in Lakhs

Particulars	31-Mar-25	31-Mar-24
Rental income derived from investment properties	8.02	7.57
Direct operating expenses (including repairs and maintenance) generating rental income	0.00	0.00
Direct operating expenses (including repairs and maintenance) that did not generate rental income	0.00	0.00
Profit arising from investment properties before depreciation and indirect expenses	8.02	7.57
Less – Depreciation	0.43	0.43
Profit arising from investment properties before indirect expenses	**7.59**	**7.14**

Rs in Lakhs

3C.Non Current Assets Held for Sale		
Particulars	**31-Mar-25**	**31-Mar-24**
Plant and Machinery	-	-
Factory Equipment	-	-
	-	**-**

NOTES FORMING PART OF BALANCE SHEET

Rs in Lakhs

3D Intangible Assets under development		
Particulars	31-03-25	31-03-24
Intangiable Asset under development	123.38	-
Less : Govt grant adjusted	123.38	
	-	-

(Rs. In Lakhs)

Particulars	As at 31.03.2025	As at 31.03.2024
5. Inventories		
Raw Materials and Components	2,583.45	2,618.34
Material and Components in Transit	26.76	9.37
Work-in-Progress	3,968.48	4,470.98
Finished Goods #	1,557.13	2,975.95
Goods-in-Transit	253.94	0.00
Stores and Spares	1,264.17	1,427.92
Tools and Instruments	247.86	247.76
Scrap	56.00	64.36
	9,957.79	**11,814.69**
Less: Provision for Non-moving Inventories	1,578.30	1,406.53
	8,379.49	**10,408.16**
6. Trade Receivables		
Secured, considered good	0.00	0.00
Unsecured, considered good	9,523.29	11,065.81
Doubtful	10,150.88	9,491.01
	19,674.17	**20,556.82**
Allowance for doubtful debts		
Unsecured, considered doubtful	10,150.88	9,491.01
	9,523.29	**11,065.81**

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

Particulars	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered good	3,019.98	477.59	1,120.76	1,155.51	3,749.45	9,523.29
Undisputed - Considered doubtful	24.09	10.31	5.99	137.24	9,973.25	10,150.88
Disputed - Considered good	-	-	-	-	0.00	0.00
Disputed - Considered doubtful	-	-	-	-	0.00	0.00
	3,044.07	**487.90**	**1,126.74**	**1,292.75**	**13,722.70**	**19,674.17**

NOTES FORMING PART OF BALANCE SHEET

(Rs. In Lakhs)

6B Trade Receivables Agewise details as at the end of previous financial year.

Particulars	Outstanding for the following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed - Considered good	3,211.29	661.52	3,008.06	1,084.51	3,100.44	11,065.81
Undisputed - Considered doubtful	-	1.26	34.15	144.96	9,310.64	9,491.01
Disputed - Considered good	-	-	-	-	0.00	0.00
Disputed - Considered doubtful	-	-	-	-	0.00	0.00
	3,211.29	**662.77**	**3,042.21**	**1,229.47**	**12,411.07**	**20,556.82**

Note: Inter Units transactions if any to be shown separately

Particulars	As at 31.03.2025	As at 31.03.2024
7. Cash and Cash equivalents		
A.Cash and Cash Equivalents		
Balances with banks:		
– On current accounts	201.47	1,175.27
– Cash and Cheques on hand	2.50	2.39
B. Other Bank Balances		
– current accounts (Surge)	9.43	22.67
– Escrow accounts	49.92	49.92
– Deposits with maturity more than three months but less than twelve months	1,895.63	1,994.43
	2,158.95	**3,244.69**
8. Loans	-	-
9. Other Financial Assets		
Current		
Interest Accrued and Due	0.40	0.21
Non-Current		
With Scheduled Banks in Deposit Account - Margin Money	264.16	301.17
Deposits with Banks exceeding twelve months of maturity	0.34	0.34
Total	**264.90**	**301.72**
10. Other Assets		
10. Other Assetss Non-Current		
Capital Advances	1.97	1.97
Less: Provision for Doubtful Advances	(1.97)	(1.97)
	-	**-**
Security Deposits	306.07	312.44
	306.07	**312.44**

NOTES FORMING PART OF BALANCE SHEET

(Rs. In Lakhs)

Particulars	As at 31.03.2025	As at 31.03.2024
Current		
Advances to related parties	-	-
HMT International Ltd.	649.69	3.57
	649.69	**3.57**
Advances other than Capital Advances		
Considered Good	2,245.59	2,784.59
Considered Doubtful	786.22	762.72
	3,031.81	**3,547.31**
Less:Provision for Doubtful Advances	786.22	762.72
	2,245.59	**2,784.59**
Withholding of taxes and other tax receivables	171.79	164.27
Security Deposits	14.17	14.94
	185.96	**179.21**
Total Other Assets	**3,081.24**	**2,967.37**

Statement of changes in Equity

11. Share capital

Authorised Share capital (Rs. In Lakhs)

	Equity Shares of Rs. 10 each	
	Number	**Amount**
At 31 March 2024	35,50,00,000	35,500.00
Increase/(decrease) during the year		
At 31 March 2025	**35,50,00,000**	**35,500.00**

Issued, Subscribed and fully paid-up Capital

	Equity shares of Rs. 10/- each issued and fully paid	
	Number	**Amount**
At 31 March 2024	**27,65,99,137**	**27,659.91**
Increase/(decrease) during the year		
At 31 March 2025	**27,65,99,137**	**27,659.91**

Note: Subject to the approval

1. The Company has Rs.44500 lakhs Authorised Preference Share Capital of 44500000 Shares of Rs.100/- each

2. "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. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting

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 propotion to the number of Equity Shares held by the Shareholders"

Details of shareholders holding more than 5% shares in the company				
	As at 31 March 2025		As at 31 March 2024	
Name of the Share Holder	**No of Shares**	**% holding**	**No of Shares**	**% holding**
Equity shares of INR*10 each fully paid HMT Limited*	27,65,99,137	100%	27,65,99,137	100%

NOTES FORMING PART OF BALANCE SHEET

Statement of changes in Equity

12. Other Equity

(Rs. In Lakhs)

Particulars	Other Equity				
	Reserves and Surplus		Other Comprehensive income		
	Capital reserve	Retained earnings	Equity Instuments through other comprehensive income	Other items of Other Comprehensive Income	Total equity attributable to equity holders of the company
	Amount	Amount	Amount	Amount	Amount
Balance as of 1st April 2024	2,270.82	(2,21,915.24)	-	(5,218.16)	(2,24,862.57)
Change in Accounting Policy or Prior Period Error					-
Restated Balance as of 1st April 2024	**2,270.82**	**(2,21,915.24)**	**-**	**(5,218.16)**	**(2,24,862.57)**
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	(326.58)	(326.58)
Profit for the period		(16,099.30)			(16,099.30)
At 31st March 2025	**2,270.82**	**(2,38,014.54)**	**-**	**(5,544.74)**	**(2,41,288.45)**

Particulars	Other Equity				
	Reserves and Surplus		Other Comprehensive income		
	Capital reserve	Retained earnings	Equity Instuments through other comprehensive income	Other items of Other Comprehensive Income	Total equity attributable to equity holders of the company
	Amount	Amount	Amount	Amount	Amount
Balance as of 1st April 2023					
Change in Accounting Policy or Prior Period Error	2,270.82	(2,06,391.08)	-	(5,211.34)	(2,09,331.60)
Restated Balance as of 1st April 2023	**2,270.82**	**(2,06,391.08)**	**-**	**(5,211.34)**	**(2,09,331.60)**
Remeasurement of the net defined benefit liability/asset, net of tax effect				(6.82)	(6.82)
Profit for the period		(15,524.16)			(15,524.16)
At 31 March 2024	**2,270.82**	**(2,21,915.25)**	**-**	**(5,218.16)**	**(2,24,862.57)**

Note: Current maturities of long-term debts:
44300000 3.5% Redeemble Preference Shares of Rs/100/- each shown under Other financial Liabilities.

Material Accounting Policies and Notes forming part of Accounts
For and on behalf of the Board of Directors of HMT Machine Tools Ltd.

As per our Report of Even date

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

(Rajesh Kumar)
Director
DIN 09403746

for RAJAGOPAL & BADRI NARAYANAN
Chartered Accountants
FRN : 003024S

(Y Ramadevi)
AGM (Finance)

(Om Prakash Singh)
Company Secretary

M.S. Rajagopal
Partner
M.No.020244

Place : Bangalore
Date : 11.07.2025
UDIN : 25020244BMIVCI5031

NOTES FORMING PART OF BALANCE SHEET

(Rs. In Lakhs)

Particulars	As at 31.03.2025	As at 31.03.2024
13. Borrowings		
Current		
A. Current Secured		
Cash Credit (refer Note No.1 below)	3,834.49	3,912.95
Total Current Secure	**3,834.49**	**3,912.95**

Note:

1 . Secured loan

Type of borrowing	Name of the lender and limit	Nature of Security	Repayment terms	Default in repayment
Cash Credit	UCO Bank - Rs.3842 lakhs	Hypothication of Inventories and Trade Receivables	Working capital facilities, Interest @ 16.65 p.a.	None
Cash Credit	PNB Rs.1175 lakhs	Hypothication of Inventories and Trade Receivables	Working capital facilities, Interest @ 16.65 p.a.	None
Cash Credit	SBI Rs.565 lakhs	Hypothication of Inventories and Trade Receivables	Working capital facilities, Interest @ 16.55 p.a.	None
Cash Credit	Union Bank Rs.100 lakhs	Hypothication of Inventories and Trade Receivables	Working capital facilities, Interest @ 16.65 p.a.	None

B. Current Un-Secured		
Loan from Govt. of India (Defaulted)		
Term Loan for a period of 5 Yrs. (Statutory Dues 2006-07) carrying rate of interest @ 15.50%	782.00	782.00
Term Loan for a period of 5 Yrs. (Capex 2006-07) carrying rate of interest @ 15.50%	395.00	395.00
Term Loan for a period of 5 Yrs. (VRS 2007-08 & 2008-09) carrying rate of interest @ 3.50%	4,001.19	4,001.19
Term Loan for a period of 5 Yrs. (Statutory Dues 2012-13,13-14,14-15) carrying rate of interest @13.50%	16,070.61	16,070.61
Term Loan for a period of 5 Yrs. (Working Capital) carrying rate of interest @13.50%)	7,500.00	7,500.00
Term Loan for a period of 5 Yrs. (Bridge Loan-1997 pay scales) carrying rate of interest @7.00%)	6,104.00	6,104.00
Total Govt of India Loan with Interest	**34,852.80**	**34,852.80**
Loan from holding company		
Loan from holding company	34,668.41	30,582.41
Total Current Un-Secure	**69,521.21**	**65,435.21**
Net current borrowings	**73,355.70**	**69,348.16**

NOTES FORMING PART OF BALANCE SHEET

(Rs. In Lakhs)

	As at 31.03.2025	As at 31.03.2024
14. Other Non Financial Liabilities		
15. Provision for employee benefits		
Non Current		
Gratuity	2,191.54	2,230.92
Earned Leave Encashment	923.44	956.87
Settlement Allowance	184.41	112.86
	3,299.39	**3,300.65**
Current		
Gratuity	618.70	655.09
Earned Leave Encashment	207.76	232.96
Settlement Allowance	33.56	34.56
Wage and Salary Revision (1992)	950.82	1,365.27
	1,810.84	**2,287.88**
Total	**5,110.24**	**5,588.53**
16. Trade payables		
Dues to Micro, Small & Medium Enterprises	684.94	370.67
Dues to Other than Micro, Small & Medium Enterprises	5,776.14	7,006.40
Total	**6,461.08**	**7,377.07**

16A TradePayable Agewise details as at the end of current financial year:

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	**1 - 2 years**	**2 - 3 years**	**more than 3 years**	**Total**
MSME - Undisputed dues	418.16	100.02	39.94	126.81	684.94
Others - Undisputed dues	3,481.59	412.22	727.37	1,154.96	5,776.14
- MSME - Disputed dues	-	-	-	-	-
- Others - Disputed dues	-	-	-	-	-
	3,899.75	**512.24**	**767.31**	**1,281.77**	**6,461.08**

NOTES FORMING PART OF BALANCE SHEET

(Rs. In Lakhs)

	As at 31.03.2025	As at 31.03.2024

16B TradePayable Agewise details as at the end of previous financial year:

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years	Total
MSME - Undisputed dues	235.52	36.92	51.21	47.01	370.67
Others - Undisputed dues	4,288.44	935.49	351.94	1,430.53	7,006.40
- MSME - Disputed dues	-	-	-	-	-
- Others - Disputed dues	-	-	-	-	-
	4,523.96	**972.41**	**403.15**	**1,477.54**	**7,377.07**

17. Other Financial Liabilities			
Current maturities of long-term Debts			
4,43,00,000 3.5% Redeemable Preference Shares of `100/- each		44,300.00	44,300.00
Interest accrued and due on borrowings			
Loans from Government of India		59,384.25	53,145.05
Loans from HC loan		5,271.85	5,321.85
	Total	**108,956.10**	**102,766.90**
18. Other Current Liabilities			
Non Current			
Government Grant from GOI- Deferred Income		25.28	47.56
Aid from HMT Limited / Adv. Receved for Sale of Land		22.80	22.80
Advance received against Sale of Land		1,850.85	1,850.85
		1,898.93	**1,921.21**
Current			
Dues to Holding Company			
HMT Ltd		1,386.02	1,288.02
EMD Deposit Received		106.19	109.81
Revenue received in advance		4,122.75	4,714.90
Sundry creditors- Dues		791.28	995.99
Other liabilities		37,721.07	34,348.47
	Total	**44,127.31**	**41,457.19**

NOTES FORMING PART OF BALANCE SHEET

(Rs. In Lakhs)

Particulars	Warranty Claims	Total
19. Provisions - others		
At 1 April 2024	82.14	82.14
Arising during the period	103.50	103.50
Utilised	(75.46)	(75.46)
Unused amounts reversed	(5.15)	(5.15)
At 31 March 2025	**105.03**	**105.03**
Current	105.03	105.03
At 1 April 2023	97.42	97.42
Arising during the year	67.63	67.63
Utilised	(81.91)	(81.91)
Unused amounts reversed	(0.99)	(0.99)
At 31 March 2024	**82.14**	**82.14**
Current	**82.14**	**82.14**

Non-current

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

(Rs. In Lakhs)

Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
20. Revenue from operations		
Sale of Products		
Sale of Machine Tools	8,976.98	8,303.11
Sales of Accessories	1,484.52	1,199.10
	10,461.50	**9,502.21**
Sale of Services		
Sundry Jobs and Miscellaneous Sales	264.06	161.32
Packing / Forwarding charges	33.82	31.31
Sale of services	317.89	275.15
	615.77	**467.78**
Revenue from Operations	**11,077.27**	**9,969.99**
21. Other income		
A. Other Income		
Recoveries from Staff/Others	30.87	47.00
Recovery of Freight and Insurance	3.63	2.57
Rent Received	803.52	575.87
Conveyance Recovered	0.28	0.14
Water Charges Recovered	1.47	2.36
Electricity Charges Recovered	12.74	16.28
Miscellaneous Income	614.77	315.78
Gains on Sale of Property, Plant and Equipment	17.30	23.09
Provisions Withdrawn	544.30	428.46
Deferrd Income - Govt. Grant	-	20.35
Reversal of Surge Expenses of earlier years	102.29	
Sale of scrap	79.56	32.66
Income from Training	10.23	23.53
Interest on CHO loan waived off	2,272.27	1,544.11
Total Other Income	**4,493.23**	**3,032.20**
B. Interest Income		
Interest income on Bank Deposits	117.44	123.11
Interest from Dealers/Others	7.11	6.55
	124.55	**129.66**
Total Other Income	**4,617.78**	**3,161.86**

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

(Rs. In Lakhs)

Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
22 Cost of Raw Materials Consumed		
Raw materials and Components		
Inventory at the beginning of the year/ Qter	2,618.34	2,372.60
Add: Purchases	3,668.11	4,233.33
	6,286.45	**6,605.93**
Less: inventory at the end of the year/ Qter.	2,583.44	2,618.34
Cost of raw material and components consumed	**3,703.01**	**3,987.59**
Consumption of Stores, Spares, Tools & Packing Materials	1,296.47	1,496.21
Total raw materials and components consumed	**4,999.48**	**5,483.80**
23. Changes in Inventory		
Finished Goods		
Inventory at the beginning of the year/Qtr.	2,975.95	3,382.02
Less: inventory at the end of the year	1,557.13	2,975.95
Changes in Inventory	1,418.82	406.07
Work in Progress		
Inventory at the beginning of the year/Qtr.	4,470.98	4,147.67
Less: inventory at the end of the year	3,968.48	4,470.98
Changes in Inventory	502.50	-323.31
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/r	64.36	95.28
Less: inventory at the end of the year	56.00	64.36
Changes in Inventory	8.37	30.91
Total	**1,675.75**	**113.67**
24. Employee benefits expense		
Salaries,Wages and Bonus	3,778.42	4,588.52
House Rent Allowance	58.78	75.00
Gratuity	328.73	374.47
Contribution to PF & FPS	417.91	457.91
Deposit Linked Insurance	32.66	47.46
Contribution to ESI	3.40	3.77
Welfare Expenses	735.85	1,028.61

	5,355.75	**6,575.74**

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

(Rs. In Lakhs)

Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
25. Depreciation and amortization		
Depreciation of Property, Plant and Equipment	585.98	603.83
Depreciation on Investment Properties	0.43	0.43
	586.41	**604.26**
26. Finance costs		
Government of India Loans	6,239.19	6,208.10
Cash Credit loans from Banks	648.58	597.59
Inter Corporate Loan	2,272.27	1,544.11
Total finance costs	**9,160.04**	**8,349.80**
27. Other expenses		
Power and Fuel	790.40	902.57
Interest on delayed remittance	1,597.37	897.87
Casual labour charges	1,725.68	1,662.71
Provision for Non Moving Inventories	320.43	209.04
Sales, Advertisement and Publicity	10.37	14.57
Rent	33.39	29.37
Rates and Taxes *	2,178.85	81.12
Insurance	31.88	32.39
Training Expenses - Skill Development	5.50	3.32
Water and Electricity	88.55	83.21
Repairs to building	41.27	35.15
Repairs to machinery	20.08	26.00
Printing and Stationery	23.53	22.77
Conference , Seminars and Training	0.30	0.63
Auditors Remuneration #	6.75	6.68
Provision for Doubtful Debts,Loans and Advances	762.81	1,601.29
Warranty Claims	105.55	70.92
Loss sustained by PF Trust	867.16	769.36
Travelling Expenses	130.58	155.23

Exchange Diferrence	-	0.52

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

(Rs. In Lakhs)

Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
Bank Charges	195.04	116.57
Remb of Exp - Holding Company	18.82	19.05
Carriage outwards	103.53	156.87
Repairs and Maintenance General	128.84	143.98
Security Charges	306.57	254.53
Technology Platform "SURGE" Expenses	-	19.27
Other Expenses	607.92	512.63
Income recognised earlier now reversed (Deferred Grant Income) **	101.10	-
	10,202.31	**7,827.62**
Statutory Audit	3.59	3.59
Tax Audit	1.69	1.83
Cost Audit	1.47	1.26
	6.75	**6.68**

28. Jobs Done for Internal Use

Shop manufactured Special Tools	185.41	298.91
	185.41	**298.91**

29. Exceptional items

* Includes Rs. 1999.84 lakhs towards payment of Property Tax Arrears 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, development 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 expenditure 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

Note No.30 Additional Disclosure **(Rs. In Lakhs)**

	Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
1	**Contingent Liabilities**		
	Claims against the Company not Acknowledged as debts		
	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) Disputed Income Tax		
	B. Employee related claims relating to lockouts, back wages, incentive & Annual bonuse etc., pending adjudication, to the exetent ascertainable	1,762.86	1,719.53
	C. Others (As shown in Annexure-A)	10,821.57	10,538.72
2	Non receipt of related forms against levey of concessional sales Tax	54.40	54.40
3	Estimated amount of contracts remaining to be executed on capital account and not provide for	-	-
		16,786.04	**20,606.24**
3.a	**Preference Share Capital**		
	Arrears of fixed cumulative dividends on preference shares (including tax thereon) payable to Government of India	5,607.63	5,607.63
4	**Inventories include:**		
	Usable, slow/non moving and surplus stores and materials/Work-in-Progress and Stock-in-Trade:	213.06	405.47
5	**Trade Receivables include:**		
	Dues towards erection and commissioning for a period exceeding one year.	194.13	243.41
6	**Advance include:**		
6.1	Amounts recoverable from employees, advances, bonus etc., pending adjudication /negotiations.	2.54	2.54
6.2	Amount paid by way of Adhoc to employees towards wage/salary/DA revision arrears, if any, pending adjustment for which necessary provision has been made in the accounts.	3.05	123.08
7	**Current liabilities**		
7.1	Dues to Micro and small enterprisses based on the information available with the Company		
a	i) Principal	684.94	370.67
	ii) interest	141.84	70.69
b	Amount of Interest paid	1.78	1.14

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

(Rs. In Lakhs)

	Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
c	Amount of interest accrued and remaining unpaid at the end of each accounting year	141.84	70.69
8	Balances under 'Trade Receivables', 'Loans & Advances' and 'Trade Payables' are subject to confirmation, although confirmation has been sought in most of the cases		
9	Others includes interest on loan for the year, waived off by HMT Limited	2,272.27	1,544.11
10	Expenditure on Research & Development	99.16	122.96
11	BESCOM has added Rs.122 L in Electircity Bill of MBX. ABD has already paid Rs.61 L and had gone to Court against the penality/ claim of BESCOM. ABD is looking after the legal case and as the Estate under their control. Any Financial implication related to this will be taken by ABD.		
12	MBX has leased out land to GAIL. Due to unsettled legal issues the Company is not billing any income from GAIL Rs. 1.4 Crores was received as Security Deposit from GAIL.		
13	Previous year's figures have been reclassified wherever necessary to conform to this year's classification.		

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS

31. Earnings per share (EPS)

(Rs. In Lakhs)

Particulars	31-Mar-25	31-Mar-24
Profit attributable to Equity holders:		
Continuing Operations	₹ (16,099.30)	₹ (15,524.17)
Discontinued Operations		
Profit attributable to Equity holders for basic earnings	**₹ (16,099.30)**	**₹ (15,524.17)**
Interest on convertible Preference shares		
Profit attributable to Equity holders of the parent adjusted for the effect of dilution	**₹ (16,099.30)**	**₹ (15,524.17)**
Weighted average number of Equity shares for basic EPS*	27,65,99,137	27,65,99,137
Effect of dilution:		
Convertible preference shares		
Weighted average number of Equity shares adjusted for the effect of dilution *	**27,65,99,137**	**27,65,99,137**
Earnings per share for continuing operations		
Basic, profit from continuing operations attributable to equity holders of the parent	**₹ (5.82)**	**₹ (5.61)**
Diluted, profit from continuing operations attributable to equity holders of the parent	**₹ (5.82)**	**₹ (5.61)**

* 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 FINANCIAL STATEMENTS

Note: 32. As per IndA5 19 "Employee Benefits, the disclosures as defined are given below:

1. Defined Contribution Plan:

Contributuon to Pension **(Rs. In lakhs)**

Particulars	2024-25	2023-24
Total Contribution to FPS	**83.33**	**93.41**

2. Defined Benefit Plans:

The Company Contributes in Provident Fund Trust. Gratuity and Settlement allowance to the employes which are defined benefit plans. The Company has not obtained the actuarial valuation report from the independent actuary for Provident Fund.

The principal assumptions used in determining gratuity and post-employement benefits obligations for the company's plan is shown below

	31-Mar-25	31-Mar-24
	%	%
Discount rate:		
Gratuity plan	6.79	7.10
Settlement Allowance	6.79	7.10
Earned Leave Encashment	6.79	7.10
Future salary increases:		
Gratuity plan	7.00	7.00
Settlement Allowance	7.00	7.00
Earned Leave Encashment	7.00	7.00

Summary of Demographic Assumptions	Gratuity Plan		Settlement Allowance		Leave Encashment	
	31-03-25	31-03-24	31-03-25	31-03-24	31-03-25	31-03-24
Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality Table)	100%	100%	100%	100%	100%	100%
Disability Rate (as % of above mortality rate)	0.05	0.05	0.05	0.05	-	-
Withdrawal Rate	1% to 3%	1% to 3%	1% to 3%	1% to 3%		
Attrition Rate					1% to 3%	1% to 3%
Normal Retirement Age	58yrs	58yrs	58yrs	58yrs	58yrs	58yrs
Average Future Service	12.83	12.72	12.83	12.72		

Leave Encashment Rate during employment	-	-
Leave Availment Rate	100%	100%

NOTES FORMING PART OF FINANCIAL STATEMENTS

Defined Benefit Obligations

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

A. Gratuity

31 March 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						Contri-butions by employer	31-Mar-25
	01-04-24	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)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjus-tments	Sub-total included in OCI		
Defined benefit obligation	(4,018.37)	(142.67)	(261.92)	(404.59)	658.65			(52.20)	(211.01)	(263.21)		(4,027.52)
Fair value of plan assets	1,132.35		80.40	80.40	(658.65)	4.53				4.53	658.65	1,217.28
Benefit Liability	**(2,886.02)**	**(142.67)**	**(181.52)**	**(324.19)**	**0.00**	**4.53**	**0.00**	**(52.20)**	**(211.01)**	**(258.68)**	**658.65**	**(2,810.24)**

31 March 2024 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						Contri-butions by employer	31-Mar-24
	01-Apr-23	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experi-ence adjust-ments	Sub-total included in OCI		

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Defined benefit obligation	(4,310.77)	(183.79)	(283.77)	(467.56)	782.94			(24.20)	1.22	(22.98)		(4,018.37)
Fair value of plan assets	1,077.94		70.93	70.93	(782.94)	10.04				10.04	756.38	1,132.35
Benefit Liability	**(3,232.83)**	**(183.79)**	**(212.84)**	**(396.63)**	**-**	**10.04**	**-**	**(24.20)**	**1.22**	**(12.94)**	**756.38**	**(2,886.02)**

B. Earned Leave Encashment

31 March 2025 changes in the defined benefit obligation and fair value of plan assets

(Rs. In Lakhs)

Particulars		Defined Benifit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income					Contri-butions by employer	31-Mar-25
	01-Apr-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)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experi-ence adjust-ments	Sub-total included in OCI		
Defined benefit obligation	(1,189.82)	(83.86)	(76.17)	(160.03)	233.98	-	0.00	(24.38)	9.06	(15.32)	-	(1,131.19)
Fair value of plan assets	0.00											-
Benefit Liability	**(1,189.82)**	**(83.86)**	**(76.17)**	**(160.03)**	**233.98**	**0.00**	**0.00**	**(24.38)**	**9.06**	**(15.32)**	**0.00**	**(1,131.19)**

31 March 2024 changes in the defined benefit obligation and fair value of plan assets

(Rs. In Lakhs)

Particulars		Defined Benifit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income					Contri-butions by employer	31-Mar-24
	01-Apr-23	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experi-ence adjust-ments	Sub-total included in OCI		

Defined benefit obligation	(1,228.27)	(131.60)	(84.69)	(216.29)	282.22	-	0.00	(12.93)	(14.55)	(27.48)	-	(1,189.82)
Fair value of plan assets	-											-
Benefit liability	**(1,228.27)**	**(131.60)**	**(84.69)**	**(216.29)**	**282.22**	**-**	**-**	**(12.93)**	**(14.55)**	**(27.48)**	**-**	**(1,189.82)**

C. Settlement Allowance

31 March 2025 changes in the defined benefit obligation and fair value of plan assets

(Rs. In Lakhs)

Particulars		Defined Benifit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contri-butions by employer	31-Mar-25
	01-Apr-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)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experi-ence adjust-ments	Sub-total included in OCI		
Defined benefit obligation	(147.42)	(25.60)	(9.16)	(34.76)	36.64		0.00	-6.38	(66.05)	(72.43)		(217.97)
Fair value of plan assets	0.00											-
Benefit liability	**(147.42)**	**(25.60)**	**(9.16)**	**(34.76)**	**36.64**	**0.00**	**0.00**	**(6.38)**	**(66.05)**	**(72.43)**	**0.00**	**(217.97)**

31 March 2024 changes in the defined benefit obligation and fair value of plan assets

(Rs. In Lakhs)

Particulars		Defined Benifit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contri-butions by employer	31-Mar-24
	01-Apr-23	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experi-ence adjust-ments	Sub-total included in OCI		
Defined benefit obligation	(167.95)	(19.70)	(10.69)	(30.39)	44.80		0.00	-1.31	7.43	6.12		(147.42)
Fair value of plan assets	-											-
Benefit liability	**(167.95)**	**(19.70)**	**(10.69)**	**(30.39)**	**44.80**	**0.00**	**0.00**	**(1.31)**	**7.43**	**6.12**	**-**	**(147.42)**

NOTES FORMING PART OF FINANCIAL STATEMENTS

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	184.98	160.65	153.51	135.25
Change in rate of salary increase	165.50	175.57	104.40	101.68
Change in withdrawal rates	1.29	1.19	24.59	21.13

(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	23.09	19.41	8.37	7.30
Change in rate of salary increase	20.63	24.10	7..37	8.30
Change in withdrawal rates	24.88	20.91	7.98	9.09

(iii) Earned Leave Encashment **(Rs. In Lakhs)**

Particulars	As at 31 March 2025		As at 31 March 2024	
	Decrease	Increase	Decrease	Increase
Change in Discounting rate	86.74	74.89	82.92	71.74
Change in rate of salary increase	81.18	92.18	74.11	84.09
Change in Attrition Rates	1.32	1.17	2.72	2.35

The expected contributions for Gratuity for next financial year will be Rs.1592.95 lakhs and Settlement Allowance Nil.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No. 33 Segment reporting

Year ended 31 March 2025

(Rs. In Lakhs)

Particulars	31-Mar-25	31-Mar-24
Revenue from external customers		
India	4,092.64	3,118.03
Outside India		
Total revenue per consolidated Statement of profit or loss	**4,092.64**	**3,118.03**

The revenue information above is based on the locations of the customers.

Revenue from one customer of Rs 4092.64 Lakhs which is exceeding 10% of the revenue from operations for the year ended 31st March 2025

Revenue from one customer of Rs 3118 Lakhs which is exceeding 10% of the revenue from operations for the year ended 31st March 2024

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

DISCLOSURE REQUIREMENT OF CONTINGENT LIABILITIES AS PER (Ind AS - 37) as on 31.03.2025

Annexure - A

"Others" **Rs. in Lakhs**

Sl.no.	Class of Cases	Nature of Cases **	Amount
1	Central Excise Department	Demands Notice towards reversal of provisions for slow/ non-moving Inventory provided for *	291.29
2	PF / EPS / ESI Cases	Demands raised by PF / EPS /ESI Authorities	4675.21
3	A.P. Central Power Distribution Corporation Limited & Water Board	Amount claimed towards development charges, appeal pending with Andhra Pradesh Electricity Regulatory Commission.	1219.33
4	Risk purchase claim by GAIL	Claims towards risk purchase clause by GAIL of the year 1996-97	8.09
5	Motor Accident Case	Cases of accident by our vehicle causing injuries to 3rd parties in which HMT is a third party in all these cases because insurance Co. is defending the cases.	13.00
6	Suppliers Claim	Disputed claims relating to supply of Material, its payment	217.02
7	Employees Co-op. Society	Interest on loan recoveries	58.29
8	HMWSSB	Billing Disputes	129.14
9	CMA.No.540 of 2007	CMA.No.540 of 2007	58.48
10	Customer Claim	Customer / Court cases	2615.33
11	Gratuity Cases & Interest	Cases filed before ALC(Central) Hyd.	320.18
12	Goods & Service Tax, TDS/ TCS	GST on GST Interest	1156.01
13	Deposits	Deposits pending long back with Customers	60.21
Total			**10821.58**

* Indicate whether it relates to Central Excise, Sales Tax etc.,

** Brief descripton of the case

NOTES FORMING PART OF PROFIT AND LOSS ACCOUNT YEAR ENDED 31ST MARCH 2025

(Rs. in Lakhs)

	Particulars		Year ended 31.03.2025			Year ended 31.03.2024	
1	**CONSUMPTION OF RAW MATERIALS AND COMPONENTS**						
		Unit	**Qty**	**Value**	**Unit**	**Qty**	**Value**
	Steel	MT	486.47	435.55	MT	224.28	211.74
	Non-ferrous Metals	MT	3.22	6.58	MT	48.60	125.38
	Ferrous Castings	MT	503.83	588.85	MT	456.77	557.24
	Non-ferrous Castings	MT	11.30	14.75	MT	23.70	31.06
	Forgings	MT	34.87	52.42	MT	27.84	36.75
	Standard Parts			1,781.62			2,004.52
	Components			560.41			496.82
	Others			262.83			524.08
				3,703.01			**3,987.59**
2	**TURNOVER**	**Unit**	**Qty**	**Value**	**Unit**	**Qty**	**Value**
	Machine Tools	Nos.	239	8,976.98	Nos.	280	8,258.43
	Printing Machines	Nos.			Nos.	2	44.68
	Accessories			1,484.52			1,199.10
	Sale of Services			317.89			275.15
	Sundry Jobs and Misce. Sales			264.06			161.32
	Packing , forwarding & Other charges			33.82			31.31
				11,077.27			**9,969.99**

NOTES FORMING PART OF PROFIT AND LOSS ACCOUNT YEAR ENDED 31ST MARCH 2025

Additional Disclosure to P&L account **(Rs in Lakhs)**

Point No.	Particulars	Year ended 31.03.2025		Year ended 31.03.2024	
3	INFORMATION REGARDING IMPORTS, EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY/ EXHANGE AND CONSUMPTION				
	(a) CIF VALUE OF IMPORTS:				
	Raw Materials		141.64		178.22
	Components and Spare Parts		53.75		40.75
	Capital Goods		-		-
	Technology Transfer		-		-
	(b) EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF TRAVELLING EXPNS. (ON PAYMENT BASIS)				
	(c) CONSUMPTION OF RAW MATERIALS, COMPONENTS, STORES & SPARE PARTS				
	Imported	0.04	195.39	0.04	223.10
	Indigenous	0.96	4,804.09	0.96	5,260.70
		100%	**4,999.48**	**100%**	**5,483.80**
	(d) EARNINGS IN FOREIGN EXCHANGE				
	(e)Exports: Routed through HMT(I) Ltd.,		999.19		141.34
	OTHERS		-		-

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

Note 34. Transactions with Key Managerial Personnel

Compensation of Key Management Personnel of the Company

(Rs.in Lakhs)

Particulars	Year Ended 31.03.2025	Year Ended 31.03.2024
i) Short-term employee benefits	27.73	24.64
ii) Post-employment benefits	4.22	3.74
iii) Other long term benefits	2.31	2.01
Total Compensation paid to Key Management Personnel	**34.26**	**30.39**

Name of the Related Party	Relationship
HMT Limited	Holding Company
HMT (International) Limited	Fellow Subsidiary
Mr. Krishnaswami Ravishankar (upto 5.4.2024)	Key Managerial Persons (KMP)
Mr. Rajesh Kohli (w.e. f. 5.4.2024)	
Mr. Alok Kumar Behera	
Mr. Omprakash Singh	

Transactions during the year with Related Parties

a) Loans and Advances Received and repayment thereof:

Name of Related Party	As at	Opening Balance	Loans Received	Repayment	Closing Balance
a) Loans					
HMT Limited	Current year	30582.41	4086.00		34668.41
	Previous year	27470.43	3111.98		30582.41
Interest accrued and due	Current year	5321.85		-50.00	5271.85
	Previous year	5371.85		-50.00	5321.85

Name of Related Party	As at	Opening Balance	Advance Given (Net)*	Advance Taken (Net)	Closing Balance
b) Advances (Dr / (Cr))					
HMT Limited	Current year	1288.02	0.00	98.00	1386.02
	Previous year	1198.30	0.00	89.72	1288.02
HMT (International) Ltd	Current year	3.57		646.12	649.69
	Previous year	256.73	253.16		3.57

*Advance includes reimbursement of expenses payable

(Rs. in Lakhs)

c) Name of the Transacting Related Party		HMTL	HMT (I)	Total
Revenue fromm Operations				
	Current year		999.19	999.19
	Previous year		141.34	141.34
Other income				
	Current year	2272.27		2272.27
	Previous year	1544.11		1544.11
General Expenses: (Reimburseent of expenses)				
	Current year	18.82		18.82
	Previous year	19.05		19.05
Interest				
	Current year	2272.27		2272.27
	Previous year	1544.11		1544.11

(d) Transacations with Key Managerial Persons:

Remuneration paid to KMP	Current year	Previous year
- Harikumar M	-	4.48
- Alok Kumar Behera	20.98	13.40
-Om Prakash Singh	13.28	12.51
	34.26	30.39
- Directors Sitting Fees	-	-

Note 35: RATIO ANALYSIS

Ratio	Numerator	Denominator	FY 2024-25	FY 2023-24	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	0.10	0.12	-20.50	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	-1.12	-1.16	-3.05	
Debt Service Coverage Ratio	Earnings available for debt service	Debt service	-0.05	-0.06	-7.28	
Return on Equity Ratio	Net Profit after taxes	Average Shareholder's equity	-8%	-8%	-4.36	
Inventory turnover ratio	Cost of goods sold or Sales	Average Inventory	1.92	1.65	16.50	
Trade Receivables turnover ratio	Credit Sales	Average Trade receivables	1.08	0.75	42.78	Due to increase in sale and better Receivable Management
Trade payables turnover ratio	Net Credit Purchases/ Services	Average Trade Payables	0.72	0.81	-11.01	
Net capital turnover ratio	Net Sales	Average Working Capital	-5%	-5%	3.01	
Net profit ratio	Net Profit before taxes	Revenue	-103%	-118%	-13.23	
Return on Capital employed/Return on Investment	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	-0.03	-0.04	-10.71	

Note: Alongwith Numerator and Denominator. Explanation to be provided for the ratios changes more than 25% compare to previous year

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT MARCH 31, 2025

Note No.	
36	The Company has no transactions with struck off Companies under section 248 of the Companies Act, 2013.
37	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.
38	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.
39	The Company not declared Dividend due to loss during the year.
40	The Company has not been Declared as Wilful defaulter by Bank or financial institution.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

Note: 41 Period and amount of Default are as follows:

CAPEX Loan @15.50% interest dated 30.03.2006	Government of India	1) Rs.79 Lakhs due since 02.04.2007	6,572.00
		2) Rs.79 Lakhs due since 02.04.2008	6,206.00
		3) Rs.79 Lakhs due since 02.04.2009	5,841.00
		4) Rs.79 Lakhs due since 02.04.2010	5,476.00
		5) Rs.79 Lakhs due since 02.04.2011	5,111.00
VRS Loan @ 3.5@ interest dated 01.11.2007	Government of India	1) Rs.556.95 Lakhs due since 27.12.2008	5,937.00
		2) Rs.556.95 Lakhs due since 27.12.2009	5,572.00
		3) Rs.556.95 Lakhs due since 27.12.2010	5,207.00
		4) Rs.556.95 Lakhs due since 27.12.2011	4,842.00
		5) Rs.556.95 Lakhs due since 27.12.2012	4,476.00
For payment of Statutory Dues @15.50% interest dated 29.03.2007	Government of India	1) Rs.156.40 Lakhs due since 30.03.2008	6,209.00
		2) Rs.156.40 Lakhs due since 30.03.2009	5,844.00
		3) Rs.156.40 Lakhs due since 30.03.2010	5,479.00
		4) Rs.156.40 Lakhs due since 30.03.2011	5,114.00
		5) Rs.156.40 Lakhs due since 30.03.2012	4,748.00
VRS Loan @ 3.5@ interest dated 31.12.2008	Government of India	1) Rs.243.29 Lakhs due since 15.01.2010	5,553.00
		2) Rs.243.29 Lakhs due since 15.01.2011	5,188.00
		3) Rs.243.29 Lakhs due since 15.01.2012	4,823.00
		4) Rs.243.29 Lakhs due since 15.01.2013	4,457.00
		5) Rs.243.29 Lakhs due since 15.01.2014	4,092.00
For payment of Statutory Dues @13.50% interest dated 24.07.2012	Government of India	1) Rs.888.52 Lakhs due since 01.08.2013	4,259.00
		2) Rs.888.52 Lakhs due since 01.08.2014	3,894.00
		3) Rs.888.52 Lakhs due since 01.08.2015	3,529.00
		4) Rs.888.52 Lakhs due since 01.08.2016	3,163.00
		5) Rs.888.52 Lakhs due since 01.08.2017	2,798.00
For payment of Statutory Dues @13.50% interest dated 18.03.2014	Government of India	1) Rs.392 Lakhs due since 21.03.2015	3,662.00
		2) Rs.392 Lakhs due since 21.03.2016	3,296.00
		3) Rs.392 Lakhs due since 21.03.2017	2,931.00
		4) Rs.392 Lakhs due since 21.03.2018	2,566.00
		5) Rs.392 Lakhs due since 21.03.2019	2,201.00

For payment of Statutory Dues @13.50% interest dated 23.09.2014	Government of India	1) Rs.480 Lakhs due since 04.10.2015	3,465.00
		2) Rs.480 Lakhs due since 04.10.2016	3,099.00
		3) Rs.480 Lakhs due since 04.10.2017	2,734.00
		4) Rs.480 Lakhs due since 04.10.2018	2,369.00
		5) Rs.480 Lakhs due since 04.10.2019	2,004.00
Working Capital Loan @13.50 % interest dated 23.09.2014	Government of India	1) Rs.500 Lakhs due since 04.10.2015	3,465.00
		2) Rs.500 Lakhs due since 04.10.2016	3,099.00
		3) Rs.500 Lakhs due since 04.10.2017	2,734.00
		4) Rs.500 Lakhs due since 04.10.2018	2,369.00
		5) Rs.500 Lakhs due since 04.10.2019	2,004.00
For payment of Statutory Dues @13.50% interest dated 09.10.2014	Government of India	1) Rs.378.20 Lakhs due since 11.10.2015	3,458.00
		2) Rs.378.20 Lakhs due since 11.10.2016	3,092.00
		3) Rs.378.20 Lakhs due since 11.10.2017	2,727.00
		4) Rs.378.20 Lakhs due since 11.10.2018	2,362.00
		5) Rs.378.20 Lakhs due since 11.10.2019	1,997.00
For payment of Salaries & Wages @13.50% interest dated 09.10.2014	Government of India	1) Rs.548.60 Lakhs due since 11.10.2015	3,458.00
		2) Rs.548.60 Lakhs due since 11.10.2016	3,092.00
		3) Rs.548.60 Lakhs due since 11.10.2017	2,727.00
		4) Rs.548.60 Lakhs due since 11.10.2018	2,362.00
		5) Rs.548.60 Lakhs due since 11.10.2019	1,997.00
For implementation of 1997 pay revision @13.50% interest dated 06.02.2015	Government of India	1) Rs.586.80 Lakhs due since 10.02.2016	3,336.00
		2) Rs.586.80 Lakhs due since 10.02.2017	2,970.00
		3) Rs.586.80 Lakhs due since 10.02.2018	2,605.00
		4) Rs.586.80 Lakhs due since 10.02.2019	2,240.00
		5) Rs.586.80 Lakhs due since 10.02.2020	1,875.00
Working Capital Loan @7 % interest dated 06.02.2015	Government of India	1) Rs.1000 Lakhs due since 10.02.2016	3,336.00
		2) Rs.1000 Lakhs due since 10.02.2017	2,970.00
		3) Rs.1000 Lakhs due since 10.02.2018	2,605.00
		4) Rs.1000 Lakhs due since 10.02.2019	2,240.00
		5) Rs.1000 Lakhs due since 10.02.2020	1,875.00

For payment of Statutory Dues @13.50% interest dated 31.03.2015	Government of India	1) Rs.526.80 Lakhs due since 31.03.2016	3,286.00
		2) Rs.526.80 Lakhs due since 31.03.2017	2,921.00
		3) Rs.526.80 Lakhs due since 31.03. 018	2,556.00
		4) Rs.526.80 Lakhs due since 31.03.2019	2,191.00
		5) Rs.526.80 Lakhs due since 31..03.2020	1,825.00
For implementation of 1997 pay revision @13.50% interest dated 30.09.2015	Government of India	1) Rs.634 Lakhs due since 03.10.2016	3,100.00
		2) Rs.634 Lakhs due since 03.10.2017	2,735.00
		3) Rs.634 Lakhs due since 03.10. 018	2,370.00
		4) Rs.634 Lakhs due since 03.10.2019	2,005.00
		5) Rs.634 Lakhs due since 03..10.2020	1,639.00

Annexure - 1

Additional information

Summary of Land details in possession of HMT Limited

Sl.No	State	District	Locality	Regulation Type	" Area (in Acre) "	Year of Purchase
HMT Machine Tools Limited						
1	KARNATAKA	Bangalore	Myakalachannenahalli (Sy.No 2 to 14)	Land Acquisition Act	72.21	1,958
2			Jarakabande Kaval (Sy. No 26/1 & 26/2)	Purchased	1.00	1,959
3			Jallahalli (Sy.No 2 to 10)	Land Acquisition Act	48.36	1,961
4			Peenya Plantation 1	Gifted	151.07	1,963
5			Jarakabande Kaval (Sy. No 18 & 19)	Gifted	26.67	1,963
6			Peenya Village (Sy. No.20)	Land Acquisition Act	2.34	1,963
7			Peenya Plantation 2 (MYS 357)	Granted	21.27	1,965
8			Jarakabande Kaval (Sy. No 17)	Purchased	2.70	1,967
9			Jarakabande Kaval (Sy. No. 17)	Land Acquisition Act	4.77	1,970
10			Jarakabande Kaval (Sy.21 & 22)	Land Acquisition Act	0.57	1,970
11			Jallahalli (Sy.No 10/1 & 11)	Purchased	3.30	1,989
				Total Karnataka	334.26	
12	KERALA	Ernakulam	Thrikkakara North	Assigned thru Patta under Kerala Land Reforms Act 1963	348.85	1,973

13	TELANGANA	Hyderabad	Jeedimetla	Deed of Conveyance	227.30	1,972
14		Hyderabad	Balanagar	Purchased	195.82	1,963
15		Hyderabad	Kavadiguda	Purchased	0.57	1,962
16	RAJASTHAN	Ajmer	Ajmer	Rajasthan Land Acquisition Act 1953 & Agreement dt. 19.02.1972	170.00	1,972
Total of HMT Machine Tools Limited :					**1,276.80**	

In respect of MBX:

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 Benguluru (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.
2) The part compensation of Rs.1850 lakhs received from BBMP towards acquition 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, Benguluru, 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.

HMT (International) Limited

51st Annual Report 2024-25

Chairman's Address 51st Annual General Meeting of HMT (International) Limited

My Dear Shareholders,

I am honoured to present to you the Annual Report of HMT (International) 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 was indeed facing a challenging period in 2024-2025, marked by slower growth, persistent inflation, and weakening trade.

Global growth is projected to slow from 3.3% in 2024 to 2.9% throughout 2025 and 2026. The global outlook is becoming increasingly challenging. Substantial increases in trade barriers, tighter financial conditions, weakened business and consumer confidence, and elevated policy uncertainty all pose significant risks to growth.

Rising trade barriers impede the free flow of goods and services, raising costs and disrupting established supply chains. Tighter financial conditions restrict the availability and affordability of capital, curbing investment and consumer spending. Pervasive policy uncertainty acts as a paralyzing force, causing businesses and consumers to delay decisions and undermining confidence.

Together, these forces create an environment of slower growth, increased inflation risks, and diminished resilience, making the global outlook inherently more challenging and less predictable.

Despite the challenging global economic environment in 2024-25, the Indian economy demonstrated remarkable resilience and continued to grow at a strong pace, solidifying its position as the fastest-growing major economy in the world.

HMT (International) Limited's vision to be at the pinnacle of the global manufacturing and export sector is directly aligned with the Indian Government's national objectives. Going forward, we will continue to proudly support Indian exports by delivering high-quality goods and services that consistently meet customer needs, while aggressively exploring and forging into newer markets to become trailblazers in our field.

Indian Economy

The Indian economy continued its impressive growth trajectory in 2024-25, emerging as the fastest-growing major economy globally. Real GDP growth was estimated at a robust 6.5% for 2024-25, a testament to the nation's strong economic fundamentals and effective policy interventions. Projections indicate this strong momentum is expected to continue into 2025-26.

Despite global economic headwinds, Indian engineering goods exports reached a record high of US$116.67 billion in fiscal year 2024-25, surpassing the previous peak of US$112.10 billion in 2021-22. This growth signifies a 6.74% year-over-year increase and demonstrates the resilience of the Indian engineering sector amidst global challenges. The share of engineering goods in total merchandise exports rose to 26.67% from 25.01% the previous year.

Stemming from the industrial growth, Make-in-India initiative, FDI and domestic investment, government policies, Free Trade Agreements (FTAs), the Indian economy has demonstrated resilience and continued growth even when faced with global and domestic challenges.

HMT (International) Limited takes immense pride in its continued contribution towards the nation's economic growth and assures its unwavering

support in the coming years, aligning our operations with India's progressive economic agenda.

Performance & Business Accomplishments

Performance of the Company during the year 2024-25 in terms of turnover at gross levels was Rs.15.35 Crores as against Rs.17.59 Crores achieved during the previous year, i.e., 2023-24. With the Turnover of Rs. 15.35 Crores, Company was able to generate the Profit After Tax (PAT) at Rs.184 Lakhs as against Rs. 80 Lakhs in the previous year, thereby continuing the trend of profits.

The company has been highly successful in setting up and/or upgrading various vital training centers located in Myanmar, South Africa, Senegal, Bangladesh, Chennai, and Visakhapatnam.

These initiatives are crucial for skill development and technology transfer in key markets.

Furthermore, HMT(I) is currently in active deliberations for techno-commercial proposals for the establishment of new training centers.

HMT has formally approached the Ministry of External Affairs (MEA) through the Ministry of Heavy Industry (MHI) to seek designation as a Nodal Agency for implementing turnkey projects related to Vocational Training/Skill Development centers under grant-in-aid projects. This would further expand our role in national and international capacity building.

Future Outlook

Export Business

The Company is strategically gearing up to significantly increase its revenues in the coming years. This will be achieved by intensifying the marketing of HMT's diverse products and other Engineering Goods to newer destinations, and by actively pursuing more turnkey projects in under-developed and developing countries. As on March 31, 2025, HMT(I)'s orders in hand stand strong at Rs. 30.77 Crores.

Corporate Governance

The Company is unwavering in its commitment to constantly adopt and maintain the highest standards of values and principles. We rigorously comply with the Government Guidelines on Corporate Governance framed by the Department of Public Enterprises for Central Public Sector Enterprises (CPSEs).

The Company will continue to strive for a consistent growth rate that matches the expectations of its stakeholders. While we are committed to accelerating growth, we will concurrently persevere to achieve the best standards of Corporate Governance and Ethical Business Practices, with an unwavering emphasis on transparency, accountability, and professionalism in our operations, all with the ultimate aim of enhancing long-term economic value for all our 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 and 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 invaluable guidance throughout the year. I am also deeply grateful to the officers in the Ministry of Finance, the Comptroller & Auditor General of India, and the Statutory Auditors etc., for all their support for the smooth operations of the Company. I sincerely thank the concerned State Governments, our valued Suppliers, Banks, and Financial Institutions for their invaluable assistance and unwavering 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, hard work, and dedication, which are the true pillars of our success.

I extend my heartfelt thanks to all our esteemed customers in India and abroad for their continued trust and support, which drives our pursuit of excellence.

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

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

(Rajesh Kohli)
Chairman & Managing Director
Addl. Charge
Bengaluru

HMT INTERNATIONAL LIMITED

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BOARD OF DIRECTORS (As on 26.08.2025)

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)
Shri. Vimal Anand	Government Nominee Director (w.e.f. 23.07.2024)
Ms. Anju Makhija	Independent Director

STATUTORY AUDITOR

M/s. Nagaraj & Ajith
Chartered Accountants
Bengaluru

SECRETARIAL AUDITOR

G Haritha & Associates
Practicing Company Secretaries
Bengaluru

BANKERS

Bank of Maharashtra
UCO Bank
Axis Bank

REGISTERED OFFICE

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

CORPORATE IDENTITY NUMBER

U33309KA1974GOI002707

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

To achieve Total Customer Satisfaction

a) Competitive Pricing

b) Timely Delivery of Quality Goods & Service

PERFORMANCE HIGHLIGHTS

(Rs in Million)

	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
OPERATING STATISTICS											
Sales	**153.52**	175.86	141.55	109.12	198.35	671.49	570.74	249.45	239.76	339.07	334.01
Other Income	**11.78**	4.21	2.74	11.38	18.52	2.65	2.39	6.76	8.12	4.33	14.97
Stock accretion			-	-	-	-	-	-	-	(0.35)	(1.25)
Interest Income	**21.86**	16.91	15.19	15.16	17.63	24.43	18.30	19.41	22.53	23.65	27.71
	187.16	196.98	159.47	135.66	234.50	698.57	591.43	275.62	270.41	366.70	375.44
Purchases	**133.701**	108.42	117.275	88.55	178.44	556.14	469.72	225.76	174.62	230.54	224.95
Employees Costs	**20.425**	25.16	24.067	30.33	29.50	28.12	31.04	27.89	38.49	55.60	64.81
Other Operating Costs	**11.742**	13.99	13.756	12.69	13.15	74.16	68.99	20.40	53.34	70.16	67.64
Depreciation	**1.381**	1.31	1.303	1.26	1.38	1.40	1.48	1.46	1.38	1.35	1.46
	167.25	148.86	156.40	132.83	222.47	659.82	571.23	275.51	267.83	357.65	358.86
Gross Profit	**19.91**	48.12	3.07	2.83	12.03	38.75	20.20	0.11	2.59	9.05	16.58
Interest			-	-	-	-	-	-	-	-	-
Net Profit Before Taxes (*after prior period*)	**19.91**	48.12	3.07	2.83	12.03	38.75	20.20	0.11	2.59	9.05	16.58
Taxes & Deferred Tax	**1.496**	40.13	1.05	0.7	2.33	11.64	5.09	(1.25)	1.94	3.22	11.39
Profit After Taxes	**18.41**	7.99	2.02	2.13	9.70	27.11	15.11	1.36	0.65	5.83	5.19
FINANCIAL POSITION											
Current Assets	**564.27**	544.66	545.717	508.948	548.12	771.83	767.90	417.79	488.92	425.24	473.91
Current Liabilities & Provision	**200.303**	203.28	213.358	180.339	216.57	449.94	472.27	132.56	207.06	143.40	201.43
Net Working Capital	**363.97**	341.38	332.36	328.61	331.56	321.90	295.63	285.23	281.86	281.84	272.48
Net Fixed Assets	**40.221**	41.58	42.664	43.525	44.79	45.77	47.15	48.53	49.99	50.83	52.14
Capital Employed	**404.19**	382.96	375.023	372.13	376.35	367.66	342.78	333.76	331.85	332.67	324.62
Deferred Tax Liability	**3.578**	4.81	4.696	4.29	4.63	4.38	4.91	7.77	8.57	7.51	12.14
Net Worth	**400.61**	378.15	370.33	367.84	371.72	363.28	337.87	325.99	323.28	325.16	312.48
DATA ON EQUITY CAPITAL											
Share Capital	**7.20**	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20
Reserves	**375.01**	362.96	361.11	358.51	354.82	328.97	315.57	317.43	315.43	314.14	304.52
Retained Earnings	**18.41**	7.99	2.02	2.13	9.70	27.11	15.11	1.36	0.65	3.82	0.76
Dividend - Normal	-	-	-	-	-	1.80	1.44	-	-	1.44	1.44
- Special	-	-	-	-	-	-	-	-	-	-	-
Dividend(%) - Normal	-	-	-	-	-	25	20	-	-	20	20
- Special	-	-	-	-	-	-	-	-	-	-	-
OTHER STATISTICS											
Cash Flow	**19.80**	9.30	3.32	3.39	11.08	28.51	16.59	2.82	2.03	7.18	6.65
Turnover / Working Capital Ratio	**0.42**	0.52	0.43	0.33	0.60	2.09	1.93	0.87	0.85	1.20	1.23
Return on Capital (%)	**4.93**	12.57	0.82	0.76	3.20	10.54	5.89	0.03	0.78	2.72	5.11
Number of Employees	**14**	16	19	21	23	22	25	27	28	33	40
Per Capita Sales	**10.97**	10.99	7.45	5.20	8.62	30.52	22.83	9.24	8.56	10.27	8.35

DIRECTORS' REPORT

To
The Members,
HMT (INTERNATIONAL) LIMITED
BENGALURU

The Board of Directors have pleasure in presenting the 51st Annual Report on business and operations of your Company and Annual Financial Statements of the Company for the financial year 2024-25 along with Auditors' Report thereon. The Comments of the Comptroller & Auditor General of India are attached to this Report.

1. Financial summary /Performance of the Company

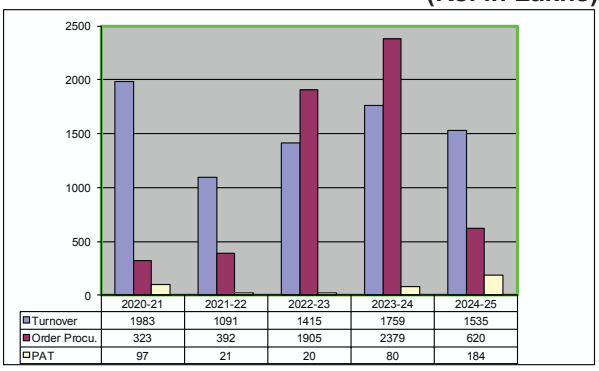
(Rs. in Lakhs)

Particulars	2024-25	2023-24
Gross Income from Operations	1535	1759
Cost of Sales	1337	1084
Gross Profit	199	481
Provision for Depreciation	14	13
Net Profit Before Tax	199	481
Provision for Tax	15	401
Net Profit After Tax	184	80
Balance available for appropriation	184	80
Proposed Dividend on Equity Shares	-	-
Transfer to Other Equity	-	-
Surplus carried to Balance Sheet	184	80

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

Performance of the Company during the year 2024-25 in terms of turnover at gross levels was Rs.1535 Lakhs as against Rs.1759 Lakhs achieved during the previous year, i.e., 2023-24. The Order procurement during the year 2024-25 was Rs. 620 Lakhs. With the Turnover of Rs. 1535 lakhs, your Company was able to generate the Profit After Tax (PAT) at Rs.184 Lakhs as against Rs. 80 Lakhs in the previous year, thereby continuing the trend of profits.

(Rs. in Lakhs)



	2020-21	2021-22	2022-23	2023-24	2024-25
Turnover	1983	1091	1415	1759	1535
Order Procu.	323	392	1905	2379	620
PAT	97	21	20	80	184

2.1 Segment-wise Achievements

2.1.1 Products

During the year 2024-25, the Company has submitted several quotations to the overseas customers for supply of various HMT and non-HMT Machines.

The Company worked towards identifying potential opportunities in new markets and aligning product offerings with customer requirements. The Company received Orders from Indian Maritime University – Chennai Campus and Kolkata Campus valued at Rs. 265 lakhs.

2.1.1.1 Marketing Efforts

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

- To pursue with the manufacturing units of HMT Machine Tools Limited (HMT MTL) to upgrade the niche products.
- To concentrate more on high value products such as large Vertical Turning Lathe, Floor Boring machine, 80/100 mm Radial Drilling machine, Oil country Lathes, etc.
- To develop a wider network of agents across multiple countries to strengthen the Company's presence in international markets.

In addition to the above, the Company participated in the Indian Machine Tool Exhibition (IMTEX 2025), held from January 23 to January 29, 2025, at the Bangalore International Exhibition Centre (BIEC) in Bengaluru. A dedicated stall was set up, which attracted substantial footfall from a wide range of organizations and industry sectors.

2.1.2 Projects & Services

2.1.2.1 Agreements signed with MEA:

HMT (International) Limited ("HMT(I)") has signed agreements with Ministry of External Affairs (MEA), GoI for implementation of following projects:

i. Three Years Maintenance Plan to Gandhi Mandela Centre of Specialisation (GMCOS),Pretoria, South Africa.

ii. Procurement and Supply of 500 ordinary and 100 embroidery sewing machines to the Govt. of Zambia.

2.1.2.2 Project Proposals submitted to MEA:

HMT(I) has submitted following project proposals towards Supply of various Machines and equipment, Setting up of Vocational Training Centers, Skill Development Centers, SME Development Centers, etc.:

i. Supply of laboratory (Physics and Chemistry) equipment for setting up the laboratories for Ph.D programme at Nay Pyi Taw State Academy, Nay Pyi Taw, Myanmar

ii. Setting up of Industrial Training Centre (ITC), Yangon, Myanmar

iii. Development of Small and Medium Enterprises(SMEs) in 14 Pacific Island Countries (i.e. Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Niue, Palau, Papua New Guinea, Nauru, Republic of Marshal Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu).

iv. Establishment of Technical Development Institute (TDI) in CARICOM countries.

Update on Projects under Implementation:

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

   i. Supplies, Erection & Commissioning of supplied machines, Training in India is completed.

   ii. Deputation of Indian experts to Myanmar for providing On-the-Job Training (OJT) is pending due to Regional Security Situation in Myanmar.

   iii. OJT will be planned on confirmation from Indian Mission in Myanmar.

2. Five Years Comprehensive Maintenance Plan to Indo-Myanmar Industrial Training Centre (IMITC), Myingyan, Myanmar:

   i. Maintenance completed till 4th year.

   ii. Maintenance for 5th year is in progress.

   iii. Training in India (Third Batch) has been successfully completed on 29th August 2024.

   iv. Deputation of maintenance experts is pending due to Regional Security Situation in Myanmar.

   v. Deputation of maintenance experts will be planned on confirmation from Indian Mission in Myanmar.

3. Three Years Maintenance Plan to Gandhi Mandela Centre of Specialisation (GMCOS), Pretoria:

i. Agreement signed between MEA and HMT (I) on 24th May 2024.

ii. HMT(I) has received advance and has initiated the Procurement and Training activities.

iii. HMT(I) has successfully completed Training in India of 10 South African Facilitators on Maintenance activities for total 18 Man months

from 3rd April 2025 to 02nd June 2025 pertaining to this project.

4. Procurement and Supply of 500 ordinary and 100 embroidery sewing machines to the Govt. of Zambia:

    i. HMT(I) has received an Letter of Award (LoA) dated 20th December 2024 from DPA-III division, MEA for implementation of the Project.

    ii. Procurement of 500 ordinary and 100 embroidery sewing machines is in progress.

2.1.2.3 Agreements signed other than MEA:

i. HMT(I) has successfully completed the supply, erection & commissioning of 20 lathe machines, valued at Rs.437 Lakhs, awarded by M/s Odisha Skill Development Authority (OSDA), Bhubaneswar. The training component of the contract is currently pending and is expected to be completed in due course.

ii. HMT(I) has successfully completed the supply of Milling and Grinding machines, valued at Rs.787 Lakhs, awarded by M/s Odisha Skill Development Authority (OSDA), Bhubaneswar. The erection & commissioning of Surface Grinders and training activities are currently pending and are expected to be completed in the forthcoming period.

iii. HMT(I) received an order from the Indian Maritime University – Kolkata Campus for setting up training equipment for the Controls and Fluid Mechanics Laboratories, valued at Rs.76 lakhs.

iv. HMT(I) received an order from the Indian Maritime University – Chennai Campus for setting up a Nautical Laboratory, valued at Rs.189 Lakhs.

2.1.2.4 Strategies

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

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

2.1.2.5 Marketing efforts

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

1. HMT(I) has initiated for becoming a Nodal Agency to MEA for implementing the turnkey projects such as Vocational Training / Skill Development centres under grant-in-aid projects.

    i. Hon'ble Minister (MHI) has sent a letter to MEA to nominate HMT(I) as nodal agency for implementing MEA projects.

    ii. In response, Hon'ble Minister (MEA) informed that a call on various modalities would be taken once the ongoing review of their offerings is completed.

    iii. Further, Economic Advisor, MHI requested Additional Secretary (DPA-II&IV), MEA to look into and apprise the MHI of the latest status /position of action on the recommendation of Hon'ble Minister (MHI).

    iv. In response, Additional Secretary (DPA-II&IV), MEA informed that they are reviewing current requirement of partner countries under DPA-II &IV division.

v. HMT(I) is in touch with various divisions of MEA for new MEA Grant-in-Aid projects. HMT(I) is for follow-up on project proposals already submitted and new business opportunities.

2. HMT(I) has renewed MoU with Ministry of MSME. As per the MoU, HMT(I) shall continue to avail the services of the network of Tool Rooms and raining Centers under Development Commissioner (MSME) in overseas projects in related areas. DC (MSME) through its network of Tool Rooms and Training Centres shall assist HMT(I) in various technical services.
3. Pursue with MEA for more share in the grant-in-aid projects.
4. Pursue Non-MEA Projects.
5. Tie-up with other Industrial Houses and Agencies to widen the basket for taking up of new projects and build on the expertise gained in the implementation of Vocational Training Center (VTC) projects.

2.3 Performance details

[Rs. in Lakhs]

Particulars	2024-25	2023-24
Sales Turnover		
HMT Products & Technical Services	1101	953
Agency & Others	304	169
Projects & Services	130	637
Total	**1535**	**1759**

3. Reserves

An amount of Rs. 184 lakhs has been carried to Balance Sheet.

4. Share Capital

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

5. Dividend

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

6. Deposits

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

7. Particulars of Employees

The total number of employees as on March 31, 2025 stood at 14 regular and 01 contractual (including 0 Scheduled Caste and 1 Scheduled Tribe).

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

8. Board Meetings

During the financial year 2024-25, four Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

9. 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 the composition of the Board of Directors / Key Managerial Personnel:

Ministry of Heavy Industries vide Order dated 26th March, 2024 has entrusted the additional charge of the post of Chairman & Managing Director of HMT (International) Limited to Shri. Rajesh Kohli, Executive Director, Bharat Heavy Electricals Limited (BHEL), in place of Shri. Krishnaswami Ravishankar,

Executive Director, Bharat Heavy Electricals Limited, with immediate effect and from the date of his assumption of charge of the post, 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). Subsequent to the obtaining of Director Identification Number (DIN) & assumption of charge, inducted on the Board of Directors of the Company w.e.f. 5th April, 2024.

Ministry of Heavy Industries vide Order dated 23rd July 2024 has informed the appointment of Dr. Renuka Mishra, Economic Adviser, Ministry of Heavy Industries and Shri. Vimal Anand, Joint Secretary, Department of Commerce as Government Nominee Directors on the Board of HMT (International) Limited, Bengaluru with immediate effect, until further orders in place of Ms. Mukta Shekhar, Ex Joint Secretary, Ministry of Heavy Industries and Shri. Vipul Bansal, ex-Joint Secretary, Department of Commerce respectively.

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

Subsequent to the financial year, Ministry of Heavy Industries vide 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 (International) 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 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 (International) 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), inducted on the Board of Directors of the Company w.e.f. 17th July, 2025.

Shri. Prem Chandra Maurya, Joint Secretary (DIN: 11198433) has been proposed for appointment as Director in terms of the Article of Association of the Company read with Section 160 of the Companies Act, 2013 in the ensuing Annual General Meeting.

Shri. Rajesh Kohli, Chairman and Managing Director (Addl. Charge) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his reappointment.

Shri. Rajesh Kohli, Chairman and Managing Director (Addl. Charge) is the Key Managerial Personnel as defined under Section 2 (51) of the Companies Act, 2013 as on 31.03.2025.

10. Auditors

M/s. Nagaraj & Ajith, Chartered Accountants, Bengaluru were appointed by the C&AG as Statutory Auditors of the Company for the financial year 2024-25.

11. Auditors' Report

The Statutory Auditors have submitted the Independent Auditor's Report for the financial year 2024-25. Comments by the Comptroller & Auditor General of India on the accounts for the financial year is enclosed.

12. Internal Audit & Controls

The Company has engaged M/s. Nagachandra & Associates., Chartered Accountants, as Internal Auditors for the Company for the Financial Year 2024-25. During the financial year, the Company continued to implement their suggestions and recommendations for improvement of systems.

13. Implementation of Official Language

The Company continued to pursue its efforts in the implementation of the Official Language Policy of the Government.

14. Conservation of energy and technology absorption is NIL

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

15. Foreign Exchange Earnings and outgo

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

(Rs. in Lakhs)

S.No.	Particulars	2024-25	2023-24
1.	Foreign Exchange earned		
	FOB value of Exports	54	909
	Technical Services		-
	TOTAL	**54**	**909**
2.	Outgo of Foreign Exchange		
	Expenditure in Foreign Exchange on professional, consultancy fees, travelling and other matters	**6**	**37**

16. Human Resources

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

17. Vigilance Activities

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

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

During the financial year, 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.

a) number of complaints of sexual harassment received in the year - NIL

b) number of complaints disposed off during the year - NIL

c) number of cases pending for more than ninety days – NIL

19. Enterprise Risk Management

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

20. Whistle Blower Policy

The Company has in place a Vigil Mechanism / Whistle Blower policy for Directors and employees to report genuine concerns.

21. Fraud Reporting

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

22. 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 statement of profit and loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and are adequate and were operating effectively;
- that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively;

23. Extract of Annual Return

In accordance with the Companies Act, 2013, the Annual Return in the prescribed format has been hosted on website of the Company at https://www.hmti.com

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

As per Section 149(7) of the Companies Act, 2013, the company has received a declaration from Ms. Anju Makhija, Independent Director of the Company during the financial year.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Accordingly, all the Independent Directors of the Company have registered themselves with IICA for the said purpose. Ms. Anju Makhija, Independent Director of the Company completed online proficiency self-assessment on 18.07.2024.

25. Evaluation of the Performance of Board

Being a Government Company, HMT is exempted in terms of the Ministry of Corporate Affairs (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).

26. Events Subsequent to the Date of Financial Statements

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

27. Related Party Transactions

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

All related party transactions entered during the year were in ordinary course of the business and at Arm's length basis. No material related party transactions, i.e., transactions exceeding 10% of the consolidated turnover as per the last audited

financial statement, were entered during the year by your company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the companies Act, 2013, in Form AOC-2 is not applicable.

28. Particulars of Loans, Guarantees and Investments

The company is a debt free company. Details of Guarantees and Investments covered under Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

29. Subsidiary, Associates /Joint Venture Companies

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

30. Management Discussion and Analysis

A Report on Management Discussion and Analysis is appended as annexure to this Report as **Annexure-1.**

31. Corporate Governance

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

32. Indian Accounting Standards

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

33. Secretarial Audit Report

In terms of Section 204 of the Companies Act 2013 and rules made thereunder, the Company has appointed M/s. G. Haritha & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the year 2024-25. The report of the Secretarial Auditor is appended as an **Annexure-4** to this report. The reply to observations of Secretarial Auditor is attached as addendum to Director's report as **Annexure-5**.

34. Code of Conduct

A declaration by the Chairman & Managing Director for having obtained affirmation of compliance of the Code of Conduct by the Board Member (s) and Senior Management for the year ended March 31, 2025 is appended to this report as **Annexure-6**.

35. 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.

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

There are no applications made or any proceeding pending against theCompany under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2024-25.

37. Internal Financial Controls

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

38. Corporate Social Responsibility

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

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

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

40. Provisions relating to the Maternity Benefit Act 1961

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

41. Others

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

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

42. Acknowledgements

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

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

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 09.09.2025

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

Annexure-1

MANAGEMENT DISCUSSION & ANALYSIS

A. EXPORT SECTOR

India's export sector remains a crucial component of its economy, contributing significantly to GDP, employment, and foreign exchange reserves. With a diverse range of products and services, India is a major player in global trade. To strengthen this sector and enhance its competitiveness, India has developed and implemented a number of strategies.

In recent years, India's export sector has faced challenges such as global economic uncertainties, trade tensions, and the lingering impact of geopolitical events. However, there has been a notable recovery and continued growth in export, driven by resilience in key sectors and sustained government support.

The government encourages exporters to explore non-traditional markets and products, including high-tech and value-added goods, to reduce dependency on a few markets and enhance export resilience.

As the global trade landscape evolves, continued focus on innovation, market diversification, and sustainability will be crucial for sustaining and expanding India's export sector in the future.

India's total exports have touched an all-time high of US$824.9 billion in the financial year 2024–25. In 2024–25, merchandise exports excluding petroleum products rose to a record US$374.1 billion, registering a 6.0% increase from US$352.9 billion in 2023–24 - the highest ever annual non-petroleum merchandise exports.

India's engineering sector plays a crucial role in the country's economy, contributing significantly to its exports. The sector includes a wide range of products, from machinery and equipment to automobiles, electrical machinery, and components. The engineering sector remains one of the largest contributors to India's overall exports, typically accounting for about 24%.

The major markets where HMT (International) Limited ["HMT(I)"] caters its Indian engineering products continue to be the Middle East and West Asia, Africa, and Latin American nations. The Company's major thrust areas are the implementation of projects overseas on a turnkey basis, such as Technical Training Centers, Vocational Training Centers and the export of related products. All projects continue to be implemented on a turnkey basis without cost and time overrun, involving the supply of machines and equipment, installation & commissioning, training in India in reputed established institutions, and on-the-job training at project sites by HMT(I) experts, in addition to technical assistance in management.

HMT(I) has the requisite experience and capabilities to supply and set up turnkey projects in the following areas, which are offered to developing and underdeveloped countries under MEA-assisted programmes:

1. Vocational Training Centres
2. Entrepreneur and Technical Development Centres (ETDCs)
3. Smart Workshops/Smart Classrooms
4. Tool Rooms for Engineering Manufacturing Establishments
5. Small and Medium Enterprises Development Centres
6. Common Facility Centres (CFCs)
7. Workshops/ Laboratories for Engineering/ Educational Institutions
8. Dairy Processing Units
9. Food/Fruit Processing, Cashew Processing, Honey Processing, etc.
10. Apparel Manufacturing
11. Foundry Workshops
12. IT Projects
13. Supply of Emergency Vehicles, E-Rickshaws, Bullet Proof Vehicles, Buses, etc.

B. SWOT ANALYSIS

STRENGTHS

1. Backed by HMT's strong technological base and resources, the Company is recognized as a reliable source for Machine Tools and other equipment.
2. Wide experience in exports spanning over five decades.
3. Exports to over 75 countries.
4. Products are based on technical know-how acquired over the years.
5. Consistent after-sales service and spares supply.
6. Proven experience in a spectrum of engineering fields, covering manufacturing, maintenance, and execution of turnkey projects in the international market. The Company offers a comprehensive package of consultancy, technical, and engineering services from concept to commissioning on a turnkey basis.
7. Access to technical and skilled manpower from the Group Companies of HMT.
8. Successfully executed projects in areas that are not entirely within HMT's traditional domain e.g., Fruit Processing, Dairy, Cashew nut processing, supply of vehicles etc.
9. Core competence in the execution of Training and Tool Room Projects.
10. Technically qualified & experienced team for project execution.

WEAKNESSES

1. Continued challenge of competitive edge vis-à-vis low-cost countries.
2. More extensive response time for inquiries & tenders due to complex internal purchase procedures.

OPPORTUNITIES

1. Vast and growing opportunities in Africa, South America, and parts of Asia (e.g., Sri Lanka, Nepal, Bangladesh, South Africa, Senegal, Belize, Myanmar) for medium technology and medium-priced goods, serving as a viable alternative to high-technology Western goods.
2. Persistent stress on industrialization in developing countries continues to open up markets for the export of Machinery, engineering products, and technical services.

THREATS

1. Marginal fixed gains for the company and uncertainty in logistics continue to pose a threat to the export business.
2. Aggressive marketing and pricing strategies from Chinese and East European manufacturers remain a significant threat to the company's exports.
3. Increased reliance on global competitive bidding projects, potentially reducing direct nominations.

D. SEGMENT WISE / PRODUCT WISE PERFORMANCE

Product wise Performance: The product-wise sales for the year 2024-25 of the Company is as under –

Sector	Rs. in Lakh
Machine tools	1405
Projects & Services	130
Total	**1535**

E. Outlook

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

F. RISKS AND CONCERNS

1. The sustained steep competition in the international market continues to adversely affect the market for Machine Tools, which remain extremely price-sensitive, further eroding the Company's already slender margins.
2. Potential delays in deliveries and the challenge of non-competitive prices for machine tools in a global market.
3. Elaborate and potentially lengthy purchase procedures continue to delay the processing of project procurements.
4. The increasing trend of tendering by MEA instead of direct nomination for awarding projects intensifies competition and requires enhanced bidding capabilities.

G. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

1. Clear delegation of power with authority limits for incurring capital and revenue expenditure.
2. Well-laid down policies for accounting, reporting, and Corporate Governance. The Company is actively complying with Government Guidelines on Corporate Governance framed by the Department of Public Enterprises for CPSEs.
3. Safeguarding assets against unauthorized use or disposition and ensuring that transactions are authorized and recorded accurately.
4. Established processes for formulating and reviewing annual/aggregate and long-term/ strategic business plans have been consistently followed.
5. A detailed annual budget with monthly break-up of targets under various Heads.
6. Ongoing commitment to compliance with all applicable Laws and Regulations.
7. The Company's Ten-Year Road Map provides a strategic framework for future operations.

H. FINANCIAL PERFORMANCE

Performance of the Company during the year 2024-25 in terms of turnover at gross levels was Rs.1535 Lakhs as against Rs.1759 Lakhs achieved during the previous year, i.e., 2023-24. With the Turnover of Rs. 1535 Lakhs, Company was able to generate the Profit After Tax (PAT) at Rs.184 Lakhs as against Rs. 80 Lakhs in the previous year, thereby continuing the trend of profits.

I. Human Resources

As on March 31, 2025, the Company has a lean manpower strength of 14 regular and 01 contractual personnel. The Company aims at continuous upgradation of employees skills to ensure that employees at all levels are fully equipped to deliver a wide variety of services to the growing customers base of your Company. The Company has undertaken a number of initiatives to upgrade capabilities of its employees.

J. CORPORATE SOCIAL RESPONSIBILITY

The provisions relating to corporate social responsibility are not applicable to the company.

For and on behalf of the Board of Directors

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

Place: Bengaluru
Date: 09.09.2025

Annexure-2

CORPORATE GOVERNANCE

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

Board of Directors

As on March 31, 2025, the Board of Directors comprised of Chairman & Managing Director (Addl. Charge), Two part-time Official Directors (Government Nominee Director) and One part-time Non-Official (Independent) Director.

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

During the year 2024-25, Four (4) Board Meetings were held on July 19, 2024, September 04, 2024, December 11, 2024, and March 26, 2025.

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

Name	Category	Attendance particulars		No. of other Directorships and Committee Member /Chairmanship held		
		Board Meetings	Annual General Meeting	Directorship	Committee	
					Membership	Chairmanship
Shri. Rajesh Kohli (DIN: 10333951)	C	4	Yes	4	4	1
Shri. Krishnaswami Ravishankar (DIN: 10540509)	C	-	N/A	3	6	1
Shri. Vimal Anand (DIN: 10692946)	NENI	2	No	-	-	-
Dr. Renuka Mishra (DIN: 08635835)	NENI	3	Yes	9	3	1
Ms. Mukta Shekhar (DIN: 10118859)	NENI	0	N/A	8	1	4
Shri. Vipul Bansal (DIN: 02687229)	NENI	0	N/A	-	-	-
Ms. Anju Makhija (DIN: 02414138)	NEI	4	Yes	-	-	-

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

BRIEF RESUME OF DIRECTORS PROPOSED FOR APPOINTMENT AND RE-APPOINTMENT

Shri. Prem Chandra Maurya has been appointed as Government Nominee Director on the Board of HMT (International) Limited w.e.f. 17.07.2025. 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 holding directorship in Rajasthan Electronics and Instruments Limited, Cement Corporation of India Limited, Bridge & Roof Company (India) Limited, HMT Limited, HMT Machine Tools Limited and HMT Watches Limited. He is a Chairperson of Audit Committee in Cement Corporation of India Limited, Member of Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee in HMT Limited.

Shri. Rajesh Kohli has been entrusted with the additional charge of the post of Chairman & Managing Director, HMT (International) Limited w.e.f. 05.04.2024.

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.

Shri. Rajesh Kohli is holding the additional charge of posts of Chairman & Managing Director in HMT Limited, Holding Company and HMT Machine Tools Limited, HMT Watches Limited, another Subsidiary Companies of HMT Limited, and holding a Directorship in Raichur Power Corporation Ltd. He is a Chairperson of Corporate Social Responsibility Committee, Member of Stakeholders Relationship Committee, in HMT Limited and Member of Audit Committee and Nomination & Remuneration Committee in HMT Machine Tools Limited.

FAMILIARISATION & TRAINING PROGRAMMES FOR DIRECTORS

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

No. of Familiarisation & Training Programmes attended by Independent Directors during FY2024-25 is NIL.

However, Ms. Anju Makhija, Independent Director attended CPSEs Financial Performance Review Meeting of operating CPSEs under MHI for the FY 2023-24 at New Delhi on 30th August 2024 organized by Ministry of Heavy Industries.

Committees of the Board

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

Remuneration of Directors

Since no Whole Time Director was there during the financial year 2024-25, the details of remuneration of Whole Time Director were Nil.

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

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

Details of sitting fees paid to the Independent Directors during the year 2024-25 are given below.

	(Amount in Rs)
Name	Sitting Fees paid for Board Meetings
Ms. Anju Makhija	20,000/-

General Body Meetings

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

Financial year	Date	Time	Venue
2021-2022	20.09.2022	04.30 p.m.	Registered Office of the Company
2022-2023	29.09.2023	09.20 a.m.	
2023-2024	04.09.2024	03.12 p.m.	

Special Resolution, if any

There were no special resolutions passed in the previous three Annual General Meeting.

The Annual General Meeting for the current year is scheduled on or before September 30, 2025 at the Registered Office of the Company.

Whistle Blower Policy

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

We affirm that no personnel are denied to access the Audit Committee of HMT Limited.

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

Disclosures

There were no transactions of material nature with its Promoters, the Directors or the Management or

their relatives which may have the potential conflict with the interest of the Company at large.

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

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

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

The other expenses (including administrative and other miscellaneous expenses) as a percentage of total expenses are 7%.

Means of Communication

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

For and on behalf of the Board of Directors

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

Place: Bengaluru
Date: 09.09.2025

Annexure - 3

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of HMT (International) Limited

We have examined the compliance of conditions of Corporate Governance by HMT (International) Limited, ("the Company"), for the year ended on 31st March 2025, as stipulated in Guidelines on Corporate Governance for Public Sector Enterprises.

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

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

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

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

For Nagaraj & Ajith,
(Chartered Accountants)
(FRN 010986S)

CA Nagaraj Achar
Partner
(M No. 214035)
UIDN: 25214035BMKNUP7013

Place: Bangalore
Date : 15-05-2025

Annexure - 4

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 : 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 : F005521G001018071

Place: Bengaluru
Date: 14th August, 2025

Annexure - 5

ADDENDUM TO SECRETARIAL AUDIT REPORT FOR THE YEAR 2024-25 IN RESPECT OF OBSERVATIONS MADE BY SECRETARIAL AUDITOR ON THE SECRETARIAL AUDIT OF HMT (INTERNATIONAL) LIMITED FOR THE YEAR ENDED 31ST MARCH 2025

Ref.	SECRETARIAL AUDITORS' OBSERVATIONS	COMPANY'S REPLY
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

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

Place: Bengaluru
Date: 09.09.2025

Annexure-6

DECLARATION BY THE MANAGING DIRECTOR

Sub: Code of Conduct- Declaration under Clause 3.4.2

This is to certify that:

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

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

All Board Members, and the Senior Management Personnel have affirmed compliance of the said Code of Conduct, for the year ended March 31, 2025

For and on behalf of the Board of Directors

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

Place: Bengaluru
Date: 09.09.2025

INDEPENDENT AUDITOR'S REPORT

To The Members of

HMT (INTERNATIONAL) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of HMT (International) Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of the Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report agree with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) In our opinion, based on the Notification No. GSR 829(E) dated 21-10-2003 issued by the Department of Company Affairs, Government of India, the requirements under sub-section (2) of section 164 of the Companies Act, 2013 do not apply to the Company, being a Government Company.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report

in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act**.** (As informed by the management no remuneration is paid to Directors during the year)

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

(a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

(b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(d) Management has represented that

a. To the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

b. To the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person (s) or entity (ies) including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries; and

c. Based on the audit procedure we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause i) and ii) contain any material misstatement.

(e) The company has not declared or paid any dividend during the year in compliance with section 123 of the Companies Act, 2013.

(f) The company has used such accounting software for maintaining its books of account which as a feature of recording audit trail (edit log) facility and the same has been operated through the year for all transaction recorded in the software and the audit trial feature has not been tampered with and the audit trial has been preserved by the company as per statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Nagaraj & Ajith,
Chartered Accountants
FRN – 010986S

CA Nagaraj Achar
Partner
M No – 214035
UIDN: 25214035BMKNUP7013

Place: Bengaluru
Date: 15-05-2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its joint operations companies incorporated in India (retain as applicable) based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Nagaraj & Ajith,
Chartered Accountants
FRN – 010986S

CA Nagaraj Achar
Partner
M No – 214035
UIDN: 25214035BMKNUP7013

Place: Bengaluru
Date: 15-05-2025

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

   b. These property, plant and equipment have been physically verified by the management at reasonable intervals as per the assets's verification program having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   c. The title deeds, comprising all the immovable properties are held in the name of the Company as at the balance sheet date.

   d. The Company has not revalued its property, plant and equipment during the financial year and hence reporting under clause 3 (1) (iv) of the Order is not applicable to the Company.

   e. There are no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence reporting under clause 3 (1) (v) of the Order is not applicable to the Company.

2. a. Physical verification of inventory has been conducted at reasonable interval by the management. No material discrepancies have been noticed on such verification.

   b. The Company has not availed any working capital loan facility from banks or financial institutions and hence reporting under clause 3 (2) (ii) of the Order is not applicable to the Company.

3. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.

4. According to information and explanations given to us, the Company has not granted any loans, made any investments, extended any guarantees and provided any security to or on behalf of the parties referred in section 185 and 186 of the Companies Act, 2013.

5. The Company has not accepted any deposits from the public.

6. According to the information and explanation given to us, for the activities carried out by the Company, the Central Government has not prescribed the maintenance of cost records, under Section 148 (1) of the Act.

7. According to information and explanations given to us in respect of statutory dues:

   a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

   b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and

Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us and based on the examination of the records of the Company, there are no dues in respect of income tax or goods and service tax or sales tax or service tax or duty of customs or duty of excise or value added tax, which have not been deposited with the appropriate authorities on account of any dispute.

8. During the year the Company has not accounted, any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), and hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government.

10. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

11. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

14. The Company have an internal audit system commensurate with the size and nature of its business. Further, we have considered the reports of the internal auditors for the period under audit.

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors and persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

17. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the year and also in the immediately preceding financial year.

18. There is no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xiii) of the Order is not applicable.

19. According to the information and explanations given to us and based on our examination of the records of the Company, financial ratios, ageing and expected dates of realization of financial Assets and paymentof financial liabilities, other information accompanying the financial statements, there are no material uncertainty

exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20. According to the information and explanations given to us and based on our examination of the records of the Company, Section 135 (5) of the Companies Act, is not applicable to the Company. Accordingly, paragraph 3 (xx) of the Order is not applicable.

21. There are no qualifications or adverse remarks by us in the Companies (Auditor's Report) Order (CARO) reports of the Company. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

For Nagaraj & Ajith,
Chartered Accountants
FRN – 010986S

CA Nagaraj Achar
Partner
M No – 214035
UIDN: 25214035BMKNUP7013

Place: Bengaluru
Date: 15-05-2025

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HMT INTERNATIONAL , BENGALURU FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of HMT International Limited, Bengaluru 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 Section 139 (5) of Act are responsible for expressing opinion on the financial statement under section 143 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 Audit Report dated 15 May 2025 .

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of HMT International Limited for the year ended 31 March 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 limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's 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 : 16 July 2025

Significant Accounting Policies for the year ended March 31, 2025.

1. Significant Accounting Policies:

i) Basis of preparation:

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

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

ii) Summary of Significant Accounting Policies:

a) Use of estimates:

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

b) Property, Plant & Equipment

Property, Plant and Equipment ("PPE") are stated at cost of acquisition or construction, net of vatable taxes, less accumulated depreciation to date. Cost includes direct costs and financing costs related to borrowing attributable to acquisition that are capitalized until the assets are ready for use.

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

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

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

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

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

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

The carrying amount of an item of PPE is derecognised:

(a) on disposal; or

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

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

Special Tools:

Expenditure on manufactured and bought out special tools held for use in the production or supply of the goods or services and whose use is greater than

one period is considered as an item of PPE and is depreciated over its useful life of 5 years.

c) Leases

The Company as a lessor

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

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

Operating Leases as a Lessor

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

b) Operating lease payments in case of intermediate lease are recognized as an expense in the Profit and Loss Account on a straight line basis over the term of the relevant lease.

The Company as a lessee

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

a) Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

b) Leases are classified as operating lease when there is no right of use of an asset and payments on such lease are recognised as expenses in Profit & Loss Account on a straight line basis over the term of relevant lease.

c) The Company, as a lessee, recognizes a right-of-use asset [ROU] and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset except leases with a term of 12 months or less and low value leases, the company recognises the lease payments as an operating expenses on a straight line basis over the term of the lease.

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

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

The Company measures the lease liability at the present value of the

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

d) Borrowing Cost:

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

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

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

e) Investment Property:

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

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

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

f) Intangible Assets:

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

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

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

iv) *Research and Development Expenditure:*

Research Phase:

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

Development Phase:

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

g) Depreciation and Amortisation:

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

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

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

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

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

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

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

i) Government Grants:

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

j) Inventories:

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

Cost of work in progress, finished goods and goods-in-transit comprises direct materials, direct labour and an appropriate portion of variable and fixed

overhead being allocated on the basis of normal operating capacity.

Provisions 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.

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 Gratuity is fully covered for all eligible employees .

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

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

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

In respect of employees who are separated other than under Voluntary Retirement Scheme, the Gratuity , Earned Leave Encashment (ELE), SA is debited to the respective provision accounts. The provision at the year end for Gratuity, ELE and SA is restated as per the actuarial valuation done at the year-end

Gratuity, ELE, SA and lumpsum compensation paid to employees under Voluntary Retirement Scheme (“VRS”)

shall be fully written off in the year of incidence.

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

n) Income taxes:

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

i) Current taxes:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

ii) *Deferred Taxes:*

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

o) Provisions:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized in the statement of Profit and loss.

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

p) Impairment:

i) Financial assets:

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

has increased significantly since initial recognition

ii) *Non-financial assets:*

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

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

q) Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i) Cash & cash equivalents:

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

ii) Financial assets at amortised cost:

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

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

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the

contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company presents the subsequent changes in fair value in Other Comprehensive Income.

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

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

v) Financial Liabilities:

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

vi) De-recognition of financial instruments:

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

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

vii) Fair value of financial instruments:

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

Fair value hierarchy:

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the

fair value measurement as a whole) at the end of each reporting period.

v) Significant accounting judgements, estimations and assumptions:

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

i) Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements

a Operating lease– Company as lessor:

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

b Discontinued Operations:

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

c Property, plant & equipment:

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

ii) Estimates and assumptions:

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

a Deferred Taxes

Deferred Tax Assets must be recognised to the extent that it is probable that future profits will be

available against which the deductible temporary difference can be utilised. The company does not recognise Deferred Tax Asset since the company has unused tax losses and there is no convincing evidence about future taxable profit.

b *Defined Benefit Obligations:*

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

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

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

c *Other Long-Term Employee Benefits:*

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

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

d *Fair value measurement of financial instruments:*

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

Balance Sheet as at 31st March 2025

(Rs. In Lakhs)

		Particulars	Note No	As at 31.03.2025	As at 31.03.2024
		ASSETS			
A		**Non-current assets**			
	(a)	Property, Plant and Equipment	**3**	**402.21**	415.83
	(b)	Other non-current assets	**4**	**92.45**	66.77
		Financial assets			
		Other financial assets	**9**	**-**	-
				494.66	482.59
B		**Current assets**			
	(a)	Inventories	**5**	**31.82**	18.58
	(b)	Financial assets			
	(i)	Trade receivables	**6**	**1,594.94**	841.08
	(ii)	Cash and Bank Balances	**7**	**3,351.93**	4,007.51
	(iii)	Loans	**8**	**-**	-
	(iv)	Other Financial Assets	**9**	**73.57**	63.20
	(c)	Other current assets	**10**	**498.11**	449.49
				5,550.37	5,379.85
C		**TOTAL ASSETS (A + B)**		**6,045.03**	**5,862.44**
		EQUITY AND LIABILITIES			
A		**Equity**			
	(a)	Equity share capital	**11**	**72.00**	72.00
	(b)	Other equity	**12**	**3,934.23**	3,709.49
		Total equity		**4,006.23**	**3,781.49**
B		**Liabilities**			
		Non-current liabilities			
	(a)	Provisions			
	(i)	Provision for Employee benefits	**13**	**113.66**	112.39

Balance Sheet as at 31st March 2025

(Rs. In Lakhs)

	Particulars	Note No	As at 31.03.2025	As at 31.03.2024
(b)	Deferred tax liabilities (net)		**35.78**	48.10
	Total Non-Current Liabilities		**149.44**	160.49
	Current liabilities			
(a)	Financial liabilities			
(i)	Trade payables	**14**	**743.33**	316.00
	Other Current Liabilities	**15**	**1,097.91**	1,413.25
(b)	Provisions			
(i)	Provision for Employee benefits	**13**	**5.08**	52.47
(c)	Current Tax Liabilities (net)	**15**	**43.05**	138.75
	Total Current Liabilities		**1889.37**	1,920.45
	Total liabilities		**2038.80**	**2,080.95**
C	**TOTAL EQUITY AND LABILITIES (A + B)**		**6,045.03**	**5,862.44**
	Notes forming part of Financial Statements	**1**		
	Significant Accounting Policies	**2**		

For and on behalf of the Board

As per our report of even date
For Nagaraj & Ajith.,
(Chartered Accountants)
Firm Registration No : 010986S

Rajesh Kohli
Chairman & Managing Director
(Addl. Charge)
DIN No: 10333951

Dr. Renuka Mishra
Govt. Nominee Director
DIN No: 08635835

CA Nagaraj Achar
Partner
Membership No : 214035

G. Durgadevi
Manager (Finance)

Place : Bengaluru
Date : 15-05-2025

Statement of Profit and Loss for the Year ended 31.03.2025

(Rs. In Lakhs)

		Note No.	31/03/2025 INR Lakhs	31/03/2024 INR Lakhs
	CONTINUING OPERATIONS			
(a)	Revenue from operations	16	**1,535.18**	1,758.62
(b)	Other income	17	**336.38**	211.24
	Total Income		**1,871.56**	1,969.86
	EXPENSES			
(a)	Cost of Goods Traded, Service and Works	18.a	**1,350.26**	717.41
(b)	(Increase)/decrease in inventories of finished goods and stock in trade	18.b	**-13.25**	366.75
(c)	Employees' benefits expense	19	**204.25**	251.55
(d)	Depreciation and amortization expense	20	**13.81**	13.08
(e)	Finance Cost	21	**-**	-
(f)	Other expenses	22	**117.42**	139.85
	Total expense		**1,672.50**	1,488.65
	Profit/(loss) before exceptional items and tax from continuing operations		**199.06**	481.21
	Share of (profit)/loss of an associate and a joint venture		**-**	-
	Profit/(loss)before exceptional items and tax from continuing operations		**199.06**	481.21
	Exceptional items		**-**	-
	Profit/(loss)before tax from continuing operations		**199.06**	481.21
	(1) Current tax		**43.05**	138.75
	(2) Adjustment of tax relating to earlier periods		**-15.76**	261.40
	(3) Deferred tax		**-12.33**	1.14
	Income tax expense		**14.96**	401.29
	Profit for the year from continuing operations		**184.10**	79.92
	DISCONTINUED OPERATIONS			
	Profit/(loss) before tax for the year from discontinued operations		**-**	-
	Tax Income/ (expense) of discontinued operations		**-**	-
	Profit/(loss) from discontinued operations		**-**	-
	Profit/(loss) for the year		**184.10**	79.92
	OTHER COMPREHENSIVE INCOME			
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
	Re-measurement of the net defined benefit liability/asset		**-**	-
	Equity instruments through other comprehensive income		**-**	-
	Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**-**	-
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	Re-measurement gains/(losses) on defined benefit plans	22	**40.64**	-1.70
	Income Tax effect		**-**	-
	Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**40.64**	-1.70
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**224.74**	78.22

Statement of Profit and Loss for the Year ended 31.03.2025

(Rs. In Lakhs)

	Note No.	31/03/2025 INR Lakhs	31/03/2024 INR Lakhs
Profit/(loss) for the year			
Attributable to:			
Equity holders of the parent		**184.10**	79.92
Total comprehensive income for the year			
Attributable to:			
Equity holders of the parent		**40.64**	-1.70
Earnings per share for continuing operations			
Basic, profit from continuing operations attributable to equity holders of the parent		**25.57**	11.10
Diluted, profit from continuing operations attributable to equity holders of the parent		**25.57**	11.10
Earnings per share for discontinued operations			
Basic, profit from discontinued operations attributable to equity holders of the parent		**-**	-
Diluted, profit from discontinued operations attributable to equity holders of the parent		**-**	-
Earnings per share from continuing and discontinued operations			
Basic, profit for the year attributable to equity holders of the parent		**25.57**	11.10
Diluted, profit for the year attributable to equity holders of the parent		**25.57**	11.10
Notes forming part of Financial Statements	1		

For and on behalf of the Board

As per our report of even date
For Nagaraj & Ajith.,
(Chartered Accountants)
Firm Registration No : 010986S

Rajesh Kohli
Chairman & Managing Director
(Addl. Charge)
DIN No: 10333951

Dr. Renuka Mishra
Govt. Nominee Director
DIN No: 08635835

CA Nagaraj Achar
Partner
Membership No : 214035

G. Durgadevi
Manager (Finance)

Place : Bengaluru
Date : 15-05-2025

Statement of Cash Flows for the Year ended 31st March 2025

(Rs. In Lakhs)

	31.03.2025 INR Lakhs	31.03.2024 INR Lakhs
Operating activities		
Profit before tax from continuing operations	**199.06**	481.21
Profit/(loss) before tax from discontinued operations	**-**	-
Profit before tax	**199.06**	481.21
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	**13.81**	13.08
Profit on sale of assets		
Finance Income (Interest)	**218.58**	169.16
Working capital adjustments:		
(Increase)/Decrease in Trade Receivables and other receivables	**-812.85**	601.84
(Increase)/Decrease in Inventories	**-13.25**	366.75
Increase/(Decrease) in Trade and other payables	**111.99**	-232.52
Increase/(Decrease) in Net Employee Defined Benefit Liabilities	**-5.48**	-2.17
	-288.14	1,397.34
Income tax paid	**-122.99**	-267.90
Net cash flows from operating activities	**-411.13**	**1,129.44**
Investing activities		
Purchase of property, plant and equipment	**-0.22**	-2.23
Other Current Assets	**-25.68**	-30.00
Interest received	**-218.58**	-169.16
Net cash flows used in investing activities	**-244.48**	-201.39
Financing activities		
Dividend paid	**-**	-
Intrest paid	**-**	-
Net cash flows from/(used in) financing activities	**-**	-
Net increase in cash and cash equivalents	**-655.58**	928.06
Cash and cash equivalents at the beginning of the year	**4,007.51**	3,079.45
Cash and cash equivalents at year end	**3,351.93**	**4,007.51**

For and on behalf of the Board

As per our report of even date
For Nagaraj & Ajith.,
(Chartered Accountants)
Firm Registration No : 010986S

Rajesh Kohli
Chairman & Managing Director
(Addl. Charge)
DIN No: 10333951

Dr. Renuka Mishra
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DIN No: 08635835

CA Nagaraj Achar
Partner
Membership No : 214035

G. Durgadevi
Manager (Finance)

Place : Bengaluru
Date : 15-05-2025

Notes forming part of Financial Statements

3. Property, Plant and Equipment

	Building	Interior Decoration	Factory Equipments	Furniture, Fixtures, Computers including Software Office Equipments and Measuring Instruments	Vehicles	Total
Cost or Valuation	**INR Lakhs**	**INR Lakhs**	**INR Lakhs**	**INR Lakhs**	**INR Lakhs**	**INR Lakhs**
At 1 April 2022	**676.75**	**41.61**	**0.61**	**101.78**	**15.67**	**836.42**
Additions	-	-	-	**4.43**	-	**4.43**
Disposals	-	-	-	-	-	-
Gross Block at 31st March 2023	**676.75**	**41.61**	**0.61**	**106.21**	**15.67**	**840.85**
Gross Block at 1 April 2023	**676.75**	**41.61**	**0.61**	**106.21**	**15.67**	**840.85**
Additions	-	-	-	2.23	-	2.23
Disposals	-	-	-	-	-	-
Gross Block at 31st March 2024	**676.75**	**41.61**	**0.61**	**108.44**	**15.67**	**843.08**
Gross Block at 1 April 2024	**676.75**	**41.61**	**0.61**	**108.44**	**15.67**	**843.08**
Additions	-	-	-	**0.22**	-	**0.22**
Disposals	-	-	-	-	-	-
Gross Block at 31st March 2025	**676.75**	**41.61**	**0.61**	**108.66**	**15.67**	**843.30**
Depreciation and impairment						
At 1 April 2022	**242.97**	**41.61**	**0.61**	**100.30**	**15.67**	**401.17**
Depreciation charge for the year	**11.28**	-	-	**1.75**	-	**13.03**
Disposals	-	-	-	-	-	-
Depreciation Reserve at 31st March 2023	**254.25**	**41.61**	**0.61**	**102.05**	**15.67**	**414.20**
Depreciation charge for the Year	**11.27**	**0.00**	**0.00**	**1.80**	**0.00**	**13.07**
Disposals	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Depreciation Reserve at 31st March 2024	**265.52**	**41.61**	**0.61**	**103.85**	**15.67**	**427.27**
At 1 April 2024	**265.52**	**41.61**	**0.61**	**103.85**	**15.67**	**427.27**
Depreciation charge for the Year	**11.28**	**0.00**	**0.00**	**2.53**	**0.00**	**13.81**
Disposals	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Depreciation Reserve at 31st March 2025	**276.80**	**41.61**	**0.61**	**106.38**	**15.67**	**441.09**
Net Book Value						
At 31st March 2025	**399.95**	**0.00**	**0.00**	**2.28**	**0.00**	**402.21**
At 31st March 2024	411.23	0.00	0.00	4.59	0.00	415.83

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Notes forming part of Financial Statements

	31.03.2025	31.03.2024
	INR Lakhs	INR Lakhs
4. Other Non Current Assets		
Gratuity	**92.45**	66.77
Total Other Current Assets	**92.45**	66.77
5. Inventories		
Finished Goods- Machineries not Shipped	**31.82**	18.58
Finished Goods- Machineries not Shipped	**31.82**	18.58
6. Trade Receivables		
Secured and Considered Good	**1,594.94**	841.08
Unsecured, considered good	**-**	-
Doubtful	**-**	-
Receivables from related parties	**-**	-
Total Trade Receivables	**1,594.94**	841.08

6A Trade Receivables Agewise details as at the end of Current financial year

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - Considered good	**1,227.98**	**34.26**	**164.97**	**-**	**167.72**	**1,594.94**
Undisputed - Considered doubtful	-	-	-	-		-
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	-	-

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

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - Considered good	**391.92**	**23.76**	**69.12**	**181.59**	**174.69**	**841.08**
Undisputed - Considered doubtful	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	-	-

Notes forming part of Financial Statements

	31.03.2025 INR Lakhs	31.03.2024 INR Lakhs
7. Cash and Bank balances		
A. Cash and Cash Equivalents		
General Cash	-	-
In current accounts	**72.14**	103.87
Deposits with Maturity Three months or less	**10.60**	994.90
B. Other Bank Balances		
Deposits with maturity more than three months but less than 12 months	**3,269.19**	2,908.74
Total Cash and Cash equivalents	**3,351.93**	**4,007.51**
8. Loans		
Non-current	-	-
Current		
Inter-corporate Loan to HMT Limited	-	-
Total Current Loans	-	-
Total Loans	-	-
9. Other Financial Assets		
Non-current		
Deposits with Bank exceeding twelve months of maturity	-	-
Interest accrued and due	-	-
Total Other Non -Current Financial Assets	-	-
Current		
Interest accrued and due	**73.57**	63.20
Total Other Current Financial Assets	**73.57**	63.20
Total Other Financial Assets	**73.57**	63.20
10. Other Current Assets		
Deposit	-	0.05
EMD	**5.85**	2.80
Claims towards refund of service tax	**0.27**	0.27
Claims receivables	**11.23**	11.27
Export Incentives receivables	**2.12**	1.48
Advances to employees	**1.04**	1.07
Others		
Advances paid to suppliers / services poviders	**0.68**	0.69
Advance Service Tax	**27.46**	27.46
GST Receivable	**177.23**	163.98
Income Tax Refundable	**194.37**	232.35
TDS (AY 2024-25)	**65.26**	-
GST TDS	**12.52**	8.07
Prepayments	**0.08**	-
Total Other Current Assets	**498.11**	**449.49**

Notes forming part of Financial Statements

11. Equity Share Capital

Authorised share capital

	Equity Shares No. in Lakhs	INR Lakhs
At 1st April 2022	**80.00**	**800.00**
Increase/(decrease) during the year	-	-
At 31 March 2023	**80.00**	**800.00**
At 1st April 2023	**80.00**	**800.00**
Increase/(decrease) during the year	-	-
At 31st March 2024	**80.00**	**800.00**
At 1st April 2024	**80.00**	**800.00**
Increase/(decrease) during the year	-	-
At 31st March 2025	**80.00**	**800.00**

Issued equity capital

Equity shares of INR 10 each issued and fully paid	No in Lakhs	INR Lakhs
At 1st April 2022	**7.20**	**72.00**
Increase/(decrease) during the year	-	-
At 31 March 2023	**7.20**	**72.00**
At 1st April 2023	-	-
Increase/(decrease) during the year	-	-
At 31st March 2024	**7.20**	**72.00**
At 1st April 2024	-	-
Increase/(decrease) during the year	-	-
At 31st March 2025	**7.20**	**72.00**

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

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

Name of the shareholder	At 31st March 2025		At 31st March 2024	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
HMT Limited & its nominee	**7.2**	**100**	**7.2**	**100**

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

	31.03.2025 No. in Lakhs	31.03.2025 No. in Lakhs
Cash	**0.005**	0.005
Issued for consideration other than cash	**0.295**	0.295
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	**6.900**	6.900
TOTAL	**7.200**	**7.200**

Statement of Changes in Equity

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	**No. in lakhs**	INR lakhs
At 1st April 2022	**7.20**	72.00
Changes in equity share capital during the year		
At 31st March 2023	**7.20**	72.00
At 1st April 2023	**7.20**	72.00
Changes in equity share capital during the year		
At 31st March 2024	**7.20**	72.00
At 1st April 2024	**7.20**	72.00
Changes in equity share capital during the year		
At 31st March 2025	**7.20**	72.00

Notes forming part of Financial Statements

12. Other Equity

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

	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Balance as of 1st April 2022	**3,065.26**	**644.13**	**-**	**-103.01**	**3,606.37**
Transfer to General reserve					-
Remeasurement of the net defined benefit liability/asset, net of tax effect				4.68	4.68
Dividends including (DDT)					-
Profit for the period		20.22			20.22
At 31 March 2023	**3,065.26**	**664.35**	**-**	**-98.33**	**3,631.27**

	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Balance as of 1st April 2023	**3,065.26**	**664.35**	**-**	**-98.33**	**3,631.27**
Transfer to General reserve					-
Remeasurement of the net defined benefit liability/asset, net of tax effect				-1.70	-1.70
Dividends including (DDT)					-
Profit for the period		79.92			79.92
At 31st March 2024	**3,065.26**	**744.27**	**-**	**-100.03**	**3,709.49**

	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Balance as of 1st April 2024	**3,065.26**	**744.27**	**-**	**-100.03**	**3,709.49**
Transfer to General reserve					-
Remeasurement of the net defined benefit liability/asset, net of tax effect				40.64	40.64
Dividends including (DDT)					-
Profit for the period		184.10			184.10
At 31st March 2025	**3,065.26**	**928.37**	**-**	**-59.39**	**3,934.23**

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Notes forming part of Financial Statements

	31.03.2025 INR Lakhs	31.03.2024 INR Lakhs
13. Provision for Employee Benefits		
Non-Current		
Gratuity	**47.98**	43.74
Earned Leave Encashment	**29.16**	31.89
Settlement Allowance	**19.58**	19.25
Provident Fund	**16.94**	17.51
Total Non Current	**113.66**	112.39
Current		
Gratuity	**1.01**	20.24
Earned Leave Encashment	**4.07**	29.69
Settlement Allowance	**-**	2.54
Provident Fund	**-**	-
Total Current	**5.08**	52.47
Total Net employee defined benefit liabilities	**118.74**	164.86
14. Trade payables		
Trade Payables	**3.42**	163.92
Micro, small and medium enterprises	**90.21**	148.51
Payable to related parties	**649.69**	3.56
Total Trade payables	**743.33**	316.00

14 A TradePayable Agewise details as at the end of Current financial year

Particulars	Outstanding for the following periods from due date of payment			
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years
MSME	**28.44**	**9.16**	**6.22**	**46.39**
Others	**652.77**			**0.35**
Disputed dues - MSME				
Disputed dues - Others				
Total	**681.21**	**9.16**	**6.22**	**46.74**

14 A TradePayable Agewise details as at the end of Last financial year

Particulars	Outstanding for the following periods from due date of payment			
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years
MSME	**59.80**	**74.30**	**10.20**	4.21
Others	**28.40**	**98.86**	**21.37**	**18.86**
Disputed dues - MSME				-
Disputed dues - Others				-
Total	**88.20**	**173.16**	**31.57**	**23.07**

Notes forming part of Financial Statements

	31.03.2025 INR Lakhs	31.03.2024 INR Lakhs
15. Other Current Liabilities		
Non-Current	**-**	-
Current		
Revenue received in advance	**659.68**	715.91
Due to Holding Company	**258.39**	311.51
Salaries and arrears payable	**12.74**	45.32
Earnest Money Deposits	**29.46**	59.43
Retention Money from Suppliers	**18.53**	43.29
Tax Payables	**0.93**	3.49
Provision for Ex Gratia	**0.16**	**0.21**
Sundry Creditors (TA)	**0.10**	**0.02**
Warranty	**115.81**	92.86
PF Trust Loss payable	**-**	38.93
Company's Contribution to PF Payable	**1.32**	1.50
Company's Contribution to Pension Fund	**0.08**	**0.10**
Provision for SIB	**0.70**	0.28
Provision for Income Tax payble for A.Y.2012-13	**-**	100.40
Income Tax Provision for A. Y . 24.25	**43.05**	-
Income Tax Provision for A. Y . 23.24	**-**	138.75
Total Other Current Liabilities	**1,140.95**	1,552.00

NOTE -1: NOTES FORMING PART OF FINANCIAL STATEMENTS / 31.03.2025

PERTAINING TO BALANCE SHEET INR in lakhs

Sl. No.	Particulars	As at 31.03.2025	As at 31.03.2024
1	The Company is contingently liable for : Guarantees & Counter Guarantees and Letter of Credits issued to various parties by the Company's bankers to the extent not provided for, which is backed by cent percent margin money.	**1383.63**	**3,060.66**
2	Trade Payables:		
	Disclosure regarding dues to Micro & Small Enterprises based on the information available with the Company:		
	a Amount remaining unpaid as at the end of the year -Principal (Not Due)	**90.21**	**148.51**
	b Amount of interest paid along with the amounts of payment made to the supplier beyond the appointed day during the year.	**NIL**	NIL
	c Amount of interest due and payable for the period of delay inmaking the payment (which have been paid but beyond the appointed day during the year but without adding the interestunder MSMED Act, 2006.	-	-
	d Amount of interest accrued and remaining unpaid as at the end of the accounting period.	-	-
	e Amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises	-	-
3	Short Term Loans and Advances includes Adhoc payments to employees towards Wage/Salary, DA arrears, pertaining to1992 is pending adjustment & provision to this extent has beenmade in the accounts	**1.03**	**1.03**
4	Provision for Taxation has been made under provisions of the Income Tax Act, 1961.		
5	The debts written off in the past, but, action of recovery proceedings is being continued before the Courts.		
	a) M/s. Nawab Cashew Packers, Kerala : Executiion of an Arbitration Award of Rs. 69.23 Lakh is pending in various courts at Various Stages		
	b) M/s. Nucor Wires Limited - Civil suit decreed in favour of company for Rs. 51.20 Lakh. Appeal pending in High Court. Case filed by the Company against cheque bounce of Rs. 35 Lakh is pending before Supreme Court.		
6.	As per the books of accounts verified by us, under the 'Inventory - Finished Goods' head, the value of machinery in transit is shown as Rs. 31.82 Lakhs, as this machinery has not been delivered to the customer as on 31st March 2025.		
7.	Balances under Trade Receivables, Loans & Advances, Trade Payables are subject to confirmation, although confirmation has been sought in most of the cases.		

NOTE -1 : NOTES FORMING PART OF FINANCIAL STATEMENTS / 31.03.2025

DISCLOSURE REQUIREMENT AS PER Ind AS - 24

A -RELATED PARTIES

INR in lakhs

Relationship	**Associate companies**			**HMT LIMITED, Holding Company**			**Corporate Office**		
Name of the Transacting Related Party	**HMT Machine Tools Limited**	**HMT Watches Ltd**	**HMT Bearings Limited**	**Tractors Unit**	**ABD / Common service Division**	**Food Processing Division**	Proposed Dividend	General Services	Inter-Corporate Loan Renewal *
Description of the nature of transactions	Puchases				Maintenance Services	Puchases	-	38.78	NIL
Value of the transactions	-	-	-	-	-	-			
Other elements of related party transactions necessary for under-standing the Financial Statements	No substantial amounts involved dring the year								-
Balances Outstanding as at year end	649.68 (CR)	-	-	-	10.75 (CR)	6.94 (DR)	-	254.57 (CR)	NIL
Provision for Doubtful	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil

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

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

NOTE -1 : NOTES FORMING PART OF FINANCIAL STATEMENTS / 31.03.2025

INR in lakhs

SEGMENT REPORTING AS PER IND AS 108

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

DISCLOSURE REQUIRMENT AS PER IND AS - 12

Depreciation

Deferred Tax Assets / (Liabilities) as at 01.04.2024	(48.10)
Charged / (credit) during the year	(12.33)
Deferred Tax Assets / (Liabilities) as at 31.03.2025	**(35.78)**

Notes forming part of Financial Statements

Rs. in lakhs

	31.03.2025 INR Lakhs	31.03.2024 INR Lakhs
16. Revenue from operations		
Sale of products	**1,393.87**	1,108.71
Technical Services	**10.67**	12.90
Projects Sales of Products	**15.70**	129.14
Projects Services	**114.21**	507.87
Export Assistance	**0.73**	-
Total	**1,535.18**	1,758.62
17. Other income		
A. Other Non Operating Income		
Provision No Longer Required	**31.56**	11.90
Rental Income	**65.88**	27.28
Tender Fees	**0.05**	-
Miscellaneous Income	**20.32**	2.91
	117.81	42.08
B. Interest income		
Interest on Bank Deposits with Banks	**218.58**	169.16
	218.58	**169.16**
Total Other income	**336.38**	**211.24**
18. Cost of Goods Traded, Service and Works		
a. Cost of Goods Traded, Service and Works		
Purchases	**1,313.89**	395.12
Purchases for Service contract	**5.19**	181.41
Freight on export	**1.62**	27.08
Insurance on exports	**0.05**	0.20
ECGC Premium	**-**	0.64
Clearing, handling and inspection	**0.09**	4.69
Travelling Expenses	**6.30**	107.47
Warranty Claims	**22.95**	-
Other expenses (As per below schedule)	**0.16**	0.81
Cost of Goods Traded, Service and Works	**1,350.26**	717.41
Other Expenses		
Office Maintenance	**-**	**0.02**
Travelling & Conveyance	**0.16**	**0.15**
Delegation & export promotion	**-**	**0.14**
Entertainment Expenses	**-**	**0.35**
Bank charges	**-**	**0.14**
Total	**0.16**	**0.81**
b. (Increase) / Decrease in Inventories		
Inventory at the beginning of the year	**18.58**	**385.33**
Less: inventory at the end of the year	**31.82**	**18.58**
	-13.25	366.75
Total	**1,337.02**	1,084.16

Notes forming part of Financial Statements

Rs. in lakhs

	31.03.2025 INR Lakhs	31.03.2024 INR Lakhs
19. Employees' benefits expense		
Salaries, Wages, Bonus and other benefits	**166.85**	182.91
House Rent Allowance	**1.79**	1.82
Contribution to Provident Fund	**16.07**	18.83
Contribution to Pension Fund	**1.03**	1.45
Provident fund obligation	**-**	17.51
Earned Leave Encashment	**4.66**	15.61
Settlement Allowance	**1.50**	1.68
Gratuity cost	**5.07**	6.36
	-	
Sales Incentive Bonus	**0.70**	0.28
Medical Benefits	**3.38**	3.68
Exgratia	**0.16**	-
Staff Welfare Expenses	**3.07**	1.41
Total	**204.25**	251.55
20. Depreciation and amortization expense		
Depreciation of tangible assets	**13.81**	13.08
Total	**13.81**	13.08
21. Finance Cost		
Interest on Loan	**-**	-
Total	**-**	-
22. Other expenses		
Rates and taxes excluding tax on income	**0.09**	3.49
Office Maintenance	**26.66**	22.72
Printing & stationery	**3.91**	5.23
Recruitment Expenses	**-**	0.03
Royalty	**7.68**	8.82
Books, periodicals & membership fees	**0.84**	1.29
Advertisement & Publicity	**-**	0.07
Postage, Telegrams, Courier	**0.29**	0.71
Communication	**1.85**	2.38
Audit fee:		
Statutory audit	**0.48**	0.48
Travelling & Conveyance	**8.98**	10.41
Delegation & export promotion	**0.48**	1.84
Entertainment Expenses	**0.63**	1.06
Repairs & Maintenance other than building & machinery	**0.97**	0.88

Notes forming part of Financial Statements

Rs. in lakhs

	31.03.2025 INR Lakhs	31.03.2024 INR Lakhs
Insurance	**0.05**	0.06
Vehicle maintenance	**0.89**	1.72
Professional and legal charges	**-**	2.70
Bank charges	**6.51**	26.03
Fees for services rendered	**2.84**	2.54
Common expenses paid to Holding Co.	**38.78**	39.24
Exhibition Expenses	**10.00**	-
Security Charges	**6.12**	6.04
Board Meeting Expenses	**0.28**	0.15
Miscellaneous expenses	**0.06**	0.11
Exchange Difference (Net)	**-0.96**	1.87
Total	**117.42**	139.85

23. Other Comprehensive Income

Re-measurement gains/(losses) on defined benefit plans for		
Earned Leave Encashment		
Gratuity	**39.26**	-3.21
Settlement Allowance	**1.38**	1.51
Total	**40.64**	-1.70

For and on behalf of the Board

As per our report of even date
For Nagaraj & Ajith.,
(Chartered Accountants)
Firm Registration No : 010986S

Rajesh Kohli
Chairman & Managing Director
(Addl. Charge)
DIN No: 10333951

Dr. Renuka Mishra
Govt. Nominee Director
DIN No: 08635835

CA Nagaraj Achar
Partner
Membership No : 214035

G. Durgadevi
Manager (Finance)

Place : Bengaluru
Date : 15-05-2025

NOTE -1 : NOTES FORMING PART OF FINANCIAL STATEMENTS

PERTAINING TO STATEMENT OF PROFIT AND LOSS **INR in lakhs**

Sl. No.	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
1	Revenue from operations includes Project Works including services executed under an agreement with Government of India against which physical exports have been completed up to 31.03.2025	**114.21**	**549.30**
2	Other expenses include (Travelling and conveyance) Travelling expenses of Directors	**1.35**	-

3	**Additional information as per the requirement of Schedule III of the companies Act, 2013**				
	I. Cost of goods sold				
	Imported	0 %	-		-
	Indigenous	100%	**1,337.02**		**1,084.16**
	TOTAL	100%	**1,337.02**		**1,084.16**
	II. CIF Value of Imports:				
	Components & Accessories		-		
	III. Earnings in Foreign Exchange				
	a) FOB Value of Exports		**53.83**		**909.48**
	b) Technical / project services		-		-
	TOTAL				**909.48**
	IV Particulars of turnover:	**Qty. Nos.**	**VALUE**	**Qty. Nos.**	**VALUE**
	Machine tools, spares & accessories	90	**1,393.87**	19	1,108.71
	Project Service & Supplies	12	**129.91**	10	637.01
	Income from Technical services		**10.67**		12.90
	Export Incentives		**0.73**		-
	TOTAL	**102**	**1,535.18**		1,758.62
	V Expenditure in Foreign Currency:				
	Travelling Expenses		**6.30**		**37.43**
	Others		-		-

Note to Financial Statements for the year ended 31st March 2025

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

i) Defined Contribution Plan:

(Rs. In Lakhs)

Particluars	Year Ended 31-Mar-25	Year Ended 31-Mar-24
Employer's Contribution to Pension Fund	1.03	1.45

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 acturial valuation report from the independent actuary except Provident Fund.

The principal assumptions used in determining gratuity and post-employement benefits obligations for the company's plan is shown below

	31-Mar-25	31-Mar-24
	%	%
Discount rate:		
Gratuity plan	7.03	7.26
Settlement Allowance	7.03	7.26
Earned Leave Encashment	7.03	7.26
Future salary increases:		
Gratuity plan	10.00	10.00
Settlement Allowance	10.00	10.00
Earned Leave Encashment	10.00	10.00

Summary of Demographic Assumptions	Gratuity Plan		Settlement Allowance		Leave Encashment	
	31.3.2025	31.3.2024	31.3.2025	31.3.2024	31.3.2025	31.3.2024
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%	0%	0%	100%	100%
Disability Rate (as % of above mortality rate)	0.00%	0.00%	0%	0%	0.00%	0.00%
Withdrawal Rate	1% to 3%	1% to 3%	0	0		
Attrition Rate					1% to 3%	1% to 3%
Normal Retirement Age	60 yrs	60 yrs	60 yrs	60 yrs	60 yrs	60 yrs
Average Future Service	24.00	23.17	24.00	23.17	24.00	23.17
Leave Encashment Rate duirng Employment					10%	10%
Leave Availment Rate					2%	2%

RATIOS

	Numerator	Denominator	As at 31.03.2025	As at 31.03.2024	% Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	2.94	2.80	4.87%	
Debt Equity Ratio	Total Debt	Shareholder's Equity	0.51	0.55	-7.52%	
Debt Service coverage Ratio	Earnings available for debt service (EBITDA) (Not Applicable)	Debt service (Interest + Principal) (Not Applicable)	-	-		
Return on Equity Ratio	Net profit after taxes	Average shareholder's equity	4.73%	2.14%	121.38%	
Inventory Turnover Ratio	Sales	Average Inventory	60.92	8.71	599.59%	
Trade Receivable Turnover Ratio	Credit Sales	Average Trade Receivables	1.26	1.56	-19.10%	
Trade payable Turnover Ratio	Net Credit Purchases/ services	Average Trade Payables	2.49	0.77	225.39%	
Net Capital Turnvover Ratio	Net Sales	Average Woring Capital	0.43	0.51	-15.75%	
Net Profit Ratio	Net profit before taxes	Revenue	10.64%	24.43%	-56.46%	
Return on Capital employed	Earning before interest and taxes	Capital Employed = Working capital + Fixed Assets	4.90%	12.42%	-60.55%	
Return on Investment	Not applicable	Not applicable	-	-		

Employee Benefit Obligations

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

A. Gratuity

31 March 2025 changes in the defined benefit obligation and fair value of plan assets

	Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	
01-Apr-24	Service cost	Net interest expense & Past Service Cost	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	31-Mar-25
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Defined benefit obligation	(63.98)	(5.50)	(3.68)	(9.18)	26.48			(1.81)	(0.49)	(2.30)		(48.98)
Fair value of plan assets	66.76		4.12	4.12	(20.00)	41.56				41.56	0.00	92.45
Benefit liability	**2.78**		**(5.06)**	**(5.06)**	**6.48**					**39.26**	**0.00**	**43.47**

31 March 2024 changes in the defined benefit obligation and fair value of plan assets

	Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	
01-Apr-23	Service cost	Net interest expense & Past Service Cost	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	31-Mar-24
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Defined benefit obligation	(74.40)	(5.41)	(4.85)	(10.26)	20.00			(1.97)	2.65	0.68		(63.98)
Fair value of plan assets	36.76		3.90	3.90	(20.00)	(3.90)				(3.90)	50.00	66.76
Benefit liability	**(37.64)**		**(6.36)**	**(6.36)**	**0.00**					**(3.22)**	**50.00**	**2.78**

B. Earned Leave Encashment

31 March 2025 changes in the long term employee benefit obligation and fair value of plan assets

	01-Apr-24	Defined Benifit cost charged to profit or loss			Remeasurement gains/(losses) in Profit or loss					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)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Defined benefit obligation	(61.58)	(2.22)	(3.27)	(5.49)	33.01			(0.51)	1.35	0.84	(33.22)
Fair value of plan assets											
Benefit liability	(61.58)			(5.49)	33.01					0.84	(33.22)

31 March 2024 changes in the long term employee benefit obligation and fair value of plan assets

	01-Apr-23	Defined Benifit cost charged to profit or loss			Remeasurement gains/(losses) in Profit or loss					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)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Defined benefit obligation	(67.89)	(2.60)	(4.29)	(6.89)	21.92			(0.68)	(8.04)	(8.72)	(61.58)
Fair value of plan assets											
Benefit liability	(67.89)			(6.89)	21.92					(8.72)	(61.58)

C. Settlement Allowance

31 March 2025 changes in the defined benefit obligation and fair value of plan assets

	01-Apr-24	Defined Benifit 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)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Defined benefit obligation	**(21.79)**		**(1.49)**	**(1.49)**	**2.32**			**(0.98)**	**2.36**	**1.38**	**(19.58)**
Fair value of plan assets											
Benefit liability	**(21.79)**		**(1.49)**	**(1.49)**	**2.32**					**1.38**	**(19.58)**

31 March 2024 changes in the defined benefit obligation and fair value of plan assets

	01-Apr-23	Defined Benifit 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)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Defined benefit obligation	(23.03)		(1.68)	(1.68)	1.42			(1.17)	2.67	1.50	(21.79)
Fair value of plan assets											
Benefit liability	**(23.03)**		**(1.68)**	**(1.68)**	**1.42**					**1.50**	**(21.79)**

Employee Benifit Obligations

D) Provident Fund (Interest shortfall) :

The Company's Contribution paid / payable to provident fund and the liability /obligaiton is recognised on accrual basis. The Compay's provident fund trust is emempted u/s 17 of the Employees Provident Fund and Miscellaneous Provisons Act 1952.The condition for grant of exemptions stipulate that the employer shall make good deficienty , if any, in the interest rate declared by the Trust vis-a-vis Statutory rate. The company doesnot anticipate any further obligations in the near forseeable 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 interst short fall of Rs. 16.95 Lacs as on 31.03.2025 .

Note to Financial Statements

Earnings per share (EPS)

	31.03.2025	31.03.2024
	INR Lakhs	INR Lakhs
Profit attributable to equity holders:		
Continuing operations	**184.10**	79.92
Discontinued operation	**0.00**	0.00
Total Profit including OCI	**184.10**	79.92
Less Other Comprehesive income	**0.00**	0.00
Profit attributable to equity holders for basic earnings	**184.10**	79.92
Profit attributable to equity holders of the parent adjusted for the effect of dilution	**184.10**	79.92
Weighted average number of Equity shares for basic EPS*	**7,20,000**	720,000
Effect of dilution:		
Convertible preference shares		
* Weighted average number of Equity shares adjusted for the effect of dilution	**7,20,000**	720,000

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Employee Benefits (Contd.):

Sensitivity analysis:

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

i) Gratuity (Rs. In lakhs)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	**8.98**	**7.28**	8.37	6.76
Change in rate of salary increase	**3.77**	**2.97**	3.22	3.45
Change in withdrawal rates	**0.65**	**0.42**	0.85	0.60

(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	**4.98**	**3.91**	2.69	1.78
Change in rate of salary increase	**3.91**	**4.88**	2.67	2.68
Change in withdrawal rates	**-**	**4.17**	2.18	1.75

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

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

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

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

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

Not Applicable

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

During the financial year 2024-25, the Company have not received any funds from the Central/Stage agencies, accordingly the above clause is not applicable.

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

For Nagaraj & Ajith,
Chartered Accountants
FRN – 010986S

CA Nagaraj Achar
Partner
M No – 214035
UIDN: 25214035BMKNUP7013

Place: Bengaluru
Date: 15-05-2025

ANNEXURE I

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

Statement of Impact of Audit Qualifications for the Financial Year ended March 31, 2025 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In lacs)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total income (Rs. in Lakhs)	**1871.56**	-
	2.	Total Expenditure (Rs. in Lakhs)	**1672.50**	-
	3.	Net Profit /(Loss) (Rs. in Lakhs)	**184.10**	-
	4.	Earnings Per Share (in Rs.)	**25.57**	-
	5.	Total Assets (Rs. in Lakhs)	**6045.03**	-
	6.	Total Liabilities (Rs. in Lakhs)	**2038.80**	-
	7.	Net Worth (Rs. in Lakhs)	**4006.23**	-
	8.	Any other financial item (s) (as felt appropri-ate by the Management)	-	-
II	**Audit Qualification (each audit qualification separately):**			
	a. Details of Audit Qualification : NOT APPLICABLE			
	b. Type of Audit Qualification : Qualified Opinion/Disclaimer of Opinion/Adverse Opinion – **N.A.**			
	c. Frequency of Qualification : Whether appeared first time/repetitive/since how long continuing- **N.A.**			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : N.A.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: NOT APPLICABLE			
	(i) **Management's estimation on the impact of Audit Qualification:**			
	(ii) **If Management is unable to estimate the impact, reasons for the same :**			
	(iii) **Auditors Comments on (i) or (ii) above :**			
III	**Signatories :**			
	• **Chairman & Managing Director(Addl.Charge)**			
	• **Manager (Finance)**			
	• **Audit Committee Chairman**			
	• **Statutory Auditor**			
	Place : Bangalore			
	Date : 15-05-2025			

WATCHES

HMT Watches Limited

26th Annual Report 2024-25

HMT WATCHES LIMITED

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BOARD OF DIRECTORS (As On 02.09.2025)

Shri. Rajesh Kohli	(w.e.f. 05.04.2024)	Chairman and Managing Director (Addl. Charge)
Shri Prem Chandra Maurya	(w.e.f. 17.07.2025)	Govt. Nominee Director
Shri Naresh Kumar	(w.e.f. 27.03.2023)	Govt. Nominee Director

STATUTORY AUDITORS

M/s ANKH & Associates

Chartered Accountant FRN 015330S

Bengaluru

REGISTERED OFFICE

"HMT Bhavan"

59, Bellary Road

Bengaluru - 560 032

PERFORMANCE HIGHLIGHTS

(Rs. in Lakhs)

HMT WATCHES LIMITED

PERFORMANCE HIGHLIGHTS

Rs.in Lakhs

	2024-25 IND AS	2023-24 IND AS	2022-23 IND AS	2021-22 IND AS	2020-21 IND AS	2019-20 IND AS	2018-19 IND AS	2017-18 IND AS	2016-17 IND AS	2015-16 IND AS	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
OPERATING STATISTICS																				
Sales	0	0	0	0	0	0	0	424	729	490	844	812	1106	1024	882	1054	1352	1514	3688	2184
Other Income *	0	61	137	181	148	135	125	165	414	179	172	248	180	975	790	1087	371	618	3498	7710
Materials	0	0	0	0	570	628	0	424	0	12	285	516	200	353	253	434	357	551	1288	926
Employee Costs	0	0	0	0	0	21	783	909	1210	4798	5749	5089	5884	7406	12503	5599	5343	5426	4934	5793
Other Costs	0	122	166	190	178	322	2169	392	3201	802	1275	771	1572	873	1379	1539	1995	1952	11968	3622
Depreciation	0	0	0	0	0	0	0	0	0	49	53	43	54	83	92	109	123	155	195	245
Earnings before Interest	0	-61	-29	-9	-600	-836	-2827	-1136	-3268	-4992	-6346	-5359	-6424	-6716	-12576	-5774	-6401	-5816	-11405	-314
Interest	0	0	-14	26	26	21	22	87	174	1732	19574	17948	17823	15688	12798	11061	9982	8864	8161	7269
Earnings/(Loss) before Tax	0	-61	-43	-35	-626	-857	-2849	-1223	-3442	-6724	-25920	-23307	-24247	-22404	-25374	-16835	-16383	-14680	-19566	-7583
Taxation	0	84986	0	0	0	89	3335	0	0	0	0	0 -		-	-	-	22	15	15	17
Net Earnings	0	-85047	-43	-35	-626	-946	-6184	-1223	-3442	-6724	-25920	-23307	-24247	-22404	-25374	-16835	-16405	-14695	-19581	-7600
ExceptioANL items	0	353126	193	140	896	1042	18312	373	-16914	-8832										
OCI	0	0	0	0	0	0	0	-518	2936	2140										
TOTAL INCOME	0	268079	150	105	270	96	12128	-1368	-17420	-13416										
															-	-	-	-	-	
FINANCIAL POSITION																				
Net Fixed Assets	0	0	0	3	5	5	5	5	5	5	722	842	886	939	1021	1135	1243	1337	1220	1412
Current Assets	0	0	1304	4245	3986	3859	6514	5004	7716	29548	6453	4575	5385	5278	5284	5772	6448	7769	9796	8600
Current Liabilities & Provisions	0	0	269383	271873	272319	272462	275218	284971	287180	291592	21523	18496	18692	18788	25338	22875	21318	20106	18360	18586
Working Capital	0	0	-268079	-267628	-268333	-268603	-268704	-279967	-279464	-262044	-15070	-13921	-13307	-13510	-20054	-17103	-14870	-12338	-8563	-9986
Capital Employed	0	0	-268079	-267625	-268328	-268598	-268699	-279962	-279459	-262039	-14348	-13079	-12421	-12571	-19033	-15968	-13627	-11001	-7343	-8574
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1	1
Miscellaneous Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63	290	9733
Borrowings	0	0	0	0	0	0	0	0	0	0	236437	211718	188884	158915	135581	113273	98780	85064	74253	62984
Net Worth	0	0	-268079	-268228	-268333	-268603	-268698	-280827	-279459	-262039	-250561	-224573	-201266	-177000	-154614	-129240	-112405	-96063	-81595	-71557
																		-	-	
OTHER STATISTICS																				
Capital Expenditure	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	27	195	1	18
Internal Resources Generated	0.00	0.00	-43.00	-35.00	-626.00	-946.00	-6184.00	-1223.00	-3442.00	-6675.00	-25867.00	-23264	-24193	-22321	-25282	-16726	-16282	-14540	-19386	-7355
Working Capital Turnover Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.06	-0.06	-0.08	-0.08	-0.04	-0.06	-0.09	-0.12	-0.43	-0.22
Current Ratio	0.00	0.00	0.00	0.02	0.01	0.01	0.02	0.02	0.03	0.10	0.30	0.25	0.29	0.28	0.21	0.25	0.30	0.39	0.53	0.46
Return on Capital(%)	0.00	0.00	-0.01	0.00	-0.22	-0.31	-1.03	-0.41	-1.21	-3.61	-46.28	-42.03	-51.41	-42.50	-71.86	-39.02	-51.98	-63.41	-143.31	#REF!
Employees (Nos)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	145.00	640.00	640.00	1005.00	1055	1105	1219	1417	1976	2050	2126	2145	2162
Per Capita Sales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.92	1.14	0.77	0.84	0.77	1.00	0.84	0.62	0.53	0.66	0.71	1.72	1.01

DIRECTORS' REPORT

To
The Members,
HMT Watches Limited,
Bangalore.

The Board of Directors have pleasure in presenting the 26th Annual Report on the business of your Company and Annual Financial Statements of the Company for the financial year 2024-25 along with Auditors' Report thereon. The Comments of the Comptroller & Auditor General of India are attached to this Report.

Financial Summary / Performance Of The Company

Your Company was put under closure in the year 2016 and hence the operations (production, sales etc) was completely stopped. During the Financial Year, there is no operating sales or income as the Company is under closure. Gross sales for the year is NIL (previous year NIL) and production for the year is also NIL (previous year NIL). Net profit/loss during the FY 2024-25 is NIL.

Financial summary/Performance of the Company

		(Rs. In Crore)
Particulars	**FY 2024-25**	**FY 2023-24**
Gross Profit / (Loss)PBT	0.00	(00.61)
Add: Extraordinary items	0.00	00.00
Add: GOI Loans waived off	0.00	2693.79
GOI Grants	0.00	837.47
Gross Profit – PBT(NET)	0.00	3530.65
Income tax paid	0.00	849.86
Net Profit (PAT)	0.00	2680.79
Cumulative Profit (Loss)	0.00	(6.49)

DIVIDEND

Due to closure of the Company, there is no operation during the year, hence, no dividend has been proposed during the year 2024-25.

SHARE CAPITAL

The Authorised Share Capital of the Company is Rs.7,00,00,000/- divided into 70,00,000 Equity Shares of Rs. 10/- each. Issued, Subscribed and Paid-up Share Capital of your Company stood at Rs. 6,49,01,000/- divided into 64,90,100 Equity Shares of Rs.10/- each fully paid-up. All shares are held by HMT Limited, the Holding Company.

NET WORTH

The networth of the Company as on March 31, 2025 is NIL

DEPOSITS

The Company did not accept any deposits during the year. There was no outstanding deposits at the beginning/end of the year.

PRESENT STATUS

Ministry of Heavy Industry (Erstwhile Department of Heavy Industries) conveyed the approval of CCEA for closure of HMT Watches Limited vide letter dated 13th January 2016. Accordingly, all the employees were relieved on an attractive VRS in one time relaxation of DPE guidelines and by retrenchment under Industrial Dispute Act 1947 to those not opting for VRS. The Company completed the disposal of all the movable assets.

Ministry of Heavy Industry vide its letter dated 05th May 2022 approved the transfer of all immovable assets from the books of HMT Watches Limited to the books of HMT Limited, Holding Company at book value of Rs 2,96,06,230/- (Rupees Two Crore Ninety-Six Lakh Six Thousand Two Hundred Thirty Only) and also conveyed that HMT Limited shall take up disposal of immovable assets pertaining to HMT Watches Limited and transfer the sale proceeds to Ministry of Heavy Industry as soon as sale proceeds are received after deducting the applicable taxes and related expenses.

Ministry of Heavy Industries vide its letter dated 28th September 2022 and 01st December 2022 conveyed

its approval for transfer of all legal cases of HMT Watches Limited and the contingent liabilities arising out of the cases to HMT Limited and also mentioned that the contingent liabilities up to Rs 80.00 Crore will be funded by the Government of India.

Shareholders of HMT Limited on 18th December 2022 and HMT Watches Limited on 21st December 2022 have approved for said transfer of immovable assets & legal cases. Hence, an agreement is made between M/s HMT Watches Limited and M/s HMT Limited on 12th January 2023 giving effect to above transaction (with the effect from 30th December 2022).

In the Ministry of Heavy Industry letter dated 13th January 2016 for closure of HMT Watches Limited, it is mentioned that an automatic transfer of intangible assets and other items such as patents, trademarks, designs, logos etc. to the Holding Company after closure of the Subsidiary. HMT Watches Limited is the unconditional and unencumbered owner of all right, title and interest in and to all the intangible assets owned by it. HMT Watches Limited has assigned the intangible assets to HMT Limited vide assignment deed dated 10th January 2023.

HMT Watches Limited has written off / waived off GOI loans during FY 2023-24 with the approval of the Board of Directors. The company received the Grant from GOI amounting Rs 837.47 Crore towards the payment of income tax on the waiver of GOI loans and paid to Income Tax Department. The Balance Sheet of the Company is NIL w.e.f 01st April, 2024.

The Board of Directors are awaiting further directions from Ministry of Heavy Industries to take necessary action to give effect for closure of the Company.

PARTICULARS OF EMPLOYEES

There are no employees in the Company as on March 31, 2025.

During the FY2024-25, there are no employees in the Company. As such, remuneration received in excess of the limits prescribed under rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

BOARD MEETINGS

During the FY2024-25, four Board Meetings were held and the details are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

AUDITORS

M/s. ANKH & Associates, Chartered Accountants, Bangalore was appointed by the C&AG as Statutory Auditors of the Company for the financial year 2024-25.

The Statutory Auditors have submitted Independent Auditor's Report along with Addendum to Independent Auditor's Report for the year 2024-25.

Comments by the Comptroller & Auditor General of India on the accounts for the year are given separately, if any.

VIGILANCE ACTIVITIES

There are no operations and there are no employees in the Company. The vigilance department of HMT Limited, (Holding Company) is functioning and keeping watch on the overall activities.

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 enclosed to this report.

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:

- Clear delegation of power with authority limits for incurring capital and revenue expenditure.
- Well laid down corporate policies for accounting, reporting and Corporate Governance.

- Safeguarding assets against unauthorized use or losses or disposition, and ensuring that the transactions are authorized, recorded and reported correctly.
- Process for formulating and reviewing annual and long term business plans have been laid down.
- Detailed Annual budget giving further break up of monthly targets under various heads.
- Continuous review of the performance by the Core Committee with reference to the budgets on an ongoing basis.
- Compliance with laws and regulations.

IMPLEMENTATION OF OFFICIAL LANGUAGE

Since the Company is under closure & no employees as on 31.03.2025, the implementation of the Official Language is not applicable to the Company.

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 have been followed along with proper explanation relating to material departures;
- that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the statement of profit and loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and are adequate and were operating effectively;
- that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively;

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the Company which have occurred between the financial year ended 31.03.2025 and the date of this report.

BOARD OF DIRECTORS AND 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 Watches 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). Shri. Rajesh Kohli (DIN: 10333951), assumed the additional charge of the post of Chairman & Managing Director of HMT Watches Limited on 5th April, 2024 in the afternoon in place of Shri. K Ravishankar (DIN: 10540509).

Ministry of Heavy Industries vide its order dated 23rd July, 2024 appointed Dr. Renuka Mishra (DIN: 08635835), Economic Adviser, Ministry of Heavy Industries as Government Nominee Director of the Company with effect from 23rd July, 2024 and until

further orders in place of Ms. Mukta Shekhar (DIN: 10118859), ex-Joint Secretary, Ministry of Heavy Industries.

Shri. Naresh Kumar (DIN: 10043608) continues to be Director on the Board of Directors of the Company during FY2024-25.

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.

Ministry of Heavy Industries vide its order dated 28th April, 2025 conveyed the approval for extension of additional charge of the post of Chairman & Managing Director, HMT Watches Limited to Shri. Rajesh Kohli, Executive Director, Bharat Heavy Electricals Limited (BHEL), for a period w.e.f. 05.04.2025 to 30.06.2025, 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).

As on 31.03.2025, Shri. Rajesh Kohli, Chairman and Managing Director (Additional Charge), Dr. Renuka Mishra, Government Nominee Director & Shri. Naresh Kumar, Government Nominee Director, were the Board of Directors of the Company.

Shri. Rajesh Kohli, Chairman and Managing Director (Additional Charge) is the Key Managerial Personnel's (KMP's) as defined under Section 2 (51) of the Companies Act, 2013 as on 31.03.2025.

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

EVALUATION OF THE PERFORMANCE OF BOARD

Being a Government Company, HMT Watches Limited 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).

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.

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

A. CONSERVATION OF ENERGY

Your Company continues to give high priority to the conservation of energy on an ongoing basis. However, since the Company is under closure & has no operations, this is not applicable.

B. TECHNOLOGY ABSORPTION

The Company is under closure hence not applicable.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no foreign exchange outgo towards business expenses during the year under review. There are also no foreign exchange earnings during the year.

EXTRACT OF ANNUAL RETURN

Placing of the Annual Return of the Company as required under section 92(3) of the Companies Act, 2013 is not applicable, as the Company doesn't have any active website.

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 ANDBANKRUPTCY CODE, 2016

There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2024-25.

OTHERS

A report on the Corporate Governance is annexed as part of this Report.

During the Financial year 2024-25, the Company has not received any complaints of Sexual Harassment.

The Company has risk management in place to have a constant watch on the risks that affect the existence of the Company.

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

The details of loans, guarantees or investments under section 186 are given in the notes to the Financial Statements.

The provisions relating to Corporate Social Responsibility are not applicable to the Company.

The Company does not have any Subsidiary, Joint Venture or Associate Company.

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

No significant and material orders have been passed by any Regulation(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).

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

ACKNOWLEDGEMENTS

The Directors are thankful to HMT Limited, the Holding Company, the various Departments and Ministries in the Government of India, particularly the Ministry of Heavy Industries, Ministry of Corporate Affairs, Comptroller & Auditor General of India, Principal Director-Commercial Audit, Statutory Auditors, Director General, various State Governments etc. for their continued co-operation and patronage.

Directors also sincerely appreciate the contributions made by all the concerned stake holders during the year.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 15-05-2025

(Rajesh Kohli)
Chairman& Managing Director
(Addl. Charge)

CORPORATE GOVERNANCE

In compliance with the guidelines on Corporate Governance for Central Public Sector Enterprises framed by the Department of Public Enterprises, GOI as applicable to Government Companies and as per the applicable provisions of the Section 133 of the Act read with Rule 3 of the Companies (Indian accounting standards) Rules, 2015 and companies (Indian accounting standards) Amendment Rules, 2016, your Company hereby submits the report on Corporate Governance. The Company is committed to maintain the highest standards of Corporate Governance and initiated appropriate action for compliance of the guidelines on Corporate Governance.

Remuneration of Directors

An amount of Rs.1500/- is payable only to Independent Directors for attending each meetings of the Board and Committees.

General Body Meetings

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

Financial year	Date	Time	Venue
2021-22	13.07.2022	04-00 PM	HMT Bhavan, Bangalore
2022-23	24.08.2023	11.00 AM	HMT Bhavan, Bangalore
2023-24	02.09.2024	11:45 AM	HMT Bhavan, Bangalore

Annual General Meeting for the current year is scheduled to be held on or before September 30, 2025 at HMT Bhavan, No.59, Bellary Road, Bangalore-560 032.

Board of Directors

As on March 31, 2025, the Board of Directors comprised of Chairman & Managing Director (Addl. Charge) and two (2) Part-time Official Directors / Government Nominee Directors. Currently, the position of part-time Non-Official (Independent) Directors is vacant.

The day-to-day Management of the Company is conducted by the Chairman & Managing Director (Addl. Charge) / General Manager (O&M), HMT Machine Tools Limited, (Addl. Charge), HMT Watches Limited and under the supervision and control of the Board of Directors.

During the financial year 2024-25, Four Board Meetings were held on 07th May 2024, 2nd September 2024, 18th December 2024, 21st March 2025.

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

Name	Category	Attendance particulars		No. of other Directorships and Committee Member /Chairmanship held		
		Board Meetings	General Meeting	Directorship	Committee	
					Membership	Chairmanship
Rajesh Kohli (DIN:10333951)	**Chairman& MD (I/C)**	**4**	1	4	5	1
K Ravishankar (DIN:10540509)	**Chairman& MD (I/C)**	**0**	0	3	6	1
Dr. Renuka Mishra (DIN: 08635835)	**NENI**	**3**	1	9	4	1
Mukta Shekhar (DIN:10118859)	**NENI**	**1**	N/A	8	1	4
Naresh Kumar (DIN:10043608)	**NENI**	**3**	1	3	-	-

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

Disclosures

There were no transactions of material nature with its Promoters, the Directors or the Management or their relatives which may have the potential conflict with the interest of the Company at large.

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

Means of Communication

Being a wholly owned Subsidiary of HMT Limited, Company submits financial results periodically to M/s. HMT Limited, the Holding Company. Annual Report are also updated on the HMT Limited website - www.hmtindia.com.

Declaration By The Chairman & Managing Director

This is to certify that:

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

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

All Board Members, and the Senior Management Personnel have affirmed compliance of the said Code of Conduct, for the year ended March 31, 2025.

(Rajesh Kohli)

Chairman & Managing Director
(Addl. Charge)

Date: 15.05.2025
Place: Bengaluru

REVISED INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HMT WATCHES LIMITED

(Issued consequent to Audit Observations u/s 143(6)(b) of Companies Act, 2013 issued by O/o CAG, vide letter no. Director (Admin)/No. PDCA /Hyd/AC Desk/HMT(W)/2024-25/1.53 dated 02.07.2025, and it supersedes our Independent Auditors Report dated 15.05.2025.)

Report on the Audit of the Financial Statements Opinion:

1. We have audited the standalone financial statements of **HMT WATCHES LIMITED ("the Company")**, which comprise the balance sheet for the year ended 31st March, 2025 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard issued under section 133 of the act read with companies (Indian Accounting standards) rules, 2015, as amended, ("IND AS") and other Accounting principles generally accepted in India, of the state of affairs of the Company for the year ended March 31, 2025 and its profit or loss & Other Comprehensive Income, change in equity and its cash flows, for the year ended on that date.

Basis for Opinion:

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 Act 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.

Other Information

4. The company's board of directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the financial statements and our auditor's report thereon.

   Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 misstatement of this other information, we are required to report that fact. We have nothing to report on in this regard.

Material Uncertainty related to Going Concern

5. We draw attention to Note 2.8A in the financial statements, which indicates that 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 Matter

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this regard

Responsibility of Management and Those Charged with Governance for the financial Statements.

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flow 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, , relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the 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 Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and asses the risks of material, misstatement of the 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 but not the purpose of expressing an opinion on the effectiveness of the company's internal control.
- 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.

Emphasis of Matter

We draw attention to the following matter in the Notes to the financial statements:

Note No. 2.8A

We draw attention to the Note No. 2.8A of the "Notes to the financial statements" regarding the closure of HMTWL due to discontinued manufacturing operations in the year 2016-17 and line of approval of the Government of India, all the moveable assets being disposed off to meet the closure liabilities. By MHI vide letter dated 05-05-2022, MHI directed to transfer all immovable assets from books of HMTWL (under closure) to the books of HMT Ltd the holding Company at book value. The transfer of immovable assets have been assumed by the Government and HMT Limited is the custodian of the properties till their disposal.

We draw attention to Note No. 2.8A of the "Notes to the financial statement" regarding preparation of financial statements on liquidation basis. The management of the company intends to close down the company as the company has suffered huge losses and its net worth has been eroded. The Stakeholders, in view of losses, have decided to close the company and apply for voluntary winding up of the company. In view of the same the accounts of the company are not prepared on a Going Concern basis.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order 2020 ("the Order") issued by the Central Government in terms of Section 143(11)

of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

13. As required by Section 143(3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet and the Statement of Profit and Loss dealt with in this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2025 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 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the company has disclosed the impact of pending litigations on its financial position in its financial statements;

ii. The company was not required to recognize a provision as at March 31,2025 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long term contract. The company did not have any derivative contracts as of March 31, 2025.

iii. There were no amounts which were required to be transferred to the Investors education and protection fund by the company during the year ended March 31, 2025.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The management has represented, that, to the best of its knowledge and belief other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing in this come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. No dividend has been declared or paid during the year by the company

vi. Based on our examination which included test checks, the Company has used and accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

Place: Bengaluru
Date: 04.07.2025

For A N K H & ASSOCIATES
Chartered Accountants
FRN: 015330S

Prakash Adiga B
Partner
Membership No: 216858
UDIN:25216858BMHYCH4625

The 'ANNEXURE A' referred to the Our Revised Report of even date to the members of HMT WATCHESLIMITED, BENGALURU on the accounts of the company for the year ended 31st March 2025

(Referred to in "Report on Other Legal and Regulatory Requirements" paragraph 1 of ourRevised report of even date)

The Annexure referred to in our Revised Independent Auditor's Report to the members of the Company onthe financial statements for the year ended 31st March 2025. We report that:

i) a) The Company did not have any Property, Plant and Equipment during the financial Year 2024-25, hence the question of maintaining proper records showing full particulars including quantitative details, physical verification and situation of Property, Plant and Equipment does not arise.

b) The Company did not have any Intangible Assets during the financial Year 2024-25, hence the question of maintaining proper records showing full particulars of intangible assets does not arise.

c) Based on the information and explanations provided to us, no proceedings have been initiated on the company (or) are pending against for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibitions) Act ,1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the company has appropriately disclosed the details in its financial statements does not arise.

ii) In respect of its Inventories:

a) According to information and explanation provided to us, the company does not hold any inventory and hence commenting on the physical verification of inventories does not arise.

b) The company does not hold any inventory and hence the question of commenting on the reasonableness and adequacy of the procedures of physical verification of inventories followed by the management does not arise.

c) The company does not hold any inventory and hence the question of commenting on the maintenance of inventory records does not arise.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under subclauses (a),(b),(c),(d),(e),(f) of clause 3 (iii) of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the company during the financial years 2024-25 has not granted any loans or provided any guarantees or given any security or made any investments to which the provisions of Section 185 and 186 of the Companies Act 2013. Accordingly, paragraph 3(iv) of the order is not applicable.

v) In our opinion and according to the information and explanations given to us, during the year, the Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act or any other relevant provisions of the Companies Act or the rules framed there under, or directions issued by RBI. Therefore, this clause is not applicable to the Company.

vi) The Central Government has not prescribed the maintenance of cost records under sub- section (1) of Section 148 of the Act, for any of the activities of the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

vii) In respect of statutory dues:

According to the information and explanations given to us the Company transferred all the pending statutory dues/ legal cases to HMT limited Holding company as per the MHI letter dated 1-12-2022 as on 31-12-2022. As of 31-03-2025 the Company does not have pending statutory dues in the books of accounts.

viii) According to the information and explanations given to us and the records of the company examined by us, there are no transactions in the books of account has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961, that has not been recorded in the books of account.

ix) a) The Company has not obtained any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Hence reporting under clause (ix) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

c) According to the information and explanations given to us the company did not avail any term loan facility from the financial institutions, hence reporting under this clause is not applicable.

d) According to the information and explanations given to us the company did not raise any funds from the financial institutions during the FY 2024-25, hence reporting under this clause is not applicable.

e) According to the information and explanations given to us the company did not take any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures during the FY 2024-25, hence reporting under this clause is not applicable.

f) According to the information and explanations given to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, hence reporting under this clause is not applicable

x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (x) of the Order is not applicable to the Company.

b) The company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause3(x)(b) of the order is not applicable to the company.

xi) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

b) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under section 143(12) of the act, in form ADT-4, as prescribed under rule 13 of companies (audit and auditors) rules 2014 was not required to be filled with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the order is not applicable to the company.

c) During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the company. Accordingly, the reporting under clause 3(xi)(c) of the order is not applicable to the company.

xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company and therefore the clause is not applicable.

xiii) According to the information and explanations given to us, there were no transactions with related parties during the year. Further, all transactions, wherever applicable, are in compliance with Sections 177 and 188 of the Companies Act, 2013, and the required disclosures have been made in the financial statements as per the relevant accounting standards.

xiv) According to the Information and Explanation given to us the company is in the process of closure. All the transactions are conducted through HMT Limited (ABD). The company has not appointed the internal auditors.

xv) According to the information and explanations provided to us, the company has not entered into any non-cash transactions with Directors or people connected with them and therefore this clause is not applicable to the company.

xvi) a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

b) The company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the order is not applicable to the company.

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the order is not applicable to the company.

d) Based on the information and explanation provided by the management of the company, the Group does not have any CIC's, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the order is not applicable to the Company.

xvii) According to the information and explanations given to us, the Company has not incurred any cash losses during the financial year; however, it had incurred a cash loss of ₹60.97 lakh in the preceding financial year 2023–24.

xviii) During the year there is no resignation of the statutory auditor hence comment on this clause is not applicable.

xix) The Company is in the process of liquidation and is not holding assets or liabilities. Hence financial statements are prepared not on-going concern basis. The same is reported under the Material Uncertainty related to Going Concern section of our audit report.

xx) a) During the period of audit there is no unspent amount which needs to be transferred to fund specified in schedule VII to the companies act hence comment on this clause is not applicable.

b) During the year No such amount remaining unspent under sub-section (5) of section 135 of the Companies, hence, comment on this clause is not applicable.

xxi) The company does not have any subsidiaries and the question of commenting on qualifications or adverse remarks contained in the CARO reports of the subsidiaries does not arise.

Place: Bengaluru

Date:04.07.2025

For A N K H & ASSOCIATES
Chartered Accountants
FRN: 015330S

Prakash Adiga B
Partner
Membership No: 216858
UDIN:25216858BMHYCH4625

ANNEXURE-B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HMT WATCHES LIMITED, BENGALURU

(Referred to in "Report on Other Legal and Regulatory Requirements" paragraph 13 (f) of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of HMT Watches Limited, Bengaluru ("the Company") as of 31st March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on essential components such as the control environment, the entity's risk assessment process, control activities, Information system and communication and the monitoring of such controls. 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") and the Standards on Auditing, issued by ICAI 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial

reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 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 control over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Bengaluru
Date: 04.07.2025

For A N K H & ASSOCIATES
Chartered Accountants
FRN: 015330S

Prakash Adiga B
Partner
Membership No: 216858
UDIN: 25216858BMHYCH4625

Addendum To The Independent Auditors' Report Dated 15-05-2025 On The Financial Statements Of Hmt Watches Limited For The Year Ended 31St March 2025

To The Members Of Hmt Watches Limited, Bengaluru

This letter serves as an addendum to and should be read in conjunction with our Independent Auditors' Report dated 15-05-2025 on the financial statements of the Company. This addendum form part and parcel of our Report.

After Paragraph: "As required by Section 143(5) of the Act, based on our Audit we report that: of Independent Auditors' Report dated 15-05-2025, the following Paragraph is inserted:

Sl.No.	Particulars	Remarks
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company is in the process of closing the company. All the accounting transactions during the year were made through the IT system. Based on our verification, there are no significant impacts on the integrity of the accounts or towards financial implications for the company.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest, etc. made by a lender to the company due to the company's inability to repay the loan. If yes, the financial impact may be stated.	The Ministry of Heavy Industries & Public Enterprises vide their letter dated 13-01-2016, intimated that CCEA in its meeting held on 06-01-2016 had approved the closure of HMT Watches Limited and directed to waive off loans of the Company after the closure. MHI vide letter dated 08-05-2023, 06-02-2024 directed the Company for filing winding petition u/s 248 of the Companies act 2013. MHI vide letter dated 06-02-2024 further directed the company to waive off GOI loans Rs 2693.78 Cr and the Grant amount released Rs 837.47 Cr shall be utilized for payment towards settlement of MAT / Tax liability.
3	Whether funds (grants/subsidy etc) received/ receivable for specific schemes from Central/ State agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.	No such cases were noticed during the year.

For M/s ANKH & Associates
Chartered Accountants
FRN: 015330S

Place: Bengaluru
Date: 04.07.2025

Prakash Adiga B
Partner
M.No: 216858
UDIN: 25216858BMHYCH4625

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 WATCHES LIMITED FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of HMT Watches Limited 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 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 04 July 2025 which supersedes their earlier Audit Report dated 15 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of HMT Watches Limited 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 Statutory Auditors' report under Section 143(6)(b) of the Act.

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

Nawal

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

Place: Hyderabad
Date: 09 July 2025

HMT Watches Limited

Standlone Significant Accounting Policies for the year ended March 31, 2025

Significant Accounting Policies

i) Basis of preparation

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

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

ii) Summary of Significant Accounting Policies

a) Use of estimates:

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

b) Property, Plant & Equipment

Property, Plant and Equipment ("PPE") are stated at cost of acquisition or construction, net of vatable taxes, less accumulated depreciation to date. Cost includes direct costs and financing costs related to borrowing attributable to acquisition that are capitalized until the assets are ready for use.

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

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

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

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

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

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

The carrying amount of an item of PPE is derecognised:

(a) on disposal; or

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

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

Special Tools:

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

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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.

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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

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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.

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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

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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

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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 lifetime 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

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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

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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 peed 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

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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 is 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.

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BALANCE SHEET AS AT 31.03.2025

(Rs. In Lakhs)

Particulars	Note No.	As at 31-Mar-2025	As at 31-Mar-2024
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2.2	-	-
Current Assets			
a) Inventories	2.3	-	-
b) Financial Assets			
i. Trade Receivables	2.4	-	-
ii. Cash and Cash Equivalents	2.5	-	-
iii.Other Financial Assets (Int accrued on FD)	2.6	-	-
iv.Funds available with Gratuity Trust	2.6 A	-	-
c) Other Current Assets (TDS recovered by Bank)	2.7	-	-
Non Current Assets Held for Sale	2.8	-	-
TOTAL ASSETS		-	-
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.9	649.01	649.01
Other Equity	2.10	(649.01)	(649.01)
Non-current liabilities			
a) Financial liabilities			
b) Provisions			
i.Employee Benefit obligations		-	-
c) Other non- current liabilities			
Current liabilities			
a) Financial liabilities			
i. Borrowings		-	-
ii. Trade and other payables	2.11	-	-
iii. Other financial liabilities	2.12	-	-
b) Provisions			
i.Employee Benefit obligations		-	-
ii. Others	2.13	-	-
c) Other current liabilities	2.14	-	-
TOTAL LIABILITIES		-	-
Summary of Significant Accounting Policies	2.1		
See accompanying notes to the financial statements	2.2 To 2.38	-	-

As per our report of even date attached
For M/s ANKH & ASSOCIATES
Chartered Accountants
FRN : 015330S

Prakash Adiga B
Partner
M.No : 216858
UDIN: 25216858BMHXZU3740
Place : Bengaluru
Date: 15-05-2025

For and on behalf of the Board of Directors of
H M T Watches Limited

Rajesh Kohli	**Renuka Mishra**	**Naresh Kumar**
Chairman & Managing Director	Govt Nominee Director	Govt Nominee Director
DIN : 10333951	DIN: 08635835	DIN: 10043608

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2025

(Rs. In Lakhs)

Particulars	NOTE NO	Year Ended 31-Mar-2025	Year Ended 31-Mar-2024
Continuing Operations			
Discontinued Operations			
Revenue from operations	2.15	-	-
Other income	2.16	-	61.21
Total revenue		**-**	**61.21**
Expenses			
Cost of material consumed	2.17	-	-
Changes in inventory of work-in progress, stock-in- trade and finished goods.	2.18	-	-
Employee benefit expense	2.19	-	-
Other expense	2.20	-	122.18
Finance Cost	2.21	-	-
Total expenses		**-**	**122.18**
Profit/ (loss) before exceptional items and tax		-	(60.97)
Exceptional items:			
GOV. Loans waived	2.22	-	2,69,378.75
GOV. Grant Recived		-	83,747.00
Profit/ (loss) before tax		-	3,53,064.78
Tax expense			
a) Current tax		-	84,986.12
b) Deferred tax		-	-
c) Income Tax for earlier year		-	-
Profit/ (loss) for the period from discontinued operations		**-**	**2,68,078.66**
Profit/ (loss) for the period		**-**	**2,68,078.66**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement Gains/(Loss) on Defined Benefit Obligations		-	-
Items that will be reclassified to profit or loss			
Other Comprehensive Income		-	-
Total comprehensive income for the period		-	2,68,078.66

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2025

(Rs. In Lakhs)

Particulars	NOTE NO	Year Ended 31-Mar-2025	Year Ended 31-Mar-2024
Earnings per equity share (for continuing operations)			
a) Basic		-	-
b) Diluted		-	-
Earnings per equity share (for discontinued operations)			
a) Basic	2.38	-	4,130.58
b) Diluted		-	4,130.58
Earnings per equity share (for discontinued & continuing operations)			
a) Basic		-	4,130.58
b) Diluted		-	4,130.58
Summary of Significant Accounting Policies	2.1		
See accompanying notes to the financial statements	2.2 To 2.38		

As per our report of even date attached
For M/s ANKH & ASSOCIATES
Chartered Accountants
FRN : 015330S

Prakash Adiga B
Partner
M.No : 216858
UDIN: 25216858BMHXZU3740
Place : Bengaluru
Date: 15-05-2025

For and on behalf of the Board of Directors of
H M T Watches Limited

Rajesh Kohli	**Renuka Mishra**	**Naresh Kumar**
Chairman & Managing Director	Govt Nominee Director	Govt Nominee Director
DIN : 10333951	DIN: 08635835	DIN: 10043608

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2025

(Rs. in lakhs)

Particulars	Year Ended 31-Mar-25	Year Ended 31-Mar-24
Operating activities		
Profit before tax from continuing operations	-	-
Profit/(loss) before tax from discontinued operations	-	3,53,064.78
Profit before tax	-	**3,53,064.78**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	-	-
Gain/(Loss) on disposal of property, plant and equipment	-	-
Finance income	-	(59.68)
Finance Cost	-	-
Working capital adjustments:		
Movements in provisions, gratuity	-	-
Increase in trade and other receivables and prepayments	-	19.52
Decrease in inventories	-	-
Increase in trade and other payables	-	(2,69,382.97)
	-	83,641.65
Income tax paid	-	(84,986.12)
Net cash flows from operating activities	-	**(1,344.47)**
Investing activities		
Proceeds from sale of property, plant and equipment	-	-
Interest received	-	59.68
Net cash flows used in investing activities	-	**59.68**
Financing activities		
Proceeds from Loan/(Repayment of Loan)	-	-
Interest paid	-	-
Net cash flows from/(used in) financing activities	-	**-**
Net increase in cash and cash equivalents	-	(1,284.79)
Cash and cash equivalents at the beginning of the year	-	1,284.79
Cash and cash equivalents at year end	-	**0.00**

Note: 1) The above statement has been prepared under the indirect method as set out in Ind AS

2) The Cash and Cash equivalents has been considered as per Note No.2.5

As per our report of even date attached
For M/s ANKH & ASSOCIATES
Chartered Accountants
FRN : 015330S

Prakash Adiga B
Partner
M.No : 216858
UDIN: 25216858BMHXZU3740
Place : Bengaluru
Date: 15-05-2025

For and on behalf of the Board of Directors of
H M T Watches Limited

Rajesh Kohli	**Renuka Mishra**	**Naresh Kumar**
Chairman & Managing Director	Govt Nominee Director	Govt Nominee Director
DIN : 10333951	DIN: 08635835	DIN: 10043608

Notes on financial Statements for the year ended

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Rs. In Lakhs)

Balance at the beginning of the reporting period 1st April 2023	Changes in equity share capital during the year 2023-24	Balance at the end of the reporting period 31st March 2024	Changes in equity share capital during the year 2024-25	Balance at the end of the reporting period 31st March 2025
6,49,01,000	Nil	6,49,01,000	Nil	6,49,01,000

B. Other Equity

Particulars	Reserves and Surplus				Discontinued operations	Other Comprehensive Income		Total equity attributable to equity holders of the company
	Capital reserve	Retained earnings	General Reserve	FVTOCI reserve		Equity Instruments through other comprehensive income	Other items of Other Comprehensive Income	
Balance as of 1st April 2023	-	-	-	-	(2,68,727.66)	-	-	(2,68,727.66)
Changes in accounting policy or prior period errors								-
Restated balance as of 1st April 2024	-	-	-	-	**(2,68,727.66)**	-	-	**(2,68,727.66)**
Discontinued operations					2,68,078.66			2,68,078.66
Remeasurement of the net defined benefit liability/ asset, net of tax effect					-			-
Total Comprehensive Income for the year								-
At 31 March 24	-	-	-	-	**(649.00)**	-	-	**(649.00)**

Particulars	Reserves and Surplus				Discontinued operations	Other Comprehensive Income		Total equity attributable to equity holders of the company
	Capital reserve	Retained earnings	General Reserve	FVTOCI reserve		Equity Instruments through other comprehensive income	Other items of Other Comprehensive Income	
Balance as of 1st April 2024	-	-	-	-	**(649.00)**	-	-	**(649.00)**
Changes in accounting policy or prior period errors								-
Restated balance as of 1st April 2024	-	-	-	-	**(649.00)**	-	-	**(649.00)**
Discontinued operations					-	-	-	-
Remeasurement of the net defined benefit liability/ asset, net of tax effect					-	-	-	-
Total Comprehensive Income for the year								-
At 31 March 2025	-	-	-	-	**(649.00)**	-	-	**(649.00)**

As per our report of even date attached
For M/s ANKH & ASSOCIATES
Chartered Accountants
FRN : 015330S

Prakash Adiga B
Partner
M.No : 216858
UDIN: 25216858BMHXZU3740
Place : Bengaluru
Date: 15-05-2025

For and on behalf of the Board of Directors of
H M T Watches Limited

Rajesh Kohli
Chairman & Managing Director
DIN : 10333951

Renuka Mishra
Govt Nominee Director
DIN: 08635835

Naresh Kumar
Govt Nominee Director
DIN: 10043608

Notes on financial statements

2.2 PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

Particulars	Land - Freehold	Land-Leasehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Special Tools	Total
Gross Block								
At 1 April 2023	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Assets Held for Sale	-	-	-	-	-	-	-	-
At 31 March 2024	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Assets Held for Sale	-	-	-	-	-	-	-	-
At 31 March 2025	-	-	-	-	-	-	-	-
Accumulated Depreciation								
At 1 April 2023	-			-	-	-	-	-
Depreciation/ Amortisation charge for the year								-
Disposals								-
Assets Held for Sale	-		-	-	-	-		-
At 31 March 2024	-	-	-	-	-	-	-	-
Depreciation/ Amortisation charge for the year	-	-		-		-	-	-
Disposals		-						-
Assets Held for Sale	-		-	-	-	-	-	-
At 31 March 2025	-	-	-	-	-	-	-	-
Net book value								
At 31 March 2025	-	-	-	-	-	-	-	-
At 31 March 2024	-	-	-	-	-	-	-	-

Notes on financial statements

(Rs. in lakhs)

	Particulars		31-03-2025 INR Lacs	31-03-2024 INR Lacs
2.3	**INVENTORIES**			
	(At Cost or NRV whichever is lower)			
	Raw Materials		-	-
	MIT		-	-
	Stores and Spares		-	-
	Scrap		-	-
	Finished Goods		-	-
	Work-in-progress		-	-
	Total		**-**	**-**
	Less: Provisions		-	-
		Total	**-**	**-**
2.4	**TRADE RECEIVABLES**			
	Trade receivable others		-	-
		Total	**-**	**-**
	TRADE RECEIVABLES			
	Secured Considered good			
	Unsecured, considered good		-	-
	Doubtful		-	-
	Less Allowance for doubtful Debts		-	-
		Total	**-**	**-**
	Trade Receivable for a period > 6 Month		-	-
	Trade Receivable for a period < 6 Month		**-**	**-**
2.5	**CASH AND CASH EQUIVALENTS**			
	Balances with scheduled banks			
	- Current Account		-	-
	Deposit with scheduled banks > three months and < 12 months		-	-
	Deposit with scheduled banks> three months and < 12 months		-	-
		Total	**-**	**-**
2.6	**OTHER FINANCIAL ASSETS**			
	Interest Accrued on Bank deposit		-	-
		Total	**-**	**-**
2.6	**Less Fund Availabale in Gratuity Trust**		**-**	**-**
		Total		

Notes on financial statements

(Rs. in lakhs)

	Particulars	31-03-2025 INR Lacs	31-03-2024 INR Lacs
2.7	**OTHER CURRENT ASSETS**		
	Dues from Related Parties		
	Chinar Watches Ltd	-	-
	Machine Tools Ltd	-	-
	HMT Ltd	-	-
	HMT (I) Ltd	-	-
	HMT Bearings	-	-
	Secured		
	Considered Good	-	-
	(Unsecured considered good)		
	Considered Good (Statutory)	-	-
	Claimes recovarable doubtful	-	-
	Less: provisions made	-	-
	Advances		
	GST		
	- Capital Advances		
	- Other Advance		
	Less: Provision for doubtful advances		
	Claims recoverable	-	-
	Less : Provision for Doubtful Claims	-	-
	Deposits with various authorities - court cases	-	-
	Advance tax / TDS receivable	-	-
	Total	**-**	**-**
2.8	**Non Current Assets Held for Sale and discontinue of operations**		
	Land - Freehold	0.00	0.00
	Buildings	0.00	0.00
	Total	**0.00**	**0.00**
	*Regrouping		

2.8 A The manufacturing operations have been discontinued during the year 2016-17 and in line with approval of the Government of India, all the moveable assets being disposed off to meet the closure liabilities. MHI vide letter dated 5-5-2022 directed to transfer all immovable asssets from books of HMTWL (under closure) to the books of HMT Ltd the holding Company at book value. The rights of transfer of immovable assets have been assumed by the Government and HMT Limited is the custodian of the properties till their disposal.

The company is in the process of liqudation and not holding any assets or liabilities. Hence financial statement are prepared not on going concern basis

NOTES FORMING PART OF BALANCE SHEET

(Rs. in lakhs)

2.9 Share Capital

Authorised share capital

Share capital

Equity Shares

	Number (In Lakhs)	Amount
At 1 April 2023	70	700.00
Increase/(decrease) during the year	-	-
At 31 March 2024	**70**	**700.00**
Increase/(decrease) during the year	-	-
At 31 March 2025	**70**	**700.00**

Issued Capital

Equity shares of INR 10 each issued and fully paid

	Number	Amount
At 1 April 2023	**64,90,100**	**649.01**
Increase/(decrease) during the year	**-**	-
At 31 March 2024	**64,90,100**	**649.01**
Increase/(decrease) during the year	-	-
At 31 March 2025	**64,90,100**	**649.01**

"The company has only one class of equity shares having par value of INR10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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."

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

Name of the Share Holder	No of Shares	% holding	No of Shares	% holding
HMT Limited Equity shares of INR10 each fully paid	64,90,100	100.00%	64,90,100	100.00%

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

Notes on financial statements

(Rs. in lakhs)

	Particulars	31-03-2025 INR Lacs	31-03-2024 INR Lacs
2.10	**Other Equity**		
	Retained Earnings	(649.01)	(649.01)
	Total	**(649.01)**	**(649.01)**

Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2024

	Retained Earnings	Total
	INR lacs	INR lacs
Re-measurement gains (losses) on defined benefit plans	-	-
	-	-

During the year ended 31 March 2025

	Retained Earnings	Total
	INR lacs	INR lacs
Re-measurement gains (losses) on defined benefit plans	-	-
	-	-

	Particulars	31-03-2025 INR Lacs	31-03-2024 INR Lacs
2.11	**TRADE AND OTHER PAYABLES**		
	Due to micro and small enterprises*	-	-
	Dues to Trade Payable	-	-
	Total	**-**	**-**

*Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The company has not received any confirmation from Vendors regarding their status under MSMED ACT 2006 and hence disclosure relating to amounts un-paid as at the year .

2.12	**OTHER FINANCIAL LIABILITIES**		
	GOI Liabilities	-	-
	Total	**-**	**-**

Note: Consequent to the approval accorded by the CCEA in its meeting held on 06-01-2016 and communication from DHI vide letter dated 13-01-2016 to close down the operations, the loan from Government of India, Interest Accrued there on upto 2014-15 has been classified under other Financial liabilities.

2.13	**PROVISIONS- OTHERS**		
	Income Tax Provision	-	-
	Closing Balance	**-**	**-**

Notes on financial statements

(Rs. in lakhs)

	Particulars	31-03-2025 INR Lacs	31-03-2024 INR Lacs
2.14	**OTHER CURRENT LIABILITIES**		
	Dues to Related Parties		
	HMT International Ltd	-	-
	HMT Machine Tools Ltd (directorate)	-	-
	HMT Chinar Watches Ltd	-	-
	HMT Ltd, (Holding Company)	-	-
	HMT Bearings Ltd	-	-
	Statutory Liability Excise duty	-	-
	Advance Received Sale Of Assets (MSTC)	-	-
	Advance received against sale of land & Building	-	-
	E M D Received	-	-
	Retention Deposit	-	-
	Security Deposit	-	-
	Gratuity Payable	-	-
	Earned Leave Encashment Payable	-	-
	Pay Revision Payable	-	-
	Settlement Allowance Payable	-	-
	Others	-	-
	TDS pending payments	-	-
	Doora darsan	-	-
	Security deopsits and EMD from WMD	-	-
	Expenses Payable	-	-
	7Q & 14B Interest Payable	-	-
	Total	**-**	**-**

Notes on financial statements

(Rs.in lakhs)

	Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
2.15	**REVENUE FROM OPERATIONS**		
	Sale of Watches	-	-
	Total	**-**	**-**
2.16	**OTHER INCOME**		
	A. Other Income		
	Miscellaneous Income (sale of scarp and building Materials)	-	-
	GST Refund	-	-
	Misc Income	-	1.53
		-	**1.53**
	B. Interest Income		
	Interest received on Fixed Deposits	-	59.68
	Interest received from CHO on FD		-
	Interest received from Gratuity		-
	Income tax Refund		-
		-	**59.68**
	Total	**-**	**61.21**
2.17	**COST OF MATERIAL CONSUMED**		
	A, Raw material and Components		
	Inventory at the beginning of the year	-	-
	Add: Purchases	-	-
	Inventory at the end of the year	-	-
		-	**-**
	B, Stores, Spares and Other Component Consumed		
	Opening	-	-
	Closing	-	-
		-	-
	Total		**-**

Notes on financial statements

(Rs.in lakhs)

	Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
2.18	Changes in inventory of work-in progress, stock-in- trade and finished goods.		
	Finished goods		
	Opening	-	-
	Closing	-	-
		-	-
	Work in progress		
	Opening		-
	Closing		
		-	-
	Inventory of Scrap		
	Opening	-	-
	Closing	-	-
	Total	**-**	**-**
2.19	**EMPLOYEE BENEFIT EXPENSES**		
	Staff welfare exp.	-	-
	Others	-	-
	Total	**-**	**-**
2.20	**OTHER EXPENSES**		
	Water and Electricity	-	14.75
	Rates and Taxes	-	26.73
	Travelling Expenses & Conveyance Allowance	-	1.75
	Printing and Stationary Expenses	-	0.39
	Auditors Remuneration	-	0.89
	Advertisement & publication		-
	Miscellaneous Expenses	-	0.96
	Legal Expenses & Professional charges	-	4.00
	Postage and telephone expenses	-	0.05
	Repair & Maintenance	-	0.10
	MSTC Service Charges		-
	7Q/14B Interest/		
	Security Expenses	-	36.41
	Casual Labour Charges	-	29.79
	Share of Holding Company Exp.		-
	Other Provision(WFT)		
	Service charges (HMT ABD)	-	6.36
	P F Trust Loss		
	Bank charges	-	-
	Total	**-**	**122.18**

Notes on financial statements

(Rs.in lakhs)

	Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
2.21	**Finance Cost**		
	Other Interest	-	14.28
	Total	**-**	**14.28**
2.22	**Exceptional items**		
	Grant Received from GOI	-	83,747.00
	Waiver of GOI Loans	-	2,69,378.75
	Profit on sale of Plant & Machinery , Scrap	-	-
	Liabilities no longer required	-	-
	Provision For Advances	-	-
	Provision no longer required	-	-
	Total	**-**	**3,53,125.75**
2.23	**CONTINGENT LIABILITIES & COMMITMENTS (to the extent not provided for)**		
	Contingent Liabilities		
	Claims against the company not acknowledged as debt		
	The Company made contigent liabilities towards legal and other payment	-	NIL
	The same has been approved by the Board of directors of the company and Ministry of heavy Industries vide letter dated 1-12-2022 to transfer to HMT Limited Holding Company		
2.24	**VALUE OF IMPORTS CALCULATED ON CIF BASIS BY THE COMPANY DURING THE FINANCIAL YEAR**		
	NIL	NIL	NIL
2.25	**EXPENDITURE IN FOREIGN CURRENCY**		
	Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest and other matters		
		Nil	Nil
2.26	**EARNINGS IN FOREIGN EXCHANGE**	Nil	Nil

Notes on financial statements

(Rs.in lakhs)

	Particulars	For the year ended 31-03-2025	For the year ended 31-03-2024
2.27	**Segment reporting as per IND AS 108**		
	The Company was carrying on the business of manufacture, sale and servicing of wrist watches. Due to decision of closure of business, entire business has been classified under discontinued operation.		

2.28 Related Party Disclosure (IND AS 24)

During year following transaction took place with related parties:

Rs. in Lacs

Name of the Related Party	Nature of ransactions	Amount
HMT LTD (ABD, Bangalore)	Service Charges	-
HMT LTD (CHO)	Common Expenses	-
HMT LTD (CHO)	Interest Paid	-
HMT LTD (CHO)	Interest Received	-

2.29 Earnings per share (EPS)

Profit attributable to equity holders:		
Continuing operations	-	-
Discontinued operation	-	3,53,064.78
Less: Other Comprehensive Income		-
Profit attributable to equity holders for basic earnings	**-**	**3,53,064.78**
Interest on convertible preference shares		-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	**-**	**3,53,064.78**
Weighted average number of Equity shares for basic EPS*	-	3,53,064.78
Effect of dilution:		-
Convertible preference shares		-
Weighted average number of Equity shares adjusted for the effect of dilution *	**-**	**3,53,064.78**
Earnings per equity share (for discontinued operations)	**-**	**4,130.58**

* 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.

As per our report of even date attached
For M/s ANKH & ASSOCIATES
Chartered Accountants
FRN : 015330S

Prakash Adiga B
Partner
M.No : 216858
UDIN: 25216858BMHXZU3740
Place : Bengaluru
Date: 15-05-2025

For and on behalf of the Board of Directors of H M T Watches Limited

Rajesh Kohli	**Renuka Mishra**	**Naresh Kumar**
Chairman & Managing Director	Govt Nominee Director	Govt Nominee Director
DIN : 10333951	DIN: 08635835	DIN: 10043608

HMT (International) Limited has received 54th EEPC India National Awards in the category – Project Export (Large Enterprise)

Shri. Rajesh Kohli, C&MD and Shri. S.K. Kadbe, GM (FPA) during visit to Milk Powder Plant, Indore (MP) implemented by Food Processing Machinery Division (FPA), Aurangabad, HMT Limited

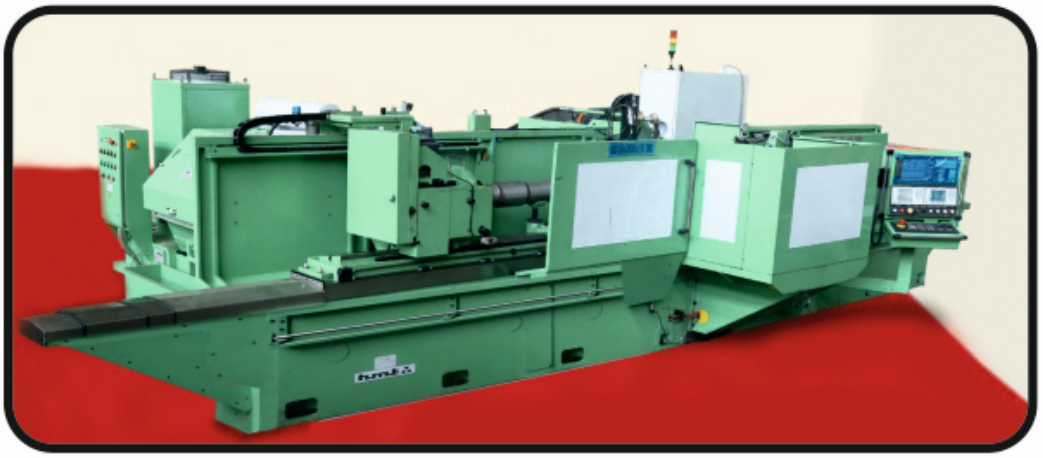
Swasth Nari Sashakt Parivar Abhiyaan at HMT

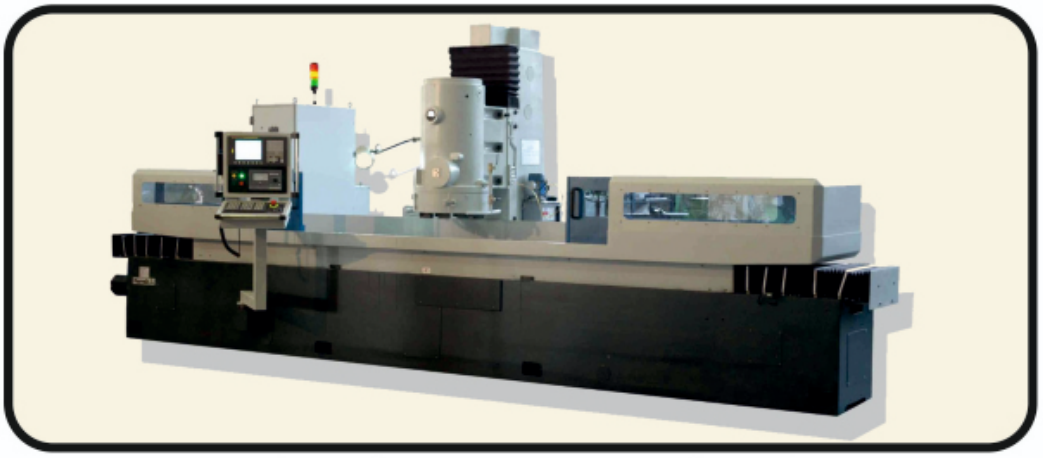
Launching of HMT Automatic Watches on 26th January 2025

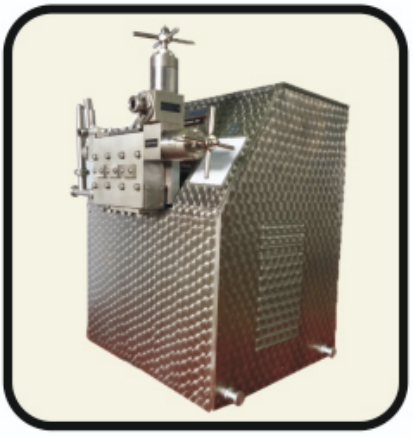
One of the HMT CSR Activity 2024-25

HMT Sports Day-15th August 2025

HMT Limited







CIN No. L29230KA1953G0I000748
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