



26वीं वार्षिक रिपोर्ट
एचएमटी मशीन टूल्स लिमिटेड

26th ANNUAL REPORT
HMT Machine Tools Limited
2024-25

निदेशक मंडल (दिनांक 24.09.2025)

Board Of Directors (24.09.2025)

श्री राजेश कोहली
अध्यक्ष एवं प्रबंध निदेशक
(अतिरिक्त प्रभार)



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

श्री प्रेम चन्द्र मौर्य
संयुक्त सचिव
भारी उद्योग मंत्रालय, भारत सरकार



Shri Prem Chandra Maurya
Joint Secretary
Ministry of Heavy Industries, GOI

डॉ. रेनुका मिश्रा
आर्थिक सलाहकार
भारी उद्योग मंत्रालय, भारत सरकार



Dr. Renuka Mishra
Economic Adviser
Ministry of Heavy Industries, GOI

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

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

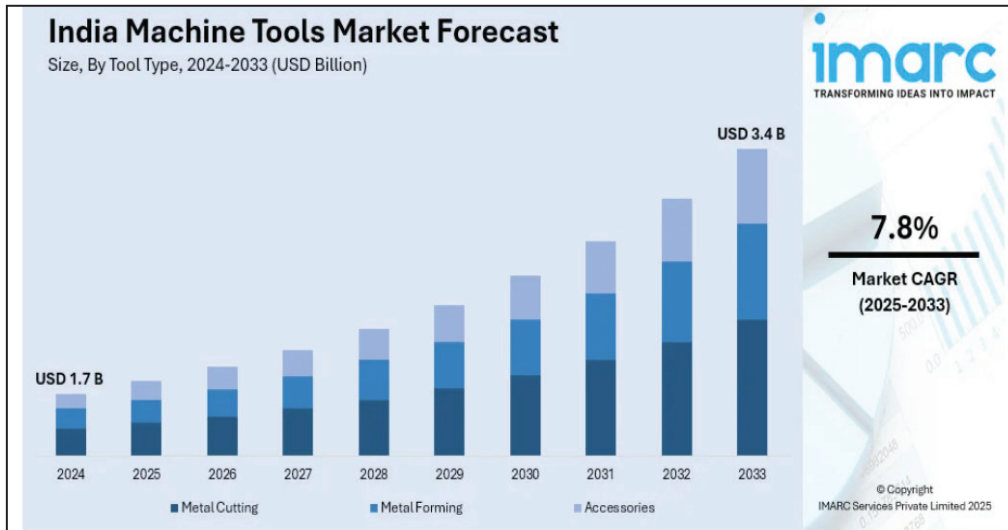
The market faces several structural challenges that hinder its full potential. One of the major issues is the lack of skilled manpower, especially to operate sophisticated CNC machines and handle computer-integrated systems. This shortage of talent delays technology uptake and influences productivity, 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.

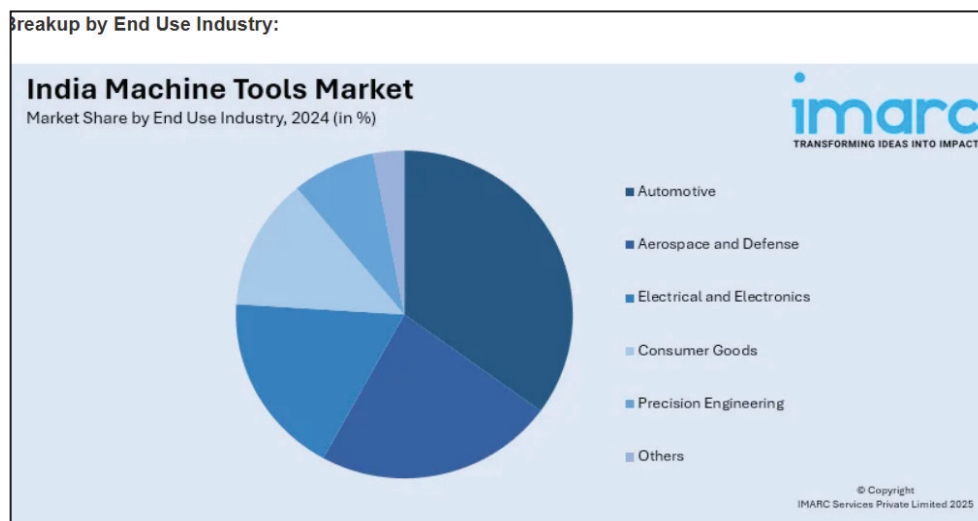
India Machine Tools Market Size estimated by Imarc as USD 1.7 Billion and they projected it will become USD 3.4 Billion in 2033 with projected CAGR (2025-2033) as 7.8%.



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 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.

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 Enterprises (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 complied 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 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;

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 Rule 12 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 be 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 05.04.2025 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.

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:

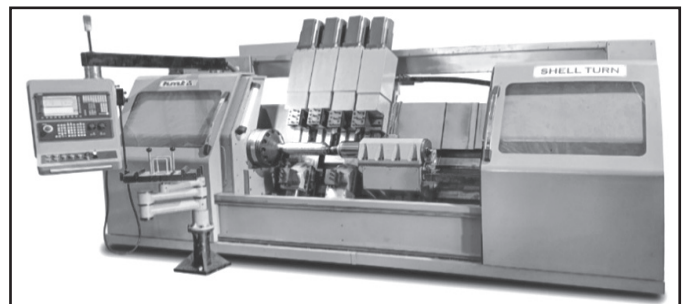
a) Technology Acquisition/Absorption:

- 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) Discussion and presentation given for the establishment of axle machining line with the financial 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 foundry facilities at Kalamassery and Bangalore
- h) Development of the CNC system in India with indigenous 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 provision 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) Salient 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 of material 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) Salient 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: Bengaluru
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.,

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.

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.

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 least one Independent Director of its Holding Company on its Board under Regulation 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 observed that the company has not made timely payment of Employees related statutory dues in several instances and as a result, defaulted the provision 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.

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 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

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 Udhyaam 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 BBMP 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 - 27 other 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.
- 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

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

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

PLACE : Bengaluru
DATE : 11.09.2025
UDIN : 25020244BMIVEJ9393

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

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	Relationship	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 Statute	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 Clause 3(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. 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 /-.	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) 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. 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.	a) The observation is noted and will be reviewed during the next financial year. b) Noted, All statutory compliance will be adhered to 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. 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.	The majority of the inventories pertains to more than 5 years which are provided in the books of accounts. 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. 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 reconciliation will be carried out. 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. 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.	The unit is in the practice of creating liability for interest on delayed payment. Notice for penal interest, is contested by the unit. 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. - 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. - 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.	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. Noted and will be reviewed The details were provided to the auditor during the course of audit. 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.
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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 Udhyaam 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 Udhyaam 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.
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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:

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."

The matter will be reviewed and necessary action will be taken in future with the approval of the competent authority.

- 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

“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.

Rental income details have been submitted to the auditor during the course of the audit.

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.

- 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).

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 Figures as per the GST returns and books are reconciled and the same was provided to the auditor during the course of audit.

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 course 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 COMPANIES ACT, 2013 ON THE FINANCIAL 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 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 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. 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 vatatable 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 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 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

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.

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

Particulars	Notes	Rs in Lakhs	
		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)
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

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

Particulars	Rs. In Lakhs	
	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	17.30	23.09
Investing activities		
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	(2,970.85)	(2,191.70)
Financing activities		
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)
Chairman & Managing Director (Addl. Charge)
DIN 10333951

(Rajesh Kumar)
Director
DIN 09403746

for RAJAGOPAL & BADRI NARAYANAN
Chartered Accountants
FRN : 0030245

(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 STANDALONE FINANCIAL STATEMENTS

3A. PROPERTY, PLANT AND EQUIPMENT

Particulars	Land & Buildings Development	Factory Buildings	General Building	Plant and Machinery	Furniture, Fittings and Office Appliances	Air conditioning and Ventilations	Computers and data processing	Electrical installations	Measuring Equipment	Factory Equipment	Water supply and sanitation	Vehicles	Special Tools	Interior Partitions	Road 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	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	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	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	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	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	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	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	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 records 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 lacs 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 sought 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 Officials of Survey and Settlement Department, Ranga Reddy Dist. in view of Supreme Court directives, it has come to the notice that approx. 39 acres of land is not in the actual possession of 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 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 238.86sq. 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

- The Company has classified certain land & building as investment property which is not an owner occupied property
- 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)
- 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
Intangible 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					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
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		
<i>Balances with banks:</i>		
– 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

Particulars	(Rs. In Lakhs)	
	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

- The Company has Rs.44500 lakhs Authorised Preference Share Capital of 44500000 Shares of Rs.100/- each
- "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 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	As at 31 March 2025		As at 31 March 2024	
	No of Shares	% holding	No of Shares	% holding
Equity shares of INR10 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		Total equity attributable to equity holders of the company
	Capital reserve	Retained earnings	Equity Instruments through other comprehensive income	Other items of Other Comprehensive Income	
	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		Total equity attributable to equity holders of the company
	Capital reserve	Retained earnings	Equity Instruments through other comprehensive income	Other items of Other Comprehensive Income	
	Amount	Amount	Amount	Amount	
Balance as of 1st April 2023	2,270.82	(2,06,391.08)	-	(5,211.34)	(2,09,331.60)
Change in Accounting Policy or Prior Period Error					
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% Redeemable 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 Trade Payable Agewise details as at the end of current 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 - 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. Received 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

Particulars	(Rs. In Lakhs)	
	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
Deferred 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/ Qtr	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/ Qtr.	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 development 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 extent 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 levy 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 penalty/ 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 employees 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-employment 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

31 March 2025 changes in the defined benefit obligation and fair value of plan assets										Rs. In Lakhs)		
Particulars	01-04-24	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)	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	(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

Particulars	Gratuity cost charged to profit or loss							Remeasurement gains/(losses) in other comprehensive income				Contributions by employer	31-Mar-24 (Rs. In Lakhs)
	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 demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI			

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	1,132.35
Benefit Liability	(3,232.83)	(183.79)	(212.84)	(396.63)	-	10.04	1.22	(12.94)	(2,886.02)

B. Earned Leave Encashment

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

31 March 2025 changes in the defined benefit obligation and fair value of plan assets												(Rs. In Lakhs)	
Particulars	01-Apr-24	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contributions by employer	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			
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

[illegible]

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

Particulars	01-Apr-24	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contributions by employer	31-Mar-25 (Rs. In Lakhs)
		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 demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	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

Particulars	01-Apr-23	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contributions by employer	31-Mar-24 (Rs. In Lakhs)
		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 demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	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

Rs. in Lakhs

"Others"			
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/ EXCHANGE 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 from 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: (Reimbursement 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) Transactions 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

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 Bengaluru (Total 443 Acres granted / gifted /acquired by HMT) with a present balance of 266 Acres owned and possessed by HMT in the said area. Out of 266 Acre, 172.34 Acre relates to HMT, MBX, Bengaluru. GOK has filed an application for withdrawal of IA and in pursuant to which the Company has filed and Intervention/Impleadment application before the Hon'ble Supreme Court. Presently the matter is pending with Supreme Court.
- 2) The part compensation of Rs.1850 lakhs received from BBMP towards acquisition of land has been shown as Advance received against sale of Land under "other non current Liabilities". Balance amount of Rs.152 lakhs is still pending.
- 3) BBMP allotted PID NO.07/77/5 (Khatha Registration) for HMT Machine Tools Limited, Jalahalli, Bengaluru, property. After payment of property tax under one time settlement scheme Rs.26,36,00,555/- for the period from 1997-98 to 2023-24. The Company has requested BBMP several times to issue Khatha Certificate and Extract of the same is not yet issued. In books of account land area indicated as 330.28 acres, whereas in statement arrived as 334.26 acres. The difference land area of 3.98 acres are assumed to be removed from Kharab land while measuring /accounting. However there is no clarity and documents pertaining to this.



श्री एच. डी. कुमारस्वामी, केंद्रीय भारी उद्योग एवं इस्पात मंत्री, गांधी जयंती 2024 के अवसर पर एचएमटी एमबीएक्स कॉम्प्लेक्स में आयोजित “स्वच्छता ही सेवा” कार्यक्रम में शामिल हुए। इस अवसर पर श्री राजेश कोहली, सी&एमडी, तथा श्री जे. के. प्रसाद, जीएम (ओ&एम) भी उपस्थित रहे।

Shri H. D. Kumaraswamy, Union Minister for Heavy Industries and Steel, attended the “Cleanliness is Service” programme at the HMT MBX Complex on the occasion of Gandhi Jayanti 2024, along with Shri Rajesh Kohli, C&MD, and Shri J. K. Prasad, GM (O&M).

श्री राजेश कोहली, सी&एमडी तथा श्री जे. के. प्रसाद, जीएम (ओ&एम), ने ईमटेक्स 2025 में एचएमटी पैविलियन के उद्घाटन के लिए पधार के केंद्रीय भारी उद्योग एवं इस्पात मंत्री श्री एच. डी. कुमारस्वामी का स्वागत करते हुए।

Shri Rajesh Kohli, C&MD and Shri J. K. Prasad, GM (O&M), welcomed Shri H. D. Kumaraswamy, Union Minister for Heavy Industries and Steel, for the inauguration of the HMT Pavilion at IMTEX 2025.



श्री राजेश कोहली, सी&एमडी, ने एचएमटी भवन, बेंगलुरु में नीति आयोग के सदस्य (विज्ञान एवं प्रौद्योगिकी) डॉ. वी. के. सारस्वत का स्वागत किया, श्री जे. के. प्रसाद, जीएम (ओ&एम) भी उपस्थित रहे।

Shri Rajesh Kohli, C&MD, welcomed Dr. V. K. Saraswat, Member (S&T), NITI Aayog, at HMT Bhawan, Bengaluru. Shri J. K. Prasad, GM (O&M) was also present.

एचएमटी मशीन टूल्स लिमिटेड के पुनरुद्धार हेतु गठित तकनीकी समिति की बैठक नीति आयोग के सदस्य (विज्ञान एवं प्रौद्योगिकी) डॉ. वी. के. सारस्वत की अध्यक्षता में आयोजित हुई। इस अवसर पर श्री राजेश कोहली, सी&एमडी, कंपनी के अन्य वरिष्ठ अधिकारी तथा उद्योग विशेषज्ञ भी उपस्थित रहे।

Meeting of the Technical Committee for the Revival of HMT Machine Tools Limited under the Chairmanship of Dr. V. K. Saraswat, Member (S&T), NITI Aayog. Shri Rajesh Kohli, C&MD, along with other senior company officials and Industry experts were also present.



संसदीय राजभाषा समिति की तृतीय उपसमिति द्वारा मैसूर में एचएमटी मशीन टूल्स लिमिटेड, बेंगलुरु कॉम्प्लेक्स के निरीक्षण के दौरान उपसमिति के संयोजक श्री श्रीरंग अप्पा चंदू बारणे से निरीक्षण प्रमाणपत्र प्राप्त करते हुए एचएमटी मशीन टूल्स लिमिटेड के अध्यक्ष एवं प्रबंध निदेशक श्री राजेश कोहली तथा एचएमटी के वरिष्ठ कार्यपालक।

During the inspection of HMT Machine Tools Limited, Bengaluru Complex, conducted by the Third Sub-Committee of the Parliamentary Committee on Official Language in Mysuru, Shri Rajesh Kohli, Chairman & Managing Director, HMT Machine Tools Limited, along with senior executives of HMT, receiving the inspection certificate from the Sub-Committee Convener, Shri Shrirang Appa Chandu Barne.



एचएमटी मशीन टूल्स लिमिटेड
(एचएमटी लिमिटेड की संपूर्ण स्वामित्वाधीन अनुषंगी)
सीआईएन संख्या : U02922KA1999GOI025572
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