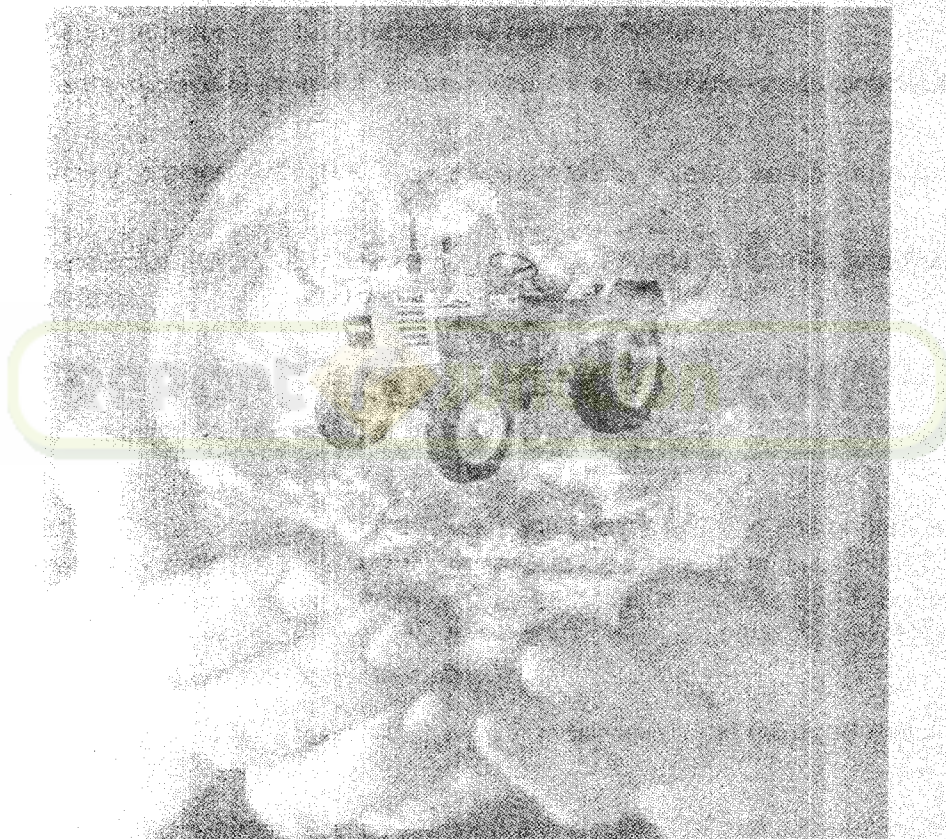



55th Annual Report 2007-08



 **hmt**
HMT LIMITED

"RESOLVED FURTHER THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the words and figures "Rupees One Thousand Crores divided into 100,00,00,000 equity shares of Rs.10/- each" appearing in Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company, be substituted by the words and figures "Rupees One Thousand Four Hundred and Fifty Crores divided into 100,00,00,000 equity shares of Rs.10/- each and 4,50,00,000 Preference Shares of Rs.100/- each ."

"FURTHER RESOLVED THAT pursuant to Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors be and are hereby authorised to issue, in future, unissued Equity Shares of Rs.10/- each and Preference shares of Rs. 100/- each at par out of the Authorised Share Capital of Rs.1450 Crore to the President of India, in such manner as the Board may think fit."

By order of the Board of Directors

(U.Jagadish Nayak)
Company Secretary

Place: Bangalore

Date : September 01, 2008

Registered Office:

HMT Bhavan

No. 59, Bellary Road,
Bangalore – 560 032

1. The Members of the Company.
2. Statutory Auditors

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. The Share Transfer Books and Register of Members of the Company shall remain closed from 19.9.2008 to 27.9.2008 (both days inclusive).
3. Members/proxies should bring the attendance slip duly filled in for attending the meeting.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.5

Shri B.S. Meena, Additional Secretary and Financial Adviser, Ministry of Heavy Industries & Public Enterprises, was appointed as a Director of the Company by the President of India vide Order No.5(35)/1995-PE.X dated January 25, 2008, until further orders, in place of Shri R.S. Sirohi, who was appointed as Director with effect from October 18, 2007, in place of Shri N. Gokul Ram. The Board of Directors have approved his appointment as Director with effect from January 25, 2008, in terms of Article 67(4) of the Articles of Association read with Section 262 of the

Companies Act, 1956. Shri B.S. Meena is proposed for appointment as a Director in terms of Articles 67 (4) of the Articles of Association of the Company read with Sections 255, 257 and 262 of the Companies Act, 1956, for which a notice has been received from a Shareholder.

Copy of the relevant document(s) are available for inspection by the members during business hours on any working day, at the Registered Office of the Company.

Shri B.S. Meena is considered as interested in the resolution being the subject of his appointment as Director. None of the other Directors is concerned or interested in the resolution.

Item No.6

Dr. Surajit Mitra, Additional Secretary, Ministry of Heavy Industries & Public Enterprises, was appointed as a Director of the Company by the President of India vide Order No.5(35)/1995-PE.X (Vol.II) dated March 6, 2007, until further orders, in place of Dr. A. Didar Singh, who was appointed as Director with effect from August 20, 2004. The Board of Directors have approved his appointment as Director with effect from March 6, 2007, in terms of Article 67(4) of the Articles of Association read with Section 262 of the Companies Act, 1956. Dr. Surajit Mitra is proposed for appointment as a Director in terms of Article 67 (4) of the Articles of Association of the Company read with Sections 255, 257 and 262 of the Companies Act, 1956, for which a notice has been received from a Shareholder.

Copy of the relevant document(s) are available for inspection by the members during business hours on any working day, at the Registered Office of the Company.

Dr. Surajit Mitra is considered as interested in the resolution being the subject of his appointment as Director. None of the other Directors is concerned or interested in the resolution.

Item No.7

At present, the Authorised Share Capital of the Company is Rs.1000 crore consisting of 100,00,00,000 Equity Shares of Rs.10/- each and the Subscribed and Paid up Share Capital is Rs.760,35,01,400/-.

At the time of increasing the Authorised Share Capital of the Company to Rs.1000 crore, Rs.443 crore routed through the Company towards Preference Share Capital in HMT Machine Tools Limited, the Subsidiary, under the Revival Plans of HMT Machine Tools Limited approved by the Government of India, was not considered as the Company had requested the Administrative Ministry to release the said funds towards Preference Share Capital instead of routing through the Company, in view of financial and other implications involved therein. However, the Board of Directors of the Company at their 271st meeting held on January 29, 2008, directed to initiate appropriate action in this regard as per the Sanction Letter issued from the Government while release of the funds under the Revival Plans. In view of the same, it is proposed to increase the Authorised Share Capital of the Company by Rs.450 crore from the present level of Rs.1000 crore.

It is therefore proposed to increase the Authorised Share Capital of the Company by the creation of new 4,50,00,000 Preference Shares of Rs.100/- each to Rs.1450,00,00,000/- from the existing level of Rs.1000,00,00,000/- comprised of 100,00,00,000 equity shares of Rs.10/- each.

The Board of Directors have approved the increase in the Authorised Share Capital of the Company from Rs.1000 crore to Rs.1450 crore by creation of new 4,50,00,000 Preference Shares of Rs.100/- each subject to the approval of the Government and recommend passing of the resolutions by the Shareholders by way of Special Resolution.

Copy of the relevant documents are available for inspection by the Members during business hours on any working day at the Registered Office of the Company.

None of the Directors is concerned or interested in the Resolution.

INFORMATION PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT**Item No. 2**

Prof. S.S. Sharma, IAS (Retd.) aged 64 years holds the degrees of M.Sc. (Punjab University), MBA (University of Birmingham) and a Diploma in International Management (University of Westminster). He is a Fellow of the AIMA.

Prof. Sharma is a Principal Director of Netaji Subash Institute of Management Sciences

Formerly held positions**Positions held in Central Government**

Director General	Gurū Nanak Institute of Management
Chairman	Manipur State Finance Commission
Secretary	Ministry of Youth Affairs & Sports, Govt of India
Special Secretary	Ministry of Power, Govt. of India
Director General	National Productivity Council, Ministry of Industry, GOI
Director General	Labour Welfare, Ministry of Labour, Govt. of India
Joint Secretary	Ministry of Home Affairs, Govt. of India
Deputy Director	LBS National Academy of Administration

Positions held in State Government

Chief Secretary	In-charge of Cabinet / Home / Vigilance / Forest & Wild-life depts.
Principal Secretary	In-charge of Forest & Wild-life / Health Departments.
Commissioner / Secretary	In-charge of PWD, Power, Industries & Medical Departments, District Magistrate & Deputy Commissioner and Additional Development Commissioner.

Major Appointments under above positions:

- Member, Governing Body, World Anti-Doping Agency, Montreal, Canada
- Senior External Consultants, Asian Productivity Organisation, Tokyo, Japan
- Visiting Faculty, IMI
- Chairman & Managing Director, NTPC
- Member, Board of Governors - IIMA, IIMK, IIMB, NITIE, AICTE, IAMR & QCI
- Member Secretary, Central Advisory Boards for - Contract Labour (R&A) Act, Building & Construction Workers Act and Welfare Funds
- Involved in Planning & implementation of Indo-Bangladesh border fencing, Assam Accord and Border areas development programme for Indo-Pak borders
- Involved in internalisation of Executive Development and other advanced programmes & management capsules in Foundation & IAS (Prof) programmes

At the state level - Chief Electoral Officer, Chairman of several Corporations including TRPC, TFDC, TJMC as well as Chairman / Director for NSIC, MHDC, MSP etc.

Item No.3

Dr. Saibal Kanti Gupta aged 68 years holds the degrees of B.Sc.(Met.Engg.), Ph.D (Tech.) and D.Sc.(Tech.).

Formerly held positions:

- Prof. & Head of Metallurgical Engineering, Indian Institute of Technology, Bombay.
- Managing Director, Mishra Dhatu Nigam Ltd., (Super Alloys Plant), Hyderabad
- Director, R&D Centre, & Member, Board of Directors, SAIL
- Managing Director, Rourkela Steel Plant, SAIL.
- Chairman-cum-Managing Director, MECON Ltd.
- Independent Technical / Management Consultant to:
 - o Voest-Alpine Industrieanlagenbau GmbH, Linz, Austria
 - o The Caparo Group, London
 - o The Government of Orissa
- President / Managing Director / Executive Vice Chairman, Jindal Vijayanagar Steel Ltd.
- Part-time Director – Industrial Development Bank of India, Hindustan Zinc Ltd., Indian Iron & Steel Co. Ltd., Sponge Iron India Ltd., Vishakapatnam Steel Plant (RINL), Bharat Bhari Udyog Nigam Ltd.; Tata Refractories Ltd; Central Mine Planning & Design Institute Ltd., Jindal Iron & Steel Company Ltd.; Jindal Praxair Oxygen Company Ltd.
- Chairman,
 - o Task Force on 'Steel Growth Plan till 2010' Government of India
 - o Iron & Steel Division, Indian Institute of Metals, Calcutta
 - o Research Council, Central Fuel Research Laboratory, Dhanbad
- President – Indian Institute of Metals, Calcutta
- Member – Executive Board, Standing Conference of Public Enterprises (SCOPE); Committee of Technology, International Iron & Steel Institute, Belgium; Board of Governors, National Institute of Foundry & Forge Technology, Research Council, Regional Research Laboratory, Bhubaneswar; Several National Committees constituted by the Ministry of Steel, Department of Science & Technology, CSIR, etc.

Achievements

- UNESCO Fellow to Moscow Steel Institute
- Distinguished Alumnus Award, B.I.T., Sindri
- Metallurgist of the year Award – 1980
- Honorary Member – Indian Institute of Metals, Calcutta – 1995
- National Metallurgist Award – 1998
- Published over 75 research papers in India and abroad on technology & management
- Holds three patents
- Editor of a monograph on Blast Furnace Iron making

DIRECTORSHIP AND MEMBER OF COMMITTEES OF THE BOARD

Name of the Company	Director / Chairman	Name of the Committee	Member	Chairman
JSW Steel Limited	Director	Audit Committee Remuneration Committee ¹ Investor Grievances Committee	✓	✓ ✓
Jindal South West Holdings Limited	Director	Audit Committee Investor Grievances Committee Remuneration Committee	✓ ✓ ✓	
Vesuvius India Limited	Chairman	Audit Committee Share & Investor Grievances Committee	✓	✓
Shobha Developers Limited	Director	Investor Grievances Committee	✓	–
Encore Software Limited	Director	–	–	–
Bhuwarka Steel Industries Limited	Chairman	Audit Committee	✓	–
Jindal Saw Limited	Director	–	–	–
IVRCL Infrastructures & Projects Limited	Director	–	–	–
Surana Industries Limited	Director	–	–	–
FerroGreen Technologies Pvt. Limited	Chairman	–	–	–
EcoCoke & Power Pvt. Ltd.	Chairman	–	–	–

By order of the Board of Directors

(U. Jagadish Nayak)
Company Secretary

Place: Bangalore

Date : September 01, 2008

Registered Office:HMT Bhavan
No. 59, Bellary Raod,
Bangalore – 560 032

ATTENDANCE SLIP

No. 59, Bellary Road, Bangalore - 560 032

I, hereby record my presence at the Fiftyfifth Annual General Meeting at the Registered Office of the Company at **10.30 a.m. on Saturday, September 27, 2008.**

Name of the Attending Member
(in Block Letters)

DP. Id*	
Client Id*	

Members' Folio Number	
No. of Shares	

Name of Proxy
(in Block Letters, to be filled in if the Proxy attends instead of the Member).

* Member's/Proxy's Signature

* To be signed at the time of handing over this slip

(Tear here)

HMT LIMITED

No. 59, Bellary Road, Bangalore - 560 032

PROXY FORM

DP. Id*	
Client Id*	

Members' Folio Number	
No. of Shares	

I / We
of
being a Member/Members of HMT Limited hereby appoint
..... of
or failing him
of
or failing him
as my/our Policy in my/our absence to attend and vote for me/us, and on my/our behalf, at the Fiftyfifth Annual General Meeting of the Company, to be held at **10.30 a.m. on the 27th day of September 2008**, and at any adjournment thereof.

Signed by the said

Affix
One Rupee
Revenue
Stamp

Note : The Proxy Form must be deposited at the Registered Office of the Company at No. 59, Bellary Road, Bangalore 560 032, not less than 48 hours before the time for holding the meeting



HMT LIMITED

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BOARD OF DIRECTORS

Shri A.V. Kamat
 Shri B.S. Meena
 Dr. Surajit Mitra
 Dr. Saibal Kanti Gupta
 Prof. S.S. Sharma
 Dr. N.B. Ballal
 Shri S.K. Tuteja
 Shri K. Kipgen
 Shri S.K. Kampasi

Chairman & Managing Director
Director
Director
Director
Director
Director
Director
Director (Finance)

EXECUTIVE DIRECTOR

Shri Prakash Sharan

Executive Director, Tractors

CHIEF VIGILANCE OFFICER

Shri Prem Singh

COMPANY SECRETARY

Shri U. Jagadish Nayak

STATUTORY AUDITORS

M/s. Phillipos & Co.
 Chartered Accountants
 Bangalore

BANKERS

UCO Bank
 Punjab National Bank
 Andhra Bank

REGISTERED OFFICE

“HMT BHAVAN”
 59, Bellary Road
 Bangalore – 560 032
 Karnataka, India



PERFORMANCE HIGHLIGHTS

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
(Rs. in Lakhs)										
OPERATING STATISTICS										
Sales	17108	22729	24833	20386	15801	18330	28712	34522	75238	87422
Other Income *	1267	11458	5621	9030	6549	3765	3297	6759	3342	4186
Materials	14064	15125	17461	14710	9952	10734	16018	22071	38697	41858
Employee Costs	6472	6106	5813	5930	5231	5188	5296	7032	30667	29261
Other Costs	4080	8351	5868	6236	6863	7351	7077	9143	32119	21172
Depreciation	299	321	393	416	419	447	439	446	1507	1463
Earnings before Interest	(4466)	3639	900	2024	(208)	(2304)	738	3457	(21382)	(3287)
Interest	131	(409)	(455)	174	511	1097	(44)	1016	8309	370
Earnings/(Loss) before Tax	(4597)	4048	1355	1850	(719)	(3401)	782	2441	(29691)	(3657)
Taxation (net off withdrawal/refunds)	(130)	(1382)	28	1252	77	40	(242)	-	-	20
Net Earnings	(4467)	5430	1327	598	(796)	(3441)	1024	2441	(29691)	(3677)

FINANCIAL POSITION

Net Fixed Assets	3751	3342	3437	3317	3683	4096	4276	4346	13541	14122
Current Assets	73167	112729	111417	115431	95292	95890	96539	82642	83874	91914
Current Liabilities & Provisions	19653	20914	20366	19859	20246	23810	23116	26996	69246	55222
Working Capital	53514	91815	91051	95572	75046	72080	73423	55646	14628	36692
Capital Employed	57265	95157	94488	98889	78729	76176	77699	59992	28169	50814
Investments	76571	76571	7801	4639	4589	4550	4550	4550	2790	1768
Miscellaneous Expenditure	197	380	3845	4594	4822	4949	4375	3404	34	15
Borrowings	52098	85553	92742	99637	82055	79121	76704	59128	55467	50172
Net Worth	81897	86181	8146	2492	1116	1535	5550	5414	(24508)	2410

OTHER STATISTICS

Capital Expenditure	707	230	556	54	58	278	374	300	378	1007
Internal Resources Generated	(4168)	5751	1720	1014	(377)	(2994)	1463	2887	(28184)	(2214)
Working Capital Turnover Ratio	0.32	0.25	0.27	0.21	0.21	0.24	0.36	0.64	2.79	2.36
Current Ratio	3.72	5.39	5.47	5.81	4.71	4.03	4.18	3.06	1.21	1.66
Return on Capital(%)	(5.86)	3.84	0.93	2.28	(0.27)	(2.99)	1.10	5.76	(54.14)	(6.47)
Employees (Nos.)	2296	2383	2429	2489	2568	2649	2809	3004	18395	19387
Per Capita Sales	7.45	9.54	10.22	8.19	6.15	6.92	10.22	11.49	4.09	4.51

Note: Figures for 1998-99 and 1999-2000 relate to pre-restructured Company.

* Includes Extra Ordinary Items