

## HMT LIMITED

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## BOARD OF DIRECTORS

Shri. S. Girish Kumar	Chairman & Managing Director
Dr. Subhash Chandra Pandey	Director (w.e.f. 13.04.2016)
Shri. Vishvajit Sahay	Director
Shri. Ravindra Singh	Independent Director (W.e.f. 02.02.2017)
Smt. Shashi B. Srivastava	Director, Finance (w.e.f. 01.07.2016)

## CHIEF VIGILANCE OFFICER

Shri. R.N. Lakshminarasimha ( up to 30.11.2016)  
Shri. S.K. Singh (from 30.11.2016 to 31.03.2017)  
Shri. Ram Krishna Swarnkar ( from 31.03.2017)

## STATUTORY AUDITORS

M/s. B.K.RAMADHYANI & Co LLP Chartered Accountants

## BANKERS

UCO Bank  
Punjab National Bank

## REGISTERED OFFICE

“HMT BHAVAN”  
59, Bellary Road  
Bangalore - 560 032

**PERFORMANCE HIGHLIGHTS**

(₹ in lakhs)

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
<b>OPERATING STATISTICS</b>										
Sales	1043	726	6155	7971	10095	16112	20086	19164	16098	17108
Other Income *	1634	10448	3239	30518	4756	4658	5475	1078	1425	1267
Materials	267	246	3805	6319	5365	12118	13746	12083	10596	14064
Employee Costs	1026	1106	10334	9030	7070	7499	8371	6762	6367	6472
Other Costs	5042	470	2293	11754	4090	2906	3140	3252	4811	4080
Depreciation	32	27	367	340	355	440	387	392	340	299
Earnings before Interest	(3728)	9348	-8174	12016	(-4135)	735	(16)	(3323)	(5664)	(4466)
Interest	288	297	1836	1434	10403	8955	7908	1968	1234	131
Earnings/(Loss) before Tax	(4016)	9051	(10010)	10582	(-14538)	(8220)	(7924)	(5291)	(6898)	(4597)
Taxation (net off withdrawal/refunds)	(1861)	-	-	1861	-	-	-	-	181	(130)
Discontinued Operations (Tractors)	(21794)	(10765)								
Net Earnings	(23949)	(1714)	(10010)	8721	(14538)	(8220)	(7924)	(5291)	(7079)	(4467)
<b>FINANCIAL POSITION</b>										
Net Fixed Assets	1956	2229	2481	2831	3159	3507	3868	4028	4094	3751
Current Assets	18832	9345	64225	67742	68604	70619	65557	72668	71078	73167
Current Liabilities & Provisions	20950	35387	27723	21881	26928	25701	24309	21437	19445	19653
Working Capital	(2117)	(26041)	36502	45861	41676	44918	41248	51231	51633	53514
Capital Employed	(161)	(23812)	38983	48692	44835	48425	45116	55259	55727	57265
Investments	72029	76425	76425	76390	76556	76556	76556	76556	76571	76571
Miscellaneous Expenditure	-	-	-	-	-	-	-	-	29	197
Borrowings	47652	15094	13846	11246	82349	71401	59871	62091	57312	52098
Preference Share Capital (PSC)	3686	3686	66000							
Net Worth	20530	33833	35562	113838	39043	53581	61800	69724	74986	81897
<b>OTHER STATISTICS</b>										
Capital Expenditure	13	65	8	12	7	81	227	327	681	707
Internal Resources Generated	(25778)	(1687)	(9643)	10922	(14183)	(7780)	(7537)	(4899)	(6739)	(4168)
Working Capital Turnover Ratio	-	-	0.17	0.17	0.24	0.36	0.49	0.37	0.31	0.32
Current Ratio	0.90	0.26	2.32	3.10	2.55	2.75	2.70	3.39	3.66	3.72
Return on Capital(%)	-	-	(18.65)	25.70	(8.87)	1.57	(0.03)	(5.99)	(10.03)	(5.86)
Employees (Nos)	118	128	1421	1434	1442	1699	1904	2088	2205	2296
Per Capita Sales	8.84	5.67	4.33	5.56	7.00	9.48	10.55	9.18	7.30	7.45

\* Includes Extra Ordinary &amp; Exceptional Items

Note: Figures are as per IND AS and Networth excludes PSC from FY 2014-15

## DIRECTORS' REPORT

To  
The Members,  
HMT Limited  
Bangalore

Dear Members,

The Board of Directors has pleasure in presenting the 64<sup>th</sup> Annual Report on the Business & Operations of your Company and Annual Accounts of the Company for the year 2016-17 along with the Auditors' Report. The Comments of the Comptroller & Auditor General of India are attached to this Report.

### Financial summary or highlights / Performance of the Company (Standalone)

	Rs. in Lakhs	
Particulars	2016-17	2015-16
Gross Revenue from continuing Operations	1043	726
Profit Before Depreciation and Finance Costs	(4227)	9375
Depreciation	32	27
Gross Profit/(Loss)	(4259)	9348
Finance Cost	288	297
Net profit before exceptional Items and PPA	(4547)	9051
Add : Exceptional Items	531	-
Less : Prior Period Adjustments		
Net Profit before Tax	(4016)	9051
Provision for Tax	(1861)	-
Net Profit After Tax	(2155)	9051
Profit/Loss from discontinued operations	(21794)	(10765)
Net Profit/(Loss) for the year	(23949)	(1714)

### OPERATING RESULTS:

Consequent to the decision of the Government for closure of the Company's Tractor Business, the main business portfolio now is Food Processing Machinery. The Food Processing Machinery business recorded a positive Gross Margin with a growth of 35% in production (Rs.9.58 Crore in 2016-17 as against Rs.7.10 Crore in the previous year), and 47% in Sales (Rs.10.14 Crore in 2016-17 as against Rs.6.94 Crore in the previous year without excise duty).

However, your Company had to face severe pressure on performance during the year due to lack of working capital.

Your Company recorded a Production of Rs.19.38 Crore (188 Nos. of Tractors & 437 Nos of Food Processing Machineries) as against Rs.37.18 Crore (633 Nos. of Tractors & 210 Nos of Food Processing Machineries), in the previous year, and Sales of Rs 22.90 Crore (215 Nos. of Tractors and 475 Nos of Food Processing Machineries) compared to Rs 45.43 Crore (733 Tractors and 185 Nos. Food Processing Machines) in the previous year.

HMT Group along with its Subsidiaries achieved an aggregate Production of Rs. 193.41 Crore. Revenue from the operations reported as Rs.215.36 Cr. for the year 2016-17 against Rs. 251.91 Cr. of previous year including excise duty. HMT Group incurred loss of Rs.544.03 Cr. against previous year loss of Rs.278.50 Cr.

### FUTURE OUTLOOK:

#### Food Processing Machinery

Over the years, India has emerged as one of the world's biggest producers of milk, with the total milk production rising from 122 Million Metric Tons in 2010-11 to 162 Million Metric Tons in 2016-17. With an increase in the working population, hectic lifestyles and increasing health consciousness among the consumers, there has been a shift towards healthy and ready-to-eat dairy products. Apart from this, a large number of affluent consumers who prefer value-added and premium dairy products, have further facilitated the growth of the organised dairy sector.

Fortunately, the government and other stakeholders seem to be alive to the situation and efforts to increase milk production have been intensified. Transformations in the sector are being induced by factors like newfound interest on the part of the organized sector, new markets, easy credit facilities, dairy friendly policies by the government, etc. Dairy farming is now evolving from just an agrarian way of life to a professionally managed industry - the Indian dairy industry. With these positive signals, there is hope that the sector may eventually march towards another white revolution.

In view of the positive signals in industry, the Company has set a Sales target of Rs.11.00 Crore for the year 2017-18 and increase production of its fast moving products viz., Continuous Butter Making Machine, Centrifugal Pumps, Homogenizers and Pasteurizers.

**Machine Tools**

The domestic consumption of machine tools for the year 2016-17 is around Rs.11616 Cr. as against Rs.10376 Cr. during 2015-16 a growth of 12%. The consumption is expected to be around Rs 12800 Cr during the 2017-18 a growth of 10%. The country's production during 2016-17 is around Rs.5803 Cr. as against Rs.4727 Cr. in 2015-16 a growth of around 23%.

As per IMTMA during the year 2016-17 there is a growth of 22% in export of Machine Tools with respect to corresponding period of last year which indicates that there is demand for Indian Machines abroad.

India is emerging as fastest growing economy in the world. According to The World Bank, the Indian economy is likely to grow at 7.6 % in 2017-18 and 7.8 % in 2018-19. The industry output grew by 5.0 % during 2016-17 as against 3.4 % during 2015-16 led by a good performance in the capital goods sector which registered a growth of 3.1 % and manufacturing sector registering a growth of 4.9 %. Demonetisation had a positive impact on the Indian Economy, which has helped to foster a clean and digested economy on the long run.

The continued investment by the government in public infrastructure is helping the economy to grow. The automotive sector is also steadily picking up which is expected to give fillip to MSME's in the country. The development of MSME's is also one of the principle objectives of the Government. All this in turn is expected to boost the demand for machine tools during 2017-18.

Demand for machine tools accrues from the manufacturers of primary goods and intermediate goods. The primary user industries include the automotive sector, capital goods sector and consumer durables sector. Prominent users of machine tools in the intermediate goods sector include the auto components, the ball and roller bearings and electronic components. Only sectors like defence and industrial intermediates recorded a good growth in turnover during 2016-17. This growth in various sectors presents a positive outlook for improving the company's business during 2017-18.

During the current year, the Company has set a Sales target of Rs.260 Crore and it proposes to achieve the same through encashing the business opportunity available in Aerospace and Nuclear power and growing market in other

sectors, concentrating more on indigenization of imports for defence equipments and reduction of manufacturing cycle time by high productive machines.

**DIVIDEND & PROVISIONS**

Owing to the losses incurred during the year, the Directors are unable to recommend any dividend on the paid up equity share capital of the Company.

**SHARE CAPITAL**

The Authorised Share Capital of the Company is Rs. 2100 Crore and Paid up equity Share Capital is Rs. 1204.09 Crore

**FIXED DEPOSITS:**

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

**Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended:**

The Statement showing the details of top ten employees in terms of remuneration drawn as per Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014- is in the Annexure.

**Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has adopted a policy on prevention, prohibition and redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the Financial year 2016-17, the Company has not received any complaints of Sexual Harassment.

**FRAUD REPORTING**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

Pursuant to sub-section (3) (o) of Section 134 of the Companies Act, 2013 consequent upon appointment of Independent director on the Board of the Company, the CSR Committee is being constituted.

**ENTERPRISE RISK MANAGEMENT:**

Establishment of Risk Management System in terms of regulation 34 (3) of the SEBI (LODR) Regulation, 2015 and the provisions of the Companies Act, 2013 is under process.

**PARTICULAR OF EMPLOYEES**

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

**SUBSIDIARY COMPANIES****HMT Machine Tools Limited**

This company executed orders for several critical Machines and procured prestigious orders from strategic sectors & auto sectors during the year. The Company also initiated various product developments, Technology development & Technology Tie-ups making it an eventful year. The Subsidiary achieved Sales of Rs.197.52 Crore against Rs.217.83 Crore (including excise duty). Production attained is of Rs. 183.83 Crore as against Rs.201.44 Crore, in the previous year. Net loss reported is Rs. 127.59 Crore during the year 2016-17 against reported loss of Rs. 106.66 Crore in previous year.

**HMT (International) Limited**

The Subsidiary achieved a turnover of Rs.23.98 Crore during the year 2016-17 as against Rs. 33.91 Crore recorded in the previous year 2015-16. The Order procurement during the year is Rs.20.19 Crore as against Rs.9.43 Crore achieved in the previous year. Continuing the trend of achieving profits, Subsidiary could report Profit Before Tax (PBT) of Rs.0.26 Crore achieved against Rs. 0.90 Crore reported in previous year.

**HMT Watches Limited**

This Subsidiary could not show significant improvement in performance during the year under review. This Subsidiary

could achieve a Sales level of Rs. 7.29 Crore (Including excise duty) and Production of Rs. NIL Crore during the year under review. The Net Loss for the year stood at Rs. 203.56 Crore.

**HMT Chinar Watches Limited**

The performance reported is; Sales to Rs. 2.24 Crore (Including excise duty) during the year with NIL Production for the year. In view of the non operative status level, the Subsidiary achieved a Net Profit of Rs.0.91 Cr.

**HMT Bearings Limited**

During the year under review, the Subsidiary was able to achieve Sales of Rs.2.66 Crore, against the Previous Year's Sales of Rs.11.83 Crore (Including excise duty). In terms of Production the Company was able to achieve Rs. 0.95 Crore compared to the Previous Year's Production level of Rs. 10.14 Crore. The loss for the year registered Rs. 3.66 Cr during 2016-17 as against net loss of Rs. 8.93 Cr. reported during previous year.

**ASSOCIATE /JOINT VENTURE COMPANY****SUDMO-HMT Process Engineers (India) Limited**

This Joint Venture Company could not transact any business during the year under review. For the financial year 2016-17, this Company showed a Profit after tax of Rs.0.66 Lakhs only on account of the interest income of Rs.3.33 Lakhs, on the fixed deposits kept with the Banks.

**Gujarat State Machine Tools Corporation Ltd**

This Joint Venture Company between HMT and GIIC Ltd has discontinued its operations since long. It is therefore proposed to divest from this Associate Company jointly with the JV Partner. The process of disinvestment from this Company, is under consideration by the Company in consultation with the JV Partner.

Salient features of the financial statement of subsidiaries/ associate companies/joint ventures are provided in Form AOC-1 as annexure.

**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 along with comparatives for the previous year 2015-16.

### **CONSOLIDATED FINANCIAL STATEMENTS**

As required under the Companies Act 2013 and SEBI (LODR) Regulation, 2015, Consolidated Financial Statements of the Company along with that of the Subsidiaries for the financial year 2016-17, conforming to the applicable Accounting Standards, are attached to this Report along with the Auditors' Report on the same.

The Directors have consented not to attach copy of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors of the five (5) Subsidiary Companies viz., HMT Machine Tools Limited; HMT Watches Limited; HMT Chinara Watches Limited; HMT Bearings Limited and HMT (International) Limited and one (1) Joint Venture Company i.e. SUDMO- HMT Process Engineers (India) Limited to the Balance Sheet of the Company (Holding Company). However, these documents will be made available upon request by any member of the Company interested in obtaining the same. The financial information of each of these subsidiary Companies have been furnished as part of the Consolidated Balance Sheet of the Company. The annual accounts and other detailed information of each of the Subsidiary companies will be available for inspection by any member at the Registered Office of the Company.

### **HUMAN CAPITAL**

Information in accordance with the Companies Act, 2013 read with the Companies (Particulars of Employees), Rules, 1975, as amended, is NIL for the year 2016-17.

The employee strength of the Company as on March 31, 2017, stood at 269 Nos comprising of various categories of employees in manufacturing plants and other offices in technical and other professional areas.

The number of employees on the rolls of the Company as on March 31, 2017 in SC/ST, Ex-servicemen, Physically

Handicapped and Women Employee Categories etc. is detailed below:

Scheduled Castes	46
Scheduled Tribes	02
Other Backward Classes	36
Ex-Servicemen	02
Persons with Disabilities	06
Women employees	17
Minorities	22

### **INDUSTRIAL RELATIONS**

The overall Industrial Relations situation in the Company during the year remained cordial.

### **IMPLEMENTATION OF OFFICIAL LANGUAGE**

Continuous efforts are being made towards implementation of Official Language Act, Rules & Policy as per the directives of the Government in the Company to enhance the levels of usage. The Official Language Implementation Committee have been constituted in all the Units of the Company and the Subsidiaries, including the Corporate Office at Bangalore to monitor implementation of Official Language Act, Rules, Policy, etc. which meets at regular intervals in every quarter.

In order to propagate the usage of Hindi as Official Language, "HINDI DIWAS/HINDI FORTNIGHT" was observed during the month of September, 2016. Various competitions in Hindi such as Hindi Story Writing, Hindi News Paper Reading, Hindi Quiz Writing, Hindi Conversation, Hindi Antyakshari, etc., were organized and participants were awarded prizes. A workshop was organised during the above period. The Hindi Magazines/Newspapers are being procured to propagate the usage of Hindi among employees. The concerned Officials of the Company regularly take part in the meetings of the Town Official Language Implementation Committee.

Reporting on progress of Hindi proliferation in the Company is being reported periodically on Rajabhasha Vibhag portal.

## VIGILANCE ACTIVITIES

Chief Vigilance Officer (CVO) appointed by the Government of India heads the Corporate Vigilance Department of the Company. Presently, CVO, Scooter India Limited has been assigned with the additional charge of CVO HMT Limited.

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 surprise and regular 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/Dy. 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 and all the concerned officers should comply with CVC and Company Purchase Manual guidelines.

Emphasis was laid on preventive vigilance by striving towards strict adherence to all rules and procedure and all norms of transparency in tendering process. Based on CVC's guidelines for 'Improving Vigilance administration by leveraging technology and increasing transparency through effective use of website' necessary directions were given

by CVO for implementation of the same. Some of the systems put in place by the Company are:

1. Uploading of all open tenders and high value Limited Tenders on [www.tenders.gov.in](http://www.tenders.gov.in) (Website of GOI).
2. Publishing details regarding all purchase orders / contracts concluded during the month of and above the threshold value (presently Rs 5.00 lakhs). This is generally followed by all manufacturing Units.
3. Application form for vendor registration along with list of items required by Units of HMT Limited and Subsidiaries are made available on Company Website so as to enable the interested vendors to download the application form and submit the same to the Unit of their choice.
4. Management is being persuaded to adopt E procurement process.
5. Management is being persuaded to adopt Integrity Pact.
6. In many of the units / Subsidiary, E-payment mode to suppliers is adopted and compliance level is 30 to 80%.
7. Quarterly vigilance workshops were organized at all manufacturing units to enhance the level of vigilance awareness among the employees.
8. Vigilance Awareness Week 2016 with the theme **"Public participation in promoting integrity and eradicating corruption"** was observed in all Units and Offices of HMT Limited and Subsidiary Companies as per the guidelines of CVC.
9. Number of inspections including surprise inspections carried out by Unit Vigilance Officers and number of Annual Property Returns scrutinized between April 2016 to March 2017 is tabulated below:-

Inspection	Total carried out between April 2016-March 2017 (by Unit Vigilance Officers)
Periodic Inspection of purchase files	1001
Surprise Inspection	176
Scrutiny of Annual Property Returns	800



**CORPORATE GOVERNANCE**

Pursuant to Regulation 34 of the SEBI (LODR) Regulation, 2015, 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 and Analysis is also appended to this Report separately. Further, a declaration by the Chairman & Managing Director for having obtained affirmation of compliance of the Code of Conduct by the Board Member (s) and Senior Management for the year ended March 31, 2017, is also appended.

The Audit Committee has been constituted with the existing one Independent Director to comply the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulation, 2015

The Register of Members and Share Transfer Records both in respect of the shares held in physical and depository form are maintained by Karvy Computershare Private Limited, the Registrars & Share Transfer Agents of the Company.

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

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under the Companies (Disclosures of Particulars) Rules, 1988, are annexed to this Report.

**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 31.03.2017, 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 Accordingly, your Company has not formulated any separate policy in respect of appointment or evaluation of senior management and key managerial personnel.

**EXTRACT OF ANNUAL RETURN**

In terms of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in the prescribed form are placed as Annexure MGT-9 to this Report.

**AUDITORS**

M/s. B. K. Ramadhyani & Co., LLP were appointed as Statutory Auditors of the Company for the year 2016-17 by the Comptroller & Auditor General of India. Three firms of Chartered Accountants were also appointed as Branch Auditors for the other Units/Divisions of the Company.

Replies to the observations by the Statutory Auditors in their Report are given by way of an addendum to this Report.

**SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Companies Act 2013 and Rules made thereunder Mr. Venkateswaralu, Practicing Company Secretary have been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditors is enclosed as Annexure to this report along with replies. The report is self-explanatory and do not call for any further comments.

**BOARD MEETINGS AND CHANGE IN DIRECTORS/KEY MANAGERIAL PERSONNEL**

During the financial year 5 (Five) Board meetings were held and the details are given in Corporate Governance Report.

During the year, Dr. Subhash Chandra Pandey, ASFA has been appointed as the Director on 13.04.2016, Smt. Shashi B. Srivastava, has been appointed as Director Finance on 01.07.2016, Shri Ravindra Singh has been appointed as Independent Director on 02.02.2017 and Shri. Sivarami Reddy, Director (Operations) superannuated from the services of the Company on 30.06.2016.

Vide Presidential Order No.5 (42)/2007-P.E.X dated 2nd February, 2017 and in terms of Article 77(1) of the Articles of Association of the Company, Shri Ravindra Singh (DIN No. 00475462) has been appointed as Non-Official Independent Director on the Board of HMT Limited for a period of three years, from the date of notification of his appointment or until further orders, whichever is earlier.

Shri Ravindra Singh is proposed for appointment as Independent Director in terms of Article 67(4) of the Article of Association of the Company read with Section 160 of the Companies Act, 2013 in the ensuing Annual General Meeting for which a notice has been received from the Member.

Dr. Subhash Chandra Pandey, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment

Shri. Subhash B.K resigned from the post of Company Secretary with effect from 04<sup>th</sup> August, 2016.

Shri. S. Girish Kumar, Managing Director of HMT (International) Limited was assigned the additional charge of the post of Chairman and Managing Director of HMT Limited with effect from 1<sup>st</sup> December, 2013. Further, vide Administrative Ministry's Order No. I-05/18/2015-PE.X dated 3<sup>rd</sup> April, 2017, Shri. S. Girish Kumar has been appointed as Chairman & Managing Director of the Company for a period of five years, who has assumed charge of the post on 21<sup>st</sup> April, 2017.

Further, the Company has appointed Mr. Kishor Kumar S as Company Secretary of the Company with effect from 8<sup>th</sup> June, 2017 and designated as Compliance Officer. Further Shri. Bhaskara Gowdar, Assistant General Manager – Corporate Finance of the Company as the Chief Financial Officer (CFO) with effect from 29<sup>th</sup> August, 2017.

**DECLARATION FROM INDEPENDENT DIRECTOR**

As per section 149(7) of the Companies Act, 2013, the Company has received declaration from Shri. Ravindra Singh, Independent Director of the Company.

**INTERNAL FINANCIAL CONTROLS**

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

**EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:**

There are no Material changes and commitments affecting the financial position of the company which have occurred between 31 March 2017 and date of signing of this Report.

**RELATED PARTY TRANSACTIONS**

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

**PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements

**ACKNOWLEDGEMENTS**

Your Directors are thankful to the various Departments and Ministries in the Government of India, particularly the Department of Heavy Industry, Ministry of Corporate Affairs, Comptroller and Auditor General of India, Principal Director-Commercial Audit, Statutory and Branch Auditors, various State Governments, Foreign Collaborators, the Subsidiary Companies, Suppliers, Reserve Bank of India, the Consortium of Banks lead by UCO Bank and the valued Customers of the Company both in India and abroad for their continued co-operation and patronage.

Your Directors would also like to take this opportunity to express their appreciation for the contributions made by the Company's employees and look forward to their continued services in pursuit of building a world class Indian Company.

For and on behalf of the Board of Directors

**(S.Girish Kumar)**  
Chairman & Managing Director

Place: New Delhi  
Date: 29-08-2017