

एसईसीएल.S-5
Secl. S-5

08 सितंबर, 2026
08th September, 2026

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

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

प्रिय महोदय / महोदया,
Dear Sir / Madam,

Sub: Notice of 73rd Annual General Meeting and Annual Report FY2025-26

We would like to inform you that the 73rd Annual General Meeting (AGM) of HMT Limited will be held on **Wednesday, September 30, 2026 at 02:00 P.M (IST)** through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM).

Pursuant to Regulation 34(1) of the SEBI (LODR) Regulations, 2015, please find enclosed herewith copy of the 73rd AGM Notice and Annual Report for the financial year 2025-26. The same is being sent to the members of the Company at their registered email addresses.

This is for your kind information and record.

भवदीय / Yours faithfully

एचएमटी लिमिटेड के लिए / For HMT Limited

Kishor Shankar
Kumar
Digitally signed by Kishor
Shankar Kumar
Date: 2026.09.08 19:23:05
+05'30'

(किशोर कुमार एस / KISHOR KUMAR S)
कंपनी सचिव / Company Secretary

संलग्न : ऊपरोक्त
Encl: As above



एचएमटी लिमिटेड

HMT LIMITED

(CIN No: L29230KA1953GOI000748)

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

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

Website: www.hmtindia.com

NOTICE

Notice is hereby given that the 73rd Annual General Meeting of the members of **HMT Limited** will be held on **Wednesday, September 30, 2026 at 02:00 P.M IST** through Video Conferencing / Other Audio-Visual Means to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The Audited Standalone Financial Statements for the financial year ended March 31, 2026 and the reports of the Directors' and Auditors' thereon;
 - b. The Audited Consolidated Financial Statements for the financial year ended March 31, 2026 and the report of Auditors' thereon;
2. To appoint a director in place of Smt. Sameena Kohli (DIN: 10663362), who retires by rotation and being eligible has offered herself for re-appointment.
3. To authorize the Board of Directors to fix the remuneration of the Independent Auditors appointed by C&AG of India for the year 2026-27.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Ministry of Heavy Industries order dated 24th March, 2026, Shri. N. Ramesh Kumar (DIN: 11630127), be and is hereby appointed as a Chairman & Managing Director (C & MD) of the Company, liable to retire by rotation and on the terms and conditions as stipulated by the Government of India.”
5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Ministry of Heavy Industries order dated 27th April 2026, Ms. Nigar Fatima Husain (DIN: 11688785), be and is hereby appointed as Government Nominee Director of the

Company, liable to retire by rotation and on terms and conditions as may be stipulated by the Government of India.”

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

“RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Ministry of Heavy Industries order dated 14th August, 2026, Shri. Dharmender Varada (DIN: 00056981), be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and on the terms and conditions as stipulated by the Government of India.”

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

“RESOLVED THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Ministry of Heavy Industries order dated 14th August, 2026, Smt. Seema Mishra, (DIN: 08022967), be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and on the terms and conditions as stipulated by the Government of India.”

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

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

Sd/-

Date: 07.09.2026
Place: Bengaluru

**(S Kishor Kumar)
Company Secretary**

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

Notes: -

1. Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020, January 13, 2021, May 5, 2022, December 28, 2022, September 25, 2023, September 19, 2024 and September 22, 2025 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC/OAVM herein after called as “e-AGM”. The deemed venue for the AGM shall be the registered office of the Company.

2. The relevant explanatory statement pursuant to section 102 of the Companies Act, 2013 which sets out the details relating to Special Business at the AGM is annexed hereto and forms part of the notice as **Annexure A**.
3. Pursuant to provisions of the Regulations 26 (4) & 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief resume / profile of the Directors eligible for appointment / re-appointment vide Item Nos. 2, 4, 5, 6, 7 are enclosed herewith as **Annexure B**.
4. The Company has appointed M/s KFin Technologies Limited ("KFintech"), Registrars and Transfer Agents, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM. Members can attend the meeting through login credentials provided to them to connect to Video conference. The instructions for attending e-AGM through Video Conference & remote e-voting/e-voting during the AGM are appended to this Notice as **Annexure C**.
5. The Company has fixed **September 23, 2026** as the 'Cut-off Date' to record the entitlement of the shareholders to cast their voting through remote e-voting/e-voting during the AGM. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. The remote e-voting period will commence from **September 27, 2026 at 9.00 a.m.** IST and will end on **September 29, 2026 at 5.00 p.m.** IST. Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
6. Members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting by VC but shall not be entitled to cast their vote again.
7. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. The Company has appointed Shri. Vinod H N of M/s. Vinod HN & Associates, Chartered Accountants, Bengaluru to act as a scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes, cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total number of votes cast in favour of or against or invalid if any, not later than 48 hours after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith. The results declared along with the Scrutinizer's Report shall be available on the Company's website and on the website of M/s. KFin Technologies Ltd (e-voting agency) and same shall be communicated to the stock exchanges.
9. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

10. The Share Transfer Books and Register of Members of the Company shall remain closed from **September 24, 2026 to September 30, 2026** (both days inclusive) in connection with the AGM.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, January 15, 2021, May 13, 2022, January 05, 2023, October 07, 2023 and October 03, 2024, Notice of the AGM along with the Annual Report for the FY2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for the FY2025-26 will also be available on the Company's website, www.hmtindia.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of M/s. KFin Technologies Ltd, at <https://evoting.kfintech.com>.
13. Pursuant to Section 139 (5) read with Section 142 (1) of the Companies Act, 2013, the Auditors of a Government Company are appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration is fixed by the Company in the Annual General Meeting. The members may authorize the Board of Directors to fix up an appropriate remuneration of Auditors for the year 2026-27 as may be deemed fit by the Board.
14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
15. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members. The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or Arrangements in which the directors are interested and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to cosey@hmtindia.com
16. The Members holding shares in electronic form are requested to update PAN, Address with PIN, Email, mobile number, bank account details and nomination details with their Depository Participants (DPs) with whom they are maintaining their demat accounts.

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

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

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

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

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

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

b. Members holding shares in dematerialized mode are requested to register/ update their email addresses with their respective Depository Participant.

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

17. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfer of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
18. Members may visit the website of the Company www.hmtindia.com for more information on the Company.
19. The Company has assigned an e-mail ID: cosey@hmtindia.com to enable investors to register their complaints, if not adequately addressed by the RTA.
20. Queries on accounts and operations of the Company, if any, may please be sent to the Company atleast ten days in advance of the AGM so that the replies may be made available at the AGM.
21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
22. Upto 2000 members will be able to join on a FIFO basis to the e-AGM.
23. No restrictions on account of FIFO entry into e-AGM in respect of large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
24. The Financial Statement (Standalone and Consolidated) of the Company are subject to comments of C&AG of India under section 143(6)(b) read with Section 129(4) of the Companies Act, 2013 which shall be sent to shareholders separately, with replies, if any.

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

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

ITEM NO.4

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

Ministry of Heavy Industries vide its order dated 24th March, 2026, has conveyed approval of competent authority for appointment of Shri. N. Ramesh Kumar as Chairman & Managing Director (C & MD) on the Board of Directors of HMT Limited for a period of one year, from the date of notification of his appointment, or until further orders, whichever is earlier. Accordingly, pursuant to Article 67(D) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013, Shri. N. Ramesh Kumar (DIN: 11630127) has been inducted as Chairman & Managing Director on the Board of Directors of the Company w.e.f 25th March, 2026 and holds office upto the date of this Annual General Meeting.

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

The Nomination & Remuneration Committee of the Board of Directors has recommended the appointment of Shri. N. Ramesh Kumar as Chairman & Managing Director of the Company.

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

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

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

The Board recommends the resolution for approval of the Shareholders.

ITEM NO.5

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

Ministry of Heavy Industries vide its order dated 27th April, 2026, appointed Ms. Nigar Fatima Husain (DIN: 11688785), Additional Secretary & Financial Advisor, Ministry of Heavy Industries as Government Nominee Director of the Company, until further orders. Accordingly, Ms. Nigar Fatima Husain has been inducted on the Board of Directors of the Company as a Government

Nominee Director/Additional Director pursuant to Article 67(D) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013, w.e.f., 27th April 2026 and holds office upto the date of this Annual General Meeting.

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

The Nomination & Remuneration Committee of the Board of Directors has recommended the appointment of Ms. Nigar Fatima Husain as Government Nominee Director of the Company.

Ms. Nigar Fatima Husain, if appointed, shall be liable to retire by rotation. Ms. Nigar Fatima Husain is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Ms. Nigar Fatima Husain does not hold any shares in HMT Limited. Except Ms. Nigar Fatima Husain being an appointee, none of the Directors, Managers and Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in the resolution financially or otherwise.

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

The Board recommends the resolution for approval of the Shareholders.

ITEM NO.6

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

Ministry of Heavy Industries vide its order dated 14th August 2026, has conveyed approval of competent authority for appointment of Shri. Dharmender Varada as Non-Official Independent Director on the Board of Directors of HMT Limited for a period of three years, with effect from the date of notification of his appointment, or until further orders, whichever is earlier. Accordingly, pursuant to Article 67(D) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013, Shri. Dharmender Varada (DIN: 00056981) has been inducted as Independent Director on the Board of Directors of the Company w.e.f., 17th August, 2026 and holds office upto the date of this Annual General Meeting.

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

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

Shri. Dharmender Varada does not hold any shares in HMT Limited. Except Shri. Dharmender Varada being an appointee, none of the Directors, Managers and Key Managerial Personnel of

the Company or their relatives is in any way concerned or interested in the resolution financially or otherwise.

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

The Board recommends the resolution for approval of the Shareholders.

ITEM NO.7

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

Ministry of Heavy Industries vide its order dated 14th August 2026, has conveyed approval of competent authority for appointment of Smt. Seema Mishra as Non-Official Independent Director on the Board of Directors of HMT Limited for a period of three years, with effect from the date of notification of her appointment, or until further orders, whichever is earlier. Accordingly, pursuant to Article 67(D) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013, Smt. Seema Mishra (DIN: 08022967) has been inducted as Independent Director on the Board of Directors of the Company w.e.f., 17th August, 2026 and holds office upto the date of this Annual General Meeting.

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

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

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

The Board of Directors of your Company recommends passing the resolution as set out at Item No. 7 as a Special Resolution.

The Board recommends the resolution for approval of the Shareholders.

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

Date: 07.09.2026
Place: Bengaluru

**By Order of the Board
For HMT Limited
Sd/-**

**(S Kishor Kumar)
Company Secretary**

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

Director seeking re-appointment in this AGM

SMT. SAMEENA KOHLI

Smt. Sameena Kohli (DIN: 10663362) has been entrusted with the additional charge of the post of Director (Finance), HMT Limited w.e.f. 10.06.2024.

Smt. Sameena Kohli, aged 57 years, has over 33 years of rich and diverse experience in Finance and Accounting across various functions at BHEL. Presently, she is General Manager, BHEL, heading the Finance function of the Industrial Systems Group. She has extensive expertise in Budgeting, Project Accounting, Auditing, Receivables, Payables, and Operations Management. She has played a key role in project execution, cost control, process improvement, and digitization of Finance functions. She is a qualified Cost Accountant and Company Secretary.

Smt. Sameena Kohli is not holding Directorship/Membership in Committees of the Board in other Companies including other listed companies.

Being an additional charge of the post of Director (Finance), Smt. Sameena Kohli does not receive any remuneration from HMT Limited.

Names of listed entities in which Smt. Sameena Kohli held directorship and membership of Committees, from which she has resigned during the past three years – NIL

Smt. Sameena Kohli has attended six out of seven Board Meetings held during her tenure in FY 2025-26.

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

Directors seeking appointments in this AGM

SHRI. N. RAMESH KUMAR

Shri N. Ramesh Kumar (DIN:11630127) has been entrusted with the additional charge of the post of Chairman & Managing Director, HMT Limited w.e.f. 25.03.2026.

Shri N. Ramesh Kumar, aged 57 years, is an Executive Director in M/s Bharat Heavy Electricals Limited (BHEL). Shri N Ramesh Kumar Graduated from BITS, Pilani in BE (Hons) Mechanical Engineering having more than 35 years of Industry experience. He joined BHEL's Electronics Division at Bangalore in Aug,1990 as a Graduate Engineer Trainee. Subsequently, he pursued his Post graduation (PGDMM) from IGNOU and was trained at both IIM-Ahmedabad & IIM-Bangalore on Advanced leadership skill development. He worked in diverse areas of advanced technologies namely, Gas Turbine Controls, Distributed Control systems, New product(s) development, Strategic Planning, Material Procurement and management, Erection and Commissioning of various Solar projects etc.,

He carried a wide exposure to various Original Equipment Manufacturers and their State-of-art technologies. While he served in BHEL Electronics Division (1990-2024), he was leading the team in Design, Engineering, Commissioning of Gas Turbine Controls for Refineries and Captive Power plants in both domestic and overseas projects, Performance optimisation and training Simulators for both BHEL and non-BHEL power plants, Large Ground Mount Solar Power Plants engineering and commissioning, Rail Transportation – Traction electrics for ACEMU, MEMU, High speed Vande Bharat Train sets, Business sharing partnerships with many OEMs, R&D of New Product(s) Design and development, Strategic Planning and Asset utilisation, Knowledge Management, Cost optimisation, Material Management and Digitalisation initiatives. He holds several recognitions in cost reduction initiatives and new product developments.

He joined BHEL Solar Business Division at Bengaluru in 2024. His recent charge as Executive Director in BHEL Bangalore included diverse roles including EPC for Solar projects both Floating, Ground mount and Roof top projects in both domestic and overseas projects, Development of new products for substation and Transmission business, Creation of new manufacturing facilities to support Indian Railway's wheel casting, Established a Centre of Excellence for KAVACH (State of the art Train collision and Avoidance systems) a strategic diversification initiative, improvising the product, production capabilities leading to higher productivity. Very keen and enthusiastic person with a strong focus in developing & establishing Systems, Processes, Procedures for meeting the customer demands.

Being an additional charge of the post of Chairman & Managing Director, Shri. N. Ramesh Kumar does not receive any remuneration from HMT Limited.

Names of listed entities in which Shri. N. Ramesh Kumar held directorship and membership of Committees, from which he has resigned during the past three years – NIL

Following the appointment of Shri. N. Ramesh Kumar on 25.03.2026, no Board Meetings were held during his tenure in FY 2025–26.

Shri. N. Ramesh Kumar is not holding Directorship/Membership in Committees of the Board in other listed entities. Shri. N. Ramesh Kumar is holding the additional charge of posts of Chairman & Managing Director in M/s. HMT Machine Tools Limited and M/s. HMT (International) Limited, Subsidiary Companies. Shri. N. Ramesh Kumar is member of Board Level Audit Committee and Nomination and Remuneration Committee of M/s. HMT Machine Tools Limited.

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

MS. NIGAR FATIMA HUSAIN

Ms. Nigar Fatima Husain (DIN: 11688785), aged 58 years an Indian Defence Estates Service Officer of 1996 batch, has been inducted as Government Nominee Director on the Board of HMT Limited w.e.f. 27.04.2026. She is presently posted as Additional Secretary & Financial Advisor, Ministry of Commerce & Industry and Ministry of Heavy Industries, Government of India. She has done her B.Sc (Hons.) in Zoology from Kolkata University, LLB from Delhi University, and Post-Graduation in Sociology from Dr. Harisingh Gour Vishwavidyalaya, Sagar (M.P.).

She has served as Chief Executive Officer of Roorkee, Jhansi, Deolali and Mhow Cantonments. She was also Deputy Director General, Defence Estates, looking after Vigilance matters of the Department and as Addl. Director General, Defence Estates, she was responsible for land matters pertaining to the entire Defence land in the country. She has also served as Director, in the Department of School Education and Literacy and as Joint Secretary in the Ministry of Minority Affairs, Government of India.

Ms. Nigar Fatima Husain is holding Directorship/Membership in Committees of the Board in the listed entities such as Bharath Heavy Electricals Limited (BHEL), State Trading Corporation of India Limited and in MMTC Limited. She is a member in Audit Committee and also the Chairperson of CSR Committee of the Board of Directors of MMTC Limited. Ms. Nigar Fatima Husain is also holding directorship in India International Convention and Exhibition Centre (IICC) Limited, Invest India and India Trade Promotion Organisation.

Being a Government Nominee Director, Ms. Nigar Fatima Husain does not receive any remuneration from HMT Limited.

Names of listed entities in which Ms. Nigar Fatima Husain held directorship and membership of Committees, from which she has resigned during the past three years – NIL.

Since Ms. Nigar Fatima Husain was appointed as Director on 27.04.2026, she did not attend any Board Meeting held during FY 2025-26.

Ms. Nigar Fatima Husain does not hold any shares in HMT Limited, either in her individual capacity or on a beneficial basis for any other person and no relationship is shared between Directors inter-se, Manager and Key Managerial Personnel of the Company.

SHRI. DHARMENDER VARADA

Shri. Dharmender Varada (DIN: 00056981) has been appointed as Independent Director on the Board of HMT Limited w.e.f. 17th August, 2026 and for a period of three years from the date of Government Order dated 14th August, 2026 or until further order, whichever is earlier.

Shri. Dharmender Varada aged 57 years is a Chartered Accountant and business leader with professional expertise in Finance, Real Estate, Retail, Hospitality and Business Development. He has built and led businesses across multiple sectors, with a focus on growth, innovation and operational excellence. Shri. Dharmender Varada completed his B.Com and is a Chartered Accountant. He secured All India 31st Rank in the C.A. Final examination in 1992. He is proficient in Telugu, English and Hindi. Shri. Dharmender Varada commenced his professional journey as a Chartered Accountant, where he was involved in audit, taxation and financial strategies. He subsequently established Novus Infra Private Limited and Novus Constructions, delivering real estate projects distinguished by quality, luxury and sustainability.

He has also played a pivotal role in the retail, hospitality and foodservice (QSR) sectors, driving operational excellence, modernization initiatives and customer-centric growth. His areas of specialization include Audit, Real Estate, Development, Retail and Hospitality. He is also familiar with QuickBooks Accounting Software. He brings strong leadership and strategic thinking skills, together with effective communication, negotiation and problem-solving abilities. His professional

strengths include building strong relationships, developing teams, fostering collaboration and delivering practical business solutions.

As an Independent Director, he is entitled to sitting fee for Board Meetings and Board Level Committee Meetings attended by him.

Names of listed entities in which Shri. Dharmender Varada held directorship and membership of Committees, from which he has resigned during the past three years – NIL

Shri. Dharmender Varada is not holding Directorship/Membership in Committees of the Board in other listed entities. Shri. Dharmender Varada is Managing Director of M/s. Novas Infra Private Limited and Director of M/s. Servam Healthcare & Research Private Limited.

Since Shri. Dharmender Varada was appointed as Independent Director on 17.08.2026, he did not attend any Board Meeting held during FY 2025-26.

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

SMT. SEEMA MISHRA

Smt. Seema Mishra (DIN:08022967) has been appointed as Independent Director on the Board of HMT Limited w.e.f. 17th August 2026 and for a period of three years from the date of Government Order dated 14th August, 2026 or until further order, whichever is earlier.

Smt. Seema Mishra, aged 45 years, holds an Pharma degree from NMIMS University, Mumbai. She is a social entrepreneur and MSME, handloom and CSR professional with expertise in women empowerment, entrepreneurship, skill development and social impact.

She is Director of Aryawart Vision Foundation and founder of the Kaswarad Art Cluster, Madhya Pradesh's first handloom cluster under the Ministry of MSME scheme, with 300+ registered weavers. She is also proprietor of Maheshwari Creations, promoting authentic Maheshwari handloom and market opportunities for weavers. She has trained 2,000+ rural women and handloom beneficiaries and served as a National Textile Consultant for a UN Skill Development Programme. A Ministry-certified Tot Trainer, she has extensive experience in MSME, enterprise and skill development, government programmes, CSR, market development and industry-academia engagement. Her initiatives include Project Siddhi on menstrual hygiene and anaemia awareness and Second Chance Notebooks promoting reuse of notebook pages for government school students.

She has also co-authored Pharmacy books, proof-read a Communication Skills book, served as Chairperson of the IMC Committee of ITI Dhamnod, and spoken at the G20.

As an Independent Director, she is entitled to sitting fee for Board Meetings and Board Level Committee Meetings attended by her.

Names of listed entities in which Smt. Seema Mishra held directorship and membership of Committees, from which she has resigned during the past three years – NIL.

Since Smt. Seema Mishra was appointed as Independent Director on 17.08.2026, she did not attend any Board Meeting held during FY 2025-26.

Smt. Seema Mishra is not holding Directorship/Membership in Committees of the Board in other listed entities. Smt. Seema Mishra is holding Directorship in M/s. Kasrawad Handloom Producer Company Limited, M/s. Vaagmi Beauty and Wellness Centre Private Limited, M/s. Threadtells India Private Limited and M/s. Aryawart Vision Foundation.

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

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

A.Procedure for Login for E-voting and Attending AGM through VC/OAVM for Individual Shareholders holding securities in Demat mode

In terms of SEBI circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in Demat mode is given below:

Individual shareholders holding securities in Demat mode with National Securities Depository Limited ("NSDL")	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing Internet-based Demat Account Statement ("IDeAS") facility Users: 3. Visit the e-services website of NSDL https://eservices.nsdl.com either on a personal computer or on a mobile. 4. On the e-services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. Thereafter enter the existing user id and password. 5. After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. 6. Click on company name i.e. 'HMT LIMITED' or Event No.10242 7. Members will be re-directed to KFin's website for casting their vote during the remote e-voting period. 8. Those not registered under IDeAS: 9. Visit https://eservices.nsdl.com for registering. 10. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 11. Visit the e-voting website of NSDL https://www.evoting.nsdl.com. 12. Once the home page of e-voting system is launched, click on the icon
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	“Login” which is available under ‘Shareholder / Member’ section. A new screen will open. - Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. - After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page. - Click on company name i.e ‘HMT LIMITED’ or Event No.10242 after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period. - Members can also download the NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store   Google Play 
Individual Shareholders holding securities in Demat mode with Central Depository Services (India) Limited (“CDSL”)	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. - After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. - If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual	You can also login using the login credentials of your Demat account through

Shareholders (holding securities in Demat mode) login through their depository participants	your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company Name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 – 48867000
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.1800 210 9911/ 022-62343624 / 62343625

B.Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- i. Initial password is provided in the body of the e-mail.
- ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the correct details, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the Event No.10242.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting

period, you can login multiple times till you have confirmed that you have voted on the resolution.

- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at vinodhnassociates@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'HMT Limited_Event No.10242'.
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

C. Voting at e-AGM

- i. Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.
- ii. Members who have voted through remote e-voting will still be eligible to attend the e-AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

D. Instructions for members for attending the e-AGM

- i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of e-AGM provided by KFin at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.
- ii. Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.
- iii. Further, members registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.
- iv. Members may join the meeting using headphones for better sound clarity.
- v. While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab 'Speaker Registration' during the period starting from **September 27, 2026 (09:00 a.m.)** up to **September 28, 2026 (05:00 p.m.)**. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the

e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.

- vii. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/>, under the “How It Works” tab placed on top of the page.
- viii. Members who need technical assistance before or during the e-AGM can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 4001.

E. Procedure for Registration of email and Mobile: securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link:

<https://ris.kfintech.com/clientservices/isc/isrforms.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

a) Through ‘In Person Verification’ (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or

b) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

c) Through electronic mode with e-sign by following the link:

<https://ris.kfintech.com/clientservices/isc/isrforms.aspx>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

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73rd ANNUAL REPORT 2025 - 2026



CORPORATE MISSION

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

CORPORATE OBJECTIVES & GOALS

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

Chairman's Address

73rd Annual General Meeting of HMT Limited



My Dear Shareholders,

Namaskar

I am honoured to present to you the Annual Report of HMT Limited for the year 2025-26. 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 during FY 2025–26 was marked by policy uncertainty, evolving trade dynamics, and persistent geopolitical tensions, with the International Monetary Fund projecting global growth at 2.8 per cent in 2025. Despite near-term challenges, the global economy continues to demonstrate resilience, supported by easing inflationary pressures, improving labour market conditions, and vital investments in digital technologies and advanced manufacturing.

Indian Economy

The Indian economy maintained its robust growth momentum during the year, driven by strong domestic demand, sustained public capital expenditure, and solid macroeconomic fundamentals. According to the Economic Survey 2025–26, India's real GDP is projected to grow in the range of 6.8–7.2 per cent in FY 2026–27, reflecting sustained domestic demand, strong macroeconomic fundamentals, and reinforcing India's position as one of the world's fastest-growing major economies. A resilient financial sector, improving industrial activity, and continued structural reforms are expected to support sustainable economic growth in the medium term.

Manufacturing impact on future of Indian Economy

Manufacturing remains pivotal to India's economic transformation, driving industrial growth, employment generation, and technological advancement. The Government has prioritised the manufacturing ecosystem through visionary initiatives such as 'Make in India', 'Atmanirbhar Bharat', Viksit Bharat FY 2047, the Production Linked Incentive Schemes, and the National Manufacturing Mission announced in the Union Budget 2025–26. These programs aim to enhance domestic value addition, improve global competitiveness, and encourage investments across strategic sectors like defence, railways, electronics, and renewable energy.

Business Scenario

Our business environment remained resilient during FY 2025–26. Sustained public investment in infrastructure and policy initiatives promoting domestic manufacturing have created significant opportunities for the capital goods and engineering sectors. Technology and innovation continue to transform the industrial landscape, accelerating the adoption of automation, Artificial Intelligence, and Industry 4.0 practices, which are essential for improving productivity and operational efficiency.

Sectorial Trend

Manufacturing

The manufacturing sector continued to remain a key driver of India's economic growth during FY 2025–26, supported by sustained policy reforms, infrastructure investments and initiatives to strengthen domestic manufacturing. Government programmes such as **Make in India**, **Atmanirbhar Bharat**, the **Production Linked Incentive (PLI) Schemes**, and the **National Manufacturing Mission** are fostering industrial

development, enhancing competitiveness and encouraging investments across strategic sectors. Continued growth in industries such as defence, railways, electronics, automobiles, renewable energy and capital goods is expected to generate increased demand for advanced manufacturing technologies and engineering products.

Services

The services sector remained the largest contributor to the Indian economy, driven by sustained growth in information technology, financial services, logistics, healthcare, tourism and digital services. Increasing digital adoption, expanding financial inclusion and continued investments in infrastructure have strengthened the services ecosystem. The sector continues to play a significant role in supporting industrial growth by improving supply chains, business efficiency and technology adoption.

Technology & Innovation

Technology and innovation continued to transform India's industrial landscape through increased adoption of automation, digital manufacturing, Artificial Intelligence (AI), Internet of Things (IoT), robotics and smart manufacturing solutions. Government initiatives promoting digital infrastructure, research & development and innovation are accelerating the adoption of Industry 4.0 practices across manufacturing industries. These advancements are expected to improve productivity, operational efficiency, product quality and global competitiveness while supporting sustainable industrial growth.

Performance & Business Accomplishments

Company's main business portfolios included product range of Food Processing Machines. The Company recorded a Production of Rs. 9.31 Crore as against Rs. 12.58 Crore in the previous year, and Sales of Rs. 9.09 Crore compared to Rs. 11.34 Crore in the previous year. Auxiliary Business Division,

Bangalore, has registered a production of Watches of Rs. 10.17 Crores and registered sales of Rs. 17.09 Crore during the year 2025-26 as against Rs. 9.05 Crore and Rs. 14.83 Crore during the previous year.

The total turnover of the Company for the year 2025-26 stands at Rs.25.96 Crore as against Rs. 26.17 Crore during 2024-25. The Profit Before Tax during the year 2025-26 is Rs. 18.38 Crore as against Rs.18.94 Crore in the previous year.

HMT Limited along with its Subsidiaries achieved an aggregate production of Rs.94.58 Crore. Revenue from the operations reported Rs.142.97 Crore, 0.47 % growth for the year 2025-26 against Rs. 142.31 Crore of previous year. HMT Group has incurred a loss of Rs. 128.94 Crore in the current year against a loss of Rs. 140.06 Crore during the previous year.

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

Initiatives of the Subsidiaries

The Subsidiaries of the Company also took several initiatives during the year 2025-26.

Machine Tools Business

During FY 2025-26, HMT Machine Tools Limited undertook several significant initiatives, reaffirming its commitment to manufacturing excellence, technological advancement and strategic collaborations. The Company strengthened its position in the machine tools sector through successful execution of key projects, acquisition of prestigious orders, expansion of business opportunities and implementation of strategic initiatives for long-term growth.

During the year company introduced following new products :

- Economical Compact size Vertical Turning lathe (VT80) with live tool for M/s PMK Bengaluru by HMT MTL Hyderabad
- Horizontal Turning Lathe for Nuclear Fuel Complex (NFC) Hyderabad application by HMT MTL Bengaluru.

During the year, the Company secured a prestigious order from Hindustan Aeronautics Limited (HAL), Koraput, for the supply of two CNC Vertical Lathes valued at ₹3.01 crore, further strengthening its presence in the aerospace and defence sectors.

The Company successfully completed the supply of 60 machines to the Odisha Skill Development Authority (OSDA) and obtained commissioning reports for 15 Surface Grinding Machines, marking the successful completion of the project. It also supplied 41 pairs of Three-Piece Manipulators (TPMs) and 31 Radiation Shield Windows (RSWs) to the Bhabha Atomic Research Centre (BARC), contributing to the nation's strategic and scientific programmes. Further, three SBCNC-30 Turning Centres were successfully commissioned at Ordnance Factory Ambajhari, Nagpur, for bomb shell machining.

The Kalamassery Unit executed a job order for the manufacture of mounting structures for Bharat Electronics Limited (BEL), Bengaluru, valued at ₹3.57 crore, and offered two indigenously developed STC 30/1500 High Precision Sabot Machining Machines, valued at ₹1.33 crore each, to the High Energy Projectile Factory, Tiruchirappalli, for customer inspection.

To expand its technological capabilities, the Company entered into a Memorandum of Understanding (MoU) with Rosatom Additive Technologies LLC (RosAT), Moscow, for cooperation in the field of Additive Manufacturing Technology Machines.

Follow-up discussions and review meetings are underway to advance the collaboration. The Chairman & Managing Director, along with senior executives, also participated in a high-level meeting with BrahMos Aerospace, Thiruvananthapuram, to explore future business opportunities and strategic collaboration.

As part of its technology partnership initiatives, the Company floated an Expression of Interest (EOI) for collaboration with leading global Original Equipment Manufacturers (OEMs). The response from reputed manufacturers in Italy, the Czech Republic, Israel and other countries reflect the growing confidence of global machine tool companies in partnering with HMT Machine Tools Limited. Based on responses received for EOI, Technical discussions with RoSAT Russia for Additive manufacturing technology localisation and with M/s Practical Mechanics Ltd Israel ,for AI Based CNC Controller is in advance stage.

With localisation of Additive manufacturing Technology in India, cost of production of Additive Technology machine will reduce by 25-30% and will save foreign currency of the country in line with the Hon'ble Prime Minister Vision of "Atmanirbhar Bharat" and "Make in India".

During the year, HMT Machine Tools Limited, Bengaluru Complex, received a Certificate of Appreciation from the Third Sub-Committee of the Committee of Parliament on Official Language for its commendable implementation of the Official Language Policy following the successful inspection conducted at Mysuru.

A major milestone during the year was the submission of the Technical Committee Report on the Revival of HMT Machine Tools Limited, chaired by Dr. V. K. Saraswat, Member (Science & Technology), NITI Aayog, to the Hon'ble Union Minister of Heavy Industries and Steel.

These achievements reflect the Company's continued focus on operational excellence, technological innovation, customer satisfaction and strategic partnerships, while laying a strong foundation for sustainable growth and long-term value creation.

HMT(International) Limited (HMTI)

During the year, the Company experienced strong growth in the export market with Revenue from Operations rising three-folds on the back of enhanced execution and operational performance. The company achieved the turnover of Rs. 50.39 Cr. during the F.Y. 2025-26 as compared to Rs. 18.71 Crs. in F.Y. 2024-25. HMT(I) has successfully implemented various capacity building projects in 44 orders in 24 countries including Afghanistan, Bangladesh, Belize, Benin, Botswana, Indonesia, Kenya, Kyrgyzstan, Malaysia, Indonesia, Maldives, Mauritius, Mozambique, Mongolia, Myanmar, Nigeria, Palestine, Senegal, South Africa, Sri Lanka, Tajikistan, Tanzania, Senegal, Turkmenistan, Zimbabwe etc. HMT(I) has continued being the sole export arm of HMT Group by promoting a diversified portfolio of indigenous engineering goods, turnkey projects etc. Additionally, the company significantly ventured into export of various products viz., indigenous vehicles, drones, equipment for assessing the areas affected by earthquakes, etc. to new international market like Fiji, Nepal, Myanmar etc.

With an order inflow of Rs. 125 Crs., the Company's order book reached an all-time high of Rs 149.16 Crs., reaffirming customer confidence.

HMT(I) received an order of value Rs. 59.13 Crs. from MEA for supply of 538 nos. of Vehicles to Nepal for Election Duty purposes. The company executed this project within a short time period due to the urgency and election timeline, and the supplied vehicles are currently being used for official duty by Government of Nepal.

Based on the company's performance, MEA awarded an additional order of value of Rs. 12.35 Crs. for Supply of 60 nos. of specialized Trucks.

Under Operation Brahma (Aid from Government of India to Government of Myanmar), HMT(I) supplied through MEA equipment for assessing the areas affected by earthquakes in Myanmar for order value of Rs. 4.88 Crs. on emergency basis.

HMT(I) exported Dangerous Goods (DG) for the first time in the company's history to supply RTK Drones for Land Surveying & Topography Mapping of the earthquake affected areas for above project in Myanmar and Agriculture Drones to Fiji for order value of Rs. 81.71 Lakhs.

The company secured the order from Ministry of External Affairs (MEA), Government of India (GoI) of value Rs. 22.86 Cr. for setting up the Gandhi Mandela Centre of Specialization (GMCOS) for Artesian Skills in Majuba, South Africa based upon the confidence instilled in the South African Government from the previous GMCOS project commissioned at Pretoria, South Africa. The GMCOS Project has been instrumental in empowering the South African Youth and till date more than 550 trainees have completed Vocational Training through the GMCOS institute.

Further to above, HMT(I) successfully completed Training of South Africa personnel in India under various trades such as Boiler Making, Mechanical Fitter, Electrical etc.

In an attempt to support Hindu Community in Myanmar, HMT(I) has been awarded a project of value Rs. 84.24 Lakhs by MEA for Supply, Installation, Commissioning of Modern Human Body Cremation Machine.

To support the Government of Myanmar's vision of empowering the youth of Myanmar, MEA has awarded a contract of value Rs. 22.25 Crs. to HMT(I) for Supply of Laboratory Equipment (Physics and Chemistry).

HMT (International) Limited takes immense pride in its continued contribution towards the nation's economic growth and assures its unwavering support in Make-in-India Initiative. HMT(I) would like to proudly state that we have procured 100% of our project requirements through GeM platform and ensured strict compliance to the MSE, MII and procurement policies and guidelines issued by Government of India from time to time.

HMT (International) Limited is assisting the Ministry of External Affairs (MEA) in facilitating the ongoing relief and humanitarian assistance operations in Nepal.

The company was also conferred with the Star Performer Award in the Project Exports (Large Enterprise) category at the 55th EEPC India National Awards for their outstanding engineering export performance during the financial year 2022-23. Its consistent performance has earned it over 50 EEPC India Export Promotion Awards, including the prestigious 55th EEPC India National Award under the Project Exports (Large Enterprise) category, presented by the Hon'ble Minister of Commerce & Industry, Shri Piyush Goyal. The Company has also been conferred the 48th South India EEPC Export Performance Award in the Special Category-Merchant Enterprises Award which was presented by Shri. D. Sridhar Babu, Hon'ble Minister for IT, Electronics & Communications, Industries & Commerce and Legislative Affairs, Govt. of Telangana.

HMT (International) Limited is strategically gearing up to significantly increase its revenues in the coming years by actively marketing HMT's diverse products and other Engineering Goods to new markets, and by pursuing more turnkey projects in underdeveloped and developing countries. As on March 31, 2026, HMT(I)'s order book value stands at approx. Rs.83 Crs. showing strong revenue flow in FY 2026-27.

SUBSIDIARY COMPANIES

HMT Machine Tools Limited

The Subsidiary achieved Sales of Rs. 70.55 Crore against Rs. 110.77 Crore and attained Production of Rs. 75.10 Crore as against Rs. 96.46 Crore, in the previous year. Net loss reported is Rs.148.46 Crore during the year 2025-26 against reported loss of Rs.160.99 in the previous year.

HMT (International) Limited

The Subsidiary achieved a turnover of 33.04% growth, Rs.46.43 Crore during the year 2025-26 as against Rs.15.35 Crore recorded in the previous year 2024-25. The Subsidiary reported Profit Before Tax (PBT) of Rs.1.13 Crore against Rs.1.99 Crore reported in previous year.

FUTURE OUTLOOK

Dairy Processing Equipment Market

India's dairy processing equipment market is poised for sustained growth, driven by increasing milk production, rising consumer demand for value-added products, and continued investments in dairy infrastructure. Supported by schemes like the Animal Husbandry Infrastructure Development Fund, growing emphasis on food safety, automation, and energy-efficient technologies presents significant long-term opportunities for our dairy processing equipment business.

Machine Tools Market

The outlook for the Indian machine tool industry remains highly positive, fuelled by investments in manufacturing, defence, aerospace and railway sector. The market is experiencing a shift towards CNC machine tools, multi-axis machining centres, and digital manufacturing. Continued focus on import substitution and indigenisation provides an excellent platform for domestic manufacturers to enhance technological capabilities and improve global competitiveness.

Watches

The Watches business also presents opportunities for renewed growth, supported by HMT's established brand heritage and market recognition. The Company is focusing on expanding its distribution network, strengthening market presence and introducing new series to cater to changing customer preferences.

Going forward, HMT will continue to focus on product development, market expansion and strengthening its sales channels, with the objective of enhancing the visibility and commercial potential of the Watches business.

Corporate Governance

The Company strives constantly in adopting and maintaining the highest standards of values and principles. The Company is complying with Government Guidelines on Corporate Governance framed by Department of Public Enterprises for CPSEs.

The Company will continue to strive for a consistent growth rate to match the expectations of stakeholders. While the company is committed to accelerate growth, it will persevere to achieve best standards of Corporate Governance and Ethical Business Practices with emphasis on transparency, accountability and professionalism in working, with the aim of enhancing long term economic value to all stakeholders and society at large.

Acknowledgement

I take this opportunity to express my sincere gratitude to the Hon'ble Minister for Heavy Industries and Steel, Hon'ble Minister of State for Heavy Industries & Steel, the Secretary (Heavy Industries), Additional Secretary & Financial Adviser, the Joint Secretary, Economic Adviser and other Officers in the Ministry

of Heavy Industries as well as the Ministry of External Affairs for their immense support and guidance rendered towards the Company. I am also grateful to the officers in the Ministry of Finance, the Comptroller & Auditor General of India, the 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, to all employees (HMTians) and recognised unions, 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!

(N Ramesh Kumar)
Chairman & Managing Director
(Addl. Charge)
Bengaluru

This does not purport to be a record of the proceedings of the 73rd Annual General Meeting of the Company.

HMT LIMITED

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BOARD OF DIRECTORS (As on 07.09.2026)

Shri. N Ramesh Kumar	Chairman & Managing Director (Addl. Charge) (w.e.f. 25.04.2026)
Ms. Nigar Fatima Husain	Government Nominee Director (w.e.f. 27.04.2026)
Shri. Prem Chandra Maurya	Government Nominee Director (w.e.f. 17.07.2025)
Smt. Sameena Kohli	Director (Finance) (Addl. Charge)
Shri. Datania Dineshbhai Ramjibai	Independent Director (w.e.f. 15.07.2025)
Shri. Dharmender Varada	Independent Director (w.e.f. 17.08.2026)
Smt. Seema Mishra	Independent Director (w.e.f. 17.08.2026)

CHIEF VIGILANCE OFFICER

Shri. Vikas Agarwal, ITS (1997)

CHIEF FINANCIAL OFFICER

Smt. Aparna R

COMPANY SECRETARY

Shri. Kishor Kumar S

STATUTORY AUDITOR

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

SECRETARIAL AUDITOR

M/s. M & A Associates
A Firm of Company Secretaries
#47 Manipal Centre | South Block
Suite no 218, 2nd Floor | Dickenson Road,
Bengaluru - 560 042

BANKERS

UCO Bank

REGISTERED OFFICE

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

CORPORATE IDENTIFICATION NUMBER

L29230KA1953GOI000748

REGISTRAR AND SHARE TRANSFER AGENTS

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

PERFORMANCE HIGHLIGHTS

(Rs in lakhs)

	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
OPERATING STATISTICS										
Sales	2596	2617	4791	5159	1258	2346	2613	1960	1480	1043
Other Income *	5791	5898	5127	4838	6916	6510	4331	3731	1730	1634
Materials	745	1028	3415	4286	473	1439	1738	1137	818	267
Employee Costs	597	672	755	734	1012	1101	1375	1003	1194	1026
Other Costs	4800	4844	3893	3441	1730	1422	1010	1065	894	5042
Depreciation	109	146	211	211	195	202	27	25	25	32
Earnings before Interest	1846	1973	1747	1504	4685	4888	2806	2595	578	(3728)
Interest	8	79	-	13	850	1730	2	29	212	288
Earnings/(Loss) before Tax	1838	1894	1747	1491	3835	3158	2804	2566	366	(4016)
Taxation (net off withdrawal/refunds)	169	284	(695)	785	(1)	409	-	-	-	(1861)
Discontinued Operations (Tractors)		-	-	-	-	-	22014	(841)	(1083)	(21794)
Net Earnings	1669	1610	2442	706	3836	2749	24818	1725	(717)	(23949)
FINANCIAL POSITION										
Net Fixed Assets	952	1061	1206	1352	1117	1251	1393	1616	1723	1956
Current Assets (incl .Non current)	63079	61508	59790	58966	48673	44239	41552	32000	18983	18832
Current Liabilities & Provisions (incl..Non Current)	18984	19196	19238	21045	11244	10896	10966	23981	11878	20950
Working Capital	44095	42312	40552	37921	37429	33343	30586	8019	7105	(2117)
Capital Employed	45047	43373	41758	39273	38546	34594	31979	9635	8828	(161)
Investments	71978	71978	71978	71978	71978	71978	71978	71978	72042	72029
Borrowings	64172	64172	64172	64172	64172	64172	64172	66206	67155	57948
Preference Share Capital (PSC)	3686	3686	3686	3686	3686	3686	3686	3686	3686	3686
Net Worth	49167	47493	45878	43393	42666	38714	36099	11721	10029	10234
OTHER STATISTICS										
Capital Expenditure	0.46	1	64	151	61	61	2	124	10	13
Internal Resources Generated	1947	2040	1958	1702	4030	3360	24845	1750	(692)	(25778)
Working Capital Turnover Ratio	0.06	0.06	0.12	0.14	0.03	0.07	0.09	0.24	-	-
Current Ratio	3.32	3.2	3.11	2.8	4.33	4.06	3.79	1.33	1.60	0.90
Return on Capital(%)	4.18	4.64	4.31	3.87	12.81	14.68	13.49	28.11	13.34	-
Employees (Nos)	39	45	55	63	66	81	91	101	103	118
Per Capita Sales	66.56	58.16	87.11	81.89	19.06	28.96	28.71	19.41	14.37	8.84

* Includes Extra Ordinary & Exceptional Items

DIRECTORS' REPORT

To
The Members
HMT Limited
Bengaluru

Dear Members,

The Board of Directors take pleasure in presenting the 73rd Annual Report on the Business & Operations of your Company and Annual Accounts of the Company for the year 2025-26 along with the Auditors' Report and the Comments of the Comptroller & Auditor General of India

Financial Highlights / Performance of the Company (Standalone)

Rs. in Crores		
Particulars	2025-26	2024-25
Gross Revenue from Continuing Operations	25.96	26.17
Other Income	57.91	56.27
Total Income	83.87	82.44
Profit Before Depreciation and Finance Costs	19.55	21.19
Depreciation	1.09	1.45
Gross Profit/(Loss)	18.46	19.73
Finance Cost	0.08	0.79
Net profit before exceptional Items	18.38	18.94
Add: Exceptional Items	-	-
Net Profit Before Tax	18.38	18.94
Provision for Tax	1.69	2.84
Net Profit After Tax	16.69	16.10
Profit/Loss from discontinued operations	-	-
Net Profit/(Loss) for the year	16.69	16.10
Other Comprehensive Income	0.06	0.05
Total Comprehensive Income	16.75	16.15

STATE OF COMPANY'S AFFAIRS / OPERATING RESULTS

The company's main business portfolios included a product range of Food Processing Machines. The Food Processing Unit recorded a Production of Rs.9.31 Crore as against Rs. 12.58 Crore in the previous year, and Sales of Rs. 8.92 Crore compared to Rs.11.34 Crore in the previous year. The decrease in sales during FY 2025-26 around 21% due to product mix and competitive market.

Auxiliary Business Division, Bangalore has registered a Production (Assembly of Watches) of Rs.10.17 Crore and registered Sales of Rs.17.04 Crore during the year 2025-26 against Rs.9.05 Crore and Rs.14.83 Crores during the previous year respectively and sales includes the Sale of Watches and tractor spare parts (registering a growth of 14.88% in sales).

The Profit Before Tax during the year 2025-26 is Rs. 18.38 Crore as against Rs.18.94 Crore in the previous year.

The company has not transferred any amount to the reserves during FY 2025-26.

Revenue from operations is reported as Rs.142.65 Crore for the year 2025-26 against Rs. 142.31 Crore of previous year. HMT Group has reported a loss of Rs.131.54 Crore in the current year from continuing business against a loss of Rs.143.05 Crore from continuing operation of previous year.

FUTURE OUTLOOK

Dairy Processing Equipment Market

The global dairy processing equipment industry is expected to witness sustained growth, driven by increasing demand for processed and value-added dairy products, rising milk production, and growing investments in food safety, automation and sustainable processing technologies. According

to the OECD–FAO Agricultural Outlook 2025–2034, global milk production is projected to increase by approximately 1.8% per annum over the outlook period, primarily supported by productivity improvements in developing economies. Continued expansion of organised dairy processing, increasing consumer preference for high-quality dairy products, and adoption of automated processing systems are expected to create favourable demand for advanced dairy processing equipment. Furthermore, increasing investments in energy-efficient technologies, digital monitoring systems and hygienic processing solutions are expected to support long-term growth of the dairy equipment industry worldwide

Machine tools market:

The global machine tool industry continued to demonstrate resilience during FY 2025–26, supported by sustained investments in advanced manufacturing, automation and digital transformation across major industrial economies. According to the Indian Machine Tool Manufacturers' Association, Asia accounts for nearly 60% of global machine tool production and consumption, with China, Japan and South Korea continuing to be the leading manufacturing hubs. Europe, led by Germany, Italy and Switzerland, remains a major centre for high-precision and technologically advanced machine tools, while the United States continues to be a significant consumer driven by aerospace, defence and advanced manufacturing industries.

The report highlights that global demand is increasingly shifting towards CNC machine tools, multi-axis machining centres, automation, robotics and Industry 4.0-enabled manufacturing systems to improve productivity, precision and operational efficiency. Continued investments in electric mobility, aerospace, railways, renewable energy and semiconductor manufacturing are expected to

support long-term demand for advanced machine tools. These global developments are expected to provide opportunities for Indian manufacturers to enhance technological capabilities, improve product quality and strengthen their participation in global value chains.

The global machine tool industry remained resilient during 2024 despite macroeconomic uncertainties and moderation in manufacturing activity across several economies. According to the IMTMA Comprehensive Report on Indian Metal Working Machine Tool Industry 2025, based on the Gardner Intelligence World Machine Tool Survey 2025, global machine tool production stood at US\$ 83.43 billion in 2024, while global consumption was US\$ 80.02 billion. Global exports and imports amounted to US\$ 45.17 billion and US\$ 41.76 billion, respectively. Although these indicators registered a marginal decline compared to 2023, the industry continues to be supported by investments in advanced manufacturing, automation, digitalisation and Industry 4.0 technologies.

SHARE CAPITAL

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

DEPOSITS

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

DIVIDEND

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

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

The Company is complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and following information are submitted.

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

FRAUD REPORTING

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The average net profits of the Company during the three immediately preceding financial years is Rs.1710.69 Lakhs, as such, the Company is required to spend at least two per cent of Rs. 1710.69 Lakhs, i.e., Rs.34.21 Lakhs on CSR activities during the FY2025-26 as per the provisions of section 135 (5) of the Companies Act, 2013.

The CSR Annual report for FY 2025-26 is provided as **Annexure-1** in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments. Details of the CSR activities undertaken during FY2025-26 are enclosed as **Annexure-1A**.

ENTERPRISE RISK MANAGEMENT

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

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

PARTICULARS OF EMPLOYEES

No employees of the Company received remuneration in excess of the limits prescribed under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the Financial Year 2025-26.

SUBSIDIARY COMPANIES / ASSOCIATE /JOINT VENTURE COMPANY**A. SUBSIDIARY COMPANIES****HMT Machine Tools Limited**

The Subsidiary achieved Sales of Rs. 70.55 Crore against Rs. 110.77 Crore and attained Production of Rs. 75.10 Crore as against Rs. 96.46 Crore, in the previous year. Net loss reported is Rs.148.46 Crore during the year 2025-26 against reported loss of Rs.160.99 in the previous year.

HMT (International) Limited

The Subsidiary achieved a turnover of Rs.46.43 Crore during the year 2025-26 as against Rs. 15.35 Crore recorded in the previous year 2024-25. The Subsidiary reported Profit Before Tax (PBT) of Rs.1.14 Crore against Rs.1.99 Crore reported in previous year.

Closure of Subsidiary Company

As per the Cabinet Committee of Economic Affairs (CCEA) decision during the year 2016, the operation of HMT Watches Limited, wholly owned Subsidiary Company, has been closed. Pursuant thereto, HMT Watches Limited filed e-Form STK-2 with C-PACE (Center for Processing Accelerated Corporate Exit), Ministry of Corporate Affairs, Government of India on 5th January 2026 for striking off its name under Section 248 of the Companies Act, 2013. The application was approved by C-PACE on 2nd March 2026, and a notice in Form STK-7 was issued for striking off and dissolution of the Company with effect from 2nd March 2026 and consequently ceased to exist as legal entity.

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

The Joint Venture Company could not transact any business during the year under review. For the Financial Year 2025-26, this company incurred Net Loss of Rs.0.99 lakhs

Gujarat State Machine Tools Corporation Limited (GSMTC)

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

Salient features of the financial statement of subsidiaries/associate companies/joint ventures are provided in Form AOC-1 in the consolidated financial statements for the FY2025-26.

INDIAN ACCOUNTING STANDARDS

The Financial Statements have been prepared to comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company and other provisions of the Act.

REDUCTION IN SHARE CAPITAL

Hon'ble National Company Law Tribunal (NCLT) vide its Order dated 16.10.2018 has confirmed/approved reduction in share capital of the Company from Rs.1204.09 Crores to Rs.355.60 Crores by reduction of 848490000 Equity Shares of Rs.10/- each held by President of India (as per the Cabinet Approval). Registrar of Companies, Karnataka (ROC) has registered the NCLT order on 17.11.2018 and issued "Certificate of Registration confirming the Reduction of Share Capital of HMT Ltd". However, the process of reduction of share capital in the records of Stock Exchanges and Depositories is pending for procedural compliances which are under process in consultation with Registrar and Share Transfer Agent ("RTA"). The shareholding of President of India is 279566626 of Rs.10/- each, equivalent to 78.62% shareholding in the Company as against 1128056626 equity share of Rs.10/- each shown as per RTA records. Hence there is a difference between Paid up Share Capital of the Company as per Audited Financial Statements and Shareholding Pattern provided by RTA.

CONSOLIDATED FINANCIAL STATEMENTS

As required under the Companies Act 2013 and SEBI (LODR) Regulation, 2015, Consolidated Financial Statements of the Company along with that of the Subsidiaries for the financial year 2025-26, conforming to the applicable Accounting Standards, are attached to this Report along with the Auditors' Report on the same.

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

HUMAN CAPITAL

The employee strength of the Company (HMT Limited) as on March 31, 2026, stood at 39 Nos. comprising of various categories of employees in manufacturing plants and other offices.

The number of employees on the rolls of the Company as on March 31, 2026 in SC/ST, Ex-servicemen, Physically Handicapped and Women Employee Categories etc. is detailed below:

Scheduled Castes	9
Scheduled Tribes	2
Other Backward Classes	7
Ex-Servicemen	0
Persons with Disabilities	0
Women employees	14
Minorities	2

PERSONNEL AND INDUSTRIAL RELATIONS

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

IMPLEMENTATION OF OFFICIAL LANGUAGE

The Company is making continuous and dedicated efforts towards the effective implementation of the Official Language Act, Rules, and Policies in strict accordance with the directives issued by the Government. The primary objective of these initiatives is to progressively enhance the usage

of Hindi across all administrative, technical, and operational activities of the organization. To ensure proper monitoring and strict compliance, an 'Official Language Implementation Committee' (OLIC) has been actively constituted and functions across all units, subsidiary companies, and the Corporate Office located in Bengaluru.

To foster a supportive environment and propagate the official language, "Hindi Diwas / Hindi Week" was celebrated with great fervor across all units of the company during September 2025. During this period, various competitive events were successfully organized for the employees and executives of HMT Limited and its subsidiary companies stationed at the Corporate Headquarters. These events featured competitions such as Pictorial Narrative (Chitrakatha / Chitrarath), Extempore Speech (Ashubhashan), Official Language Written Quiz, and Miscellaneous (Vividha) categories. Prizes and accolades were distributed to the successful participants during a grand Hindi Diwas valedictory function. In tandem with these celebrations, a specialized Official Language workshop was also conducted to enhance the functional and linguistic skills of the workforce.

As part of regular institutional practices to assimilate Hindi into daily workflows, the 'Hindi Word of the Day' is prominently displayed across key notice boards. Employees are consistently motivated to utilize the official language in their routine noting and drafting, and are specifically encouraged to append their official signatures in Hindi. Additionally, Hindi newspapers are procured on a daily basis to keep the workforce well-informed and culturally connected to the language. Furthermore, the company's Hindi Officers, executives, and staff members regularly and actively participate in institutional meetings, technical events, online webinars, and Hindi Month celebrations organized under the aegis of the Town Official Language Implementation Committee (TOLIC / Nagar Rajbhasha).

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.

A part from regular inspections by Unit Vigilance Officers, CVO conducts CTE (Chief Technical

Examiner at CVC) type inspections of high value purchase/contracts and systems by visiting various subsidiaries and Units.

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

Vigilance Awareness Week 2025, Preventive Vigilance activities was campaigned for 3 months from 18th Aug 2025 to 17th Nov 2025 as a precursor to VAW with the theme **“Vigilance: Our Shared Responsibility”** “सतर्कता : हमारी साझा जम्मेदारी” 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:

Sr. No	Subject matter of Training	No. of Master Trainers trained	No. of Employees trained including those trained by the Master Trainers	Total no. of Employees Trained
1	Investigation & Report	2	83	85
2	Framing of Chargesheet	2	83	85
3	Conducting CTE Type Intensive Examinations	2	87	89
	Total	6	253	259

VAW Integrity Pledge: (Online & Offline mode)

Integrity Pledge	504
------------------	-----

Competition during VAW week:

Quiz	231
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	MTA (Ajmer)
		- Conducted workshop on Vigilance Awareness for Newly Recruited Officers.
		MTK (Kalamassery) – 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 28.10.2025 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

Sl. No.	Name of the Course on iGOT No of Employees who have completed the course during the campaign period	No of Employees
1	Vigilance Clearance	4
2	Vigilance Angle	5
3	Work Ethics	17
4	Leadership in Project Management	7
5	Supervisory Behavior	6
6	Procurement in Gem	1
7	Code of Conduct for Government Employees	2
8	Swachh Bharat Mission an Overview	1
9	Time Management	1
10	RTI	1
11	Stress Management	1
	Total	46

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. Suggested that land records be digitalized and properly maintained with comprehensive details along with information regarding physical possession of the same.
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. Suggested for physical verification of the occupants of the quarters be conducted. If any encroachment or alteration in the basic structure of the quarters is observed, suitable administrative action may be initiated to address such irregularities
9. Suggested for updation of Delegation of power and policy of gifting of watches.
10. Suggested for Implementation of DPE Model CDA Provision for HMT Limited and Its Subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

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

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

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

DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(C) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended 31.03.2026, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and are adequate and were operating effectively;
- that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively;

ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of the Annual Return as on March 31, 2026 on its website at <https://www.hmtindia.com/investorrelation/ar/>

AUDITORS

M/s. G R S M & Associates, Chartered Accountants, Bengaluru were appointed as Statutory Auditors of the Company and its Auxiliary Business Division (ABD) for the year 2025-26 by the Comptroller & Auditor General of India. M/s. R K Muley & CO., Chartered Accountants, was also appointed as Branch Auditor for the Food Processing Machinery Division, Aurangabad of the Company.

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

The Financial Statement (Standalone and Consolidated) of the Company are subject to comments of C&AG of India under section 143(6) (b) read with Section 129(4) of the Companies Act, 2013 which shall be sent to shareholders separately, with replies, if any.

SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has appointed M/s. M&A Associates, Practicing Company Secretary, to undertake the Secretarial Audit of the Company from the financial year 2025-26 to financial year 2029-30.

The report of the Secretarial Auditor for the Financial Year 2025-26 in the prescribed Form No. MR-3 is appended as **Annexure-6** to this report. The replies and explanations provided by the Board of Directors to the qualifications, observations, or remarks made by the Secretarial Auditor in their report are attached as **Annexure-6A**.

SECRETARIAL AUDIT REPORT OF UNLISTED MATERIAL SUBSIDIARY

Pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Audit Report for the Financial Year 2025-26 of HMT Machine Tools Limited & HMT (International) Limited, an Unlisted Material Subsidiaries of the Company along with replies to observations are appended as **Annexure-7, 7A, 8 & 8A** to this report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

As per BSE circular no. 20240510-48 & NSE circular no. NSE/CML/2024/11 dated: May 10, 2024, the BRSR can be provided as a LINK in the Annual Report of the Company instead of publishing the whole report. As such the BRSR FY2025-26 can be accessed from the link [https://www.hmtindia.com/wp-content/uploads/2026/09/Business-Responsibility-and-Sustainability-Report-\(BRSR\)-FY-2025-26.pdf](https://www.hmtindia.com/wp-content/uploads/2026/09/Business-Responsibility-and-Sustainability-Report-(BRSR)-FY-2025-26.pdf)

EVALUATION OF THE PERFORMANCE OF BOARD & ITS COMMITTEES

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

The terms of reference of Board Level Committees are approved by the Board. The minutes of Board Level Committees are placed before the Board for its perusal.

BOARD MEETINGS

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

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

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

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

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

Consequent upon attaining the age of superannuation, Ms. Arti Bhatnagar (DIN No.10065528), Government Nominee Director was relieved of her position on the Board of HMT Limited on 30.09.2025.

Ministry of Heavy Industries vide its order dated 09th February, 2026 has informed the appointment of Shri. Asit Gopal, SS & FA, Ministry of Heavy Industries (MHI), as Government Nominee Director on the Board of HMT Limited with immediate effect, until further orders in place of Ms. Arti Bhatnagar, the then SS & FA, Ministry of Heavy Industries. Shri. Asit Gopal, Special Secretary & Financial Advisor (SS & FA), Ministry of Heavy Industries, has been inducted as Government Nominee Director on the Board of Directors of HMT Limited w.e.f. 10th February 2026.

Ministry of Heavy Industries vide its order dated 24th March, 2026 has entrusted the additional charge of the post of Chairman & Managing Director of HMT Limited to Shri. N Ramesh Kumar, Executive Director, Bharat Heavy Electricals Limited (BHEL), for a period of one year with effect from 25.03.2026 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). Shri. N Ramesh Kumar (DIN:11630127 has been inducted as Chairman & Managing Director, (Additional Charge) on the Board of Directors of the Company w.e.f 25th March, 2026 on his assumption of charge.

Upon completion of term as Non-Official Independent Director, Dr. Kartik Chandulal Bhadra ceases to be a Non-Official Independent Director of the Company effective from 28th March, 2026.

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

Ministry of Heavy Industries vide its order dated 27th April, 2026 has informed the appointment of Ms. Nigar Fatima Husain, AS & FA, Ministry of Heavy Industries (MHI), as Government Nominee Director on the Board of HMT Limited with immediate effect, until further orders in place of Shri. Asit Gopal, SS & FA. Ms. Nigar Fatima Husain, (DIN: 11688785) has

been inducted as Government Nominee Director on the Board of Directors of HMT Limited w.e.f. 27th April 2026.

Ministry of Heavy Industries vide its order dated 21st May, 2026 has conveyed the extension of entrustment of additional charge of the post of Director (Finance), HMT Limited to Smt. Sameena Kohli, General Manager (Finance), Bharat Heavy Electricals Limited (BHEL), w.e.f. 25.05.2026 to 24.05.2027, or till the joining of a regular incumbent to the post, or until further orders, whichever is earliest, subject to approval of the Appointments Committee of the Cabinet (ACC).

Ministry of Heavy Industries vide its order dated 14th August 2026 has conveyed approval of competent authority for appointment of Shri. Dharmender Varada (DIN: 00056981) and Smt. Seema Mishra (DIN: 08022967) as Non-Official Directors / Non-Official Independent Directors on the Board of Directors of HMT Limited for a period of three years with effect from the date of notification of their appointment, or until further orders, whichever is the earlier. Accordingly, Shri. Dharmender Varada and Smt. Seema Mishra have been inducted as Independent Directors on the Board of Directors of the Company w.e.f., 17th August, 2026 and for a period of three years from the date of Government Order dated 14th August, 2026, or until further orders, whichever is the earlier.

Shri. N Ramesh Kumar (DIN: 11630127), Ms. Nigar Fatima Husain (DIN: 11688785), Shri. Dharmender Varada (DIN: 00056981) and Smt. Seema Mishra (DIN: 08022967) are proposed for appointment as Directors in terms of Article 67 of the Articles of Association of the Company read with Section 160 of the Companies Act, 2013, at the ensuing Annual General Meeting. The Nomination and Remuneration Committee has recommended the appointment of Shri. N Ramesh Kumar and Ms. Nigar Fatima Husain, and the Board of Directors of

the Company has recommended the appointment of all the aforesaid Directors.

Smt. Sameena Kohli, Director (Finance) (Addl. Charge) retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment. The Board recommends her re-appointment.

Shri. N Ramesh Kumar, Chairman and Managing Director (Additional Charge), Smt. Aparna R., Chief Financial Officer and Shri. Kishor Kumar S, Company Secretary are the Key Managerial Personnel's (KMP's) as defined under Section 2 (51) of the Companies Act, 2013 as on 31.03.2026.

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

As per section 149(7) of the Companies Act, 2013, During the FY2025-26, the Company has received declaration from Dr. Kartik Chandulal Bhadra and Shri. Datania Dineshbhai Ramjibhai, Independent Directors of the Company. Independent Directors of the Company have registered themselves with Independent Directors data bank of Indian Institute of Corporate Affairs ("IICA") in compliance with Companies (Creation and Maintenance of database of Independent Directors) Rules, 2019 and Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and Dr. Kartik Chandulal Bhadra and Shri. Datania Dineshbhai Ramjibhai, Independent Directors have qualified the online proficiency self-assessment test conducted by IICA. In the opinion of the Board, the Independent Director possesses integrity, necessary expertise and experience.

CODE OF CONDUCT

A declaration by the Chairman & Managing Director (Additional Charge) for having obtained affirmation of compliance of the Code of Conduct by the Board Member (s) and Senior Management for the year

ended on March 31, 2026 is appended to this report as **Annexure-9**.

INTERNAL FINANCIAL CONTROLS

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

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the financial position of the company which occurred between 31st March 2026 and date of signing of this Report.

RELATED PARTY TRANSACTIONS

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

All Related Party Transactions entered into during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e., transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered into during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS

During FY2025-26, there were no instances of providing Guarantees and making Investments covered under the provisions of Section 186 of the Companies Act, 2013. Details of Loans covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

There are no instances of one-time settlement during the financial year 2025-26.

STATUS ON COMPLIANCE WITH THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 during the financial year 2025-26.

OTHER DISCLOSURES

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

No significant and material orders have been passed by any Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status and Company's operations in future.

As on 31st March 2026, no amount is required to be transferred to Investor Education and Protection Fund (IEPF).

During FY 2025-26, maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is applicable to the Company. Accordingly, such records have been made and maintained by the Company.

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

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 07-09-2026

(N. Ramesh Kumar)
Chairman & Managing Director
(Addl. Charge)
DIN: 11630127

Annexure - 1

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief Outline on CSR Policy of the Company:

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

CSR Mission

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

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

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

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

Main Features of the Policy

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

- g) To assist and take up CSR activities forward, the Corporate CSR Committee & Unit CSR Committee (on need basis) has been constituted.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri. N. Ramesh Kumar ¹	Chairperson / Chairman & Managing Director (Addl. Charge)	-	-
2	Shri. Rajesh Kohli ²	Chairperson / Chairman & Managing Director (Addl. Charge)	2	2
3	Shri. Prem Chandra Maurya ³	Member / Govt. Nominee Director	2	2
4	Dr. Renuka Mishra ⁴	Member / Govt. Nominee Director	-	-
5	Smt. Sameena Kohli	Member / Director (Finance) (Addl. Charge)	2	1
6	Shri. Datania Dineshbhai Ramjibhai ⁵	Member / Independent Director	-	-
7	Dr. Kartik Chandulal Bhadra ⁶	Member / Independent Director	2	2

¹. Appointed as Chairperson w.e.f. 25.03.2026

². Ceased to be Chairperson w.e.f. 25.03.2026

³. Appointed as Member w.e.f. 17.07.2025

⁴. Ceased to be Member w.e.f. 17.07.2025

⁵. Appointed as Member w.e.f. 28.03.2026

⁶. Ceased to be Member w.e.f. 28.03.2026

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

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

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

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

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

Not applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135:
Rs. 17,10,69,983/-

(b) Two percent of average net profit of the company as per sub-section (5) of section 135: Rs. 34,21,400/-

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

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

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 34,21,400/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 32,57,417/-

(b) Amount spent in Administrative Overheads: Rs. 50,827/-

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 33,08,244/-@

@ Total CSR amount earmarked during the reporting FY2025-26.

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

Total Amount Spent for the Financial Year (In Rs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
12,19,814/-*	20,88,430/-	27.04.2026	Prime Minister's National Relief Fund	1,13,156	15.07.2026

*Amount spent pertaining to FY2025-26 as on 31.03.2026.

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

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	34,21,400/-
(ii)	Total amount spent for the Financial Year	12,19,814/-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.) *	Amount Spent in the Financial Year (in Rs) **	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs) ***	Deficiency, if any
					Amount	Date of Transfer		
1	2022-23	4271260	-	-	Nil	Nil	Nil	Nil
2	2023-24	2780000	-	-	Nil	Nil	Nil	Nil
3	2024-25	4536103	4536103	4536103	Nil	Nil	Nil	Nil

* As on 01.04.2025, ** spent in the reporting FY2025-26 *** Balance as on 31.03.2026.

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

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

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

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

Rs. 1,13,156 could not be spent and transferred to Prime Minister's National Relief Fund on 15.07.2026.

N. Ramesh Kumar

{Chairman & Managing Director (Addl. Charge)}

&

(Chairperson, CSR Committee)

Date: :07-09-2026

Annexure-1A

DETAILS OF THE CSR ACTIVITIES UNDERTAKEN DURING FY2025-26

(Status of Ongoing & other than Ongoing CSR projects)

Sl. No.	CSR Amount allocated as on 31.03.2026 (In Rs.)	CSR Amount incurred on completion of project (In Rs.)	Name of the Project	Item from the list of activities in Schedule VII to the Act	Location of the project	Mode of Implementation	Project duration / Date of Completion
1	Rs. 12,07,417 approx.	Rs. 12,07,417	Contribution of Digital Hearing Aids and Cochlear Implant Accessories	Item No. I (Health Care)	Mandya District, Karnataka	Indirect: Thru M/s. G S Ramegowda Educational Trust (CSR00087203)	31.03.2026 --- Completed on 31.03.2026
2	*Rs. 16,00,000 approx	CSR activity under progress	Construction of Toilet Facilities at M/s. MK Anand Alwar Government Aided High School, Mahadevapura	Item No. I (Health Care), Item No. II (Education), Item No. X (Rural Development)	Mahadevapura, Mandya District, Karnataka	Indirect: Thru M/s. Nirmithi Kendra, Mandya (CSR00092670)	31.12.2026 (Expected date of Completion) --- Ongoing Project
3	*Rs. 4,50,000 approx.	CSR activity under progress	Restoration/Repair of Historical Mechanical Clock at Dufferin Clock Tower (1886) (Chikka Gadiyara), Mysuru, Karnataka	Item No. V (National Heritage)	Mysuru, Karnataka	Indirect: Thru M/s. G S Ramegowda Educational Trust (CSR00087203)	30.09.2026 (Expected date of Completion) --- Ongoing Project
4	*Rs. 50,827	**Rs. 12397	Administrative Expenses				
	Rs. 33,08,244	Rs. 33,08,244					

*Balance amount remaining, if any, after completion of ongoing CSR projects for the FY2025-26 & administrative expenses shall be transferred to on completion of all CSR projects, shall be transferred to any one of the Central Government Fund as prescribed in Point No. VIII of Schedule VII of Companies Act 2013 to ensure completion of the project for the FY2025-26 and full utilization of CSR amount.

**Actual amount incurred on Administrative Expenses.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 07-09-2026

(N. Ramesh Kumar)
Chairman & Managing Director (Addl. Charge)
DIN: 11630127

Annexure - 2

MANAGEMENT DISCUSSIONS AND ANALYSIS**GLOBAL ECONOMIC ENVIRONMENT**

During FY 2025–26, the global economy continued to witness moderate but uneven growth, influenced by geopolitical tensions, tight financial conditions, and evolving trade dynamics. As per the International Monetary Fund World Economic Outlook (2025), global GDP growth is projected at around 3.2%–3.3%, with advanced economies growing at a slower pace compared to emerging markets. Global trade growth remained subdued at around 2%, reflecting cautious investment sentiment and supply chain realignments. Inflation has shown signs of moderation across major economies, although uncertainties in energy prices and geopolitical developments continue to pose risks. Despite near-term challenges, the long-term outlook remains supportive for sectors driven by automation, food processing, and efficiency-enhancing technologies, including dairy machinery.

INDUSTRY STRUCTURE AND DEVELOPMENT

The dairy machinery industry in India is closely linked to the country's position as the largest milk producer globally, accounting for approximately 25% of global milk production. As per the Ministry of Fisheries, Animal Husbandry and Dairying, India's milk production increased from 239.30 million metric tonnes during 2023–24 to 247.87 million tonnes in 2024-25 registering a growth of 3.58%, registering a CAGR of around 6%–7%.

The industry structure comprises a mix of large global players offering turnkey and high-end automated solutions, and domestic manufacturers focusing on cost-effective and customized equipment. The sector has evolved significantly

from basic processing units to technologically advanced systems incorporating automation, digital monitoring, and quality control. Growth has been driven by increasing penetration of the organized dairy sector, expansion of cooperative networks, and rising demand for hygienic and packaged dairy products. The industry is also witnessing increasing investments in cold-chain infrastructure, processing capacity, and value-added product lines.

OUTLOOK OF DAIRY MACHINERY INDUSTRY IN INDIA

India's continued investment in dairy processing infrastructure is expected to generate sustained demand for dairy processing machinery. Under the National Programme for Dairy Development (NPDD), as on 24 November 2024, 35 projects have been sanctioned under Component-B, creating an additional 5.5 lakh litres per day of milk processing capacity and 294 metric tonnes per day of value-added dairy product capacity. These investments are expected to increase the demand for equipment such as pasteurisers, homogenisers, cream separators, storage tanks, evaporators and packaging systems.

The increasing consumer preference for value-added dairy products such as cheese, paneer, yoghurt, butter and flavoured milk is driving investments in modern processing plants equipped with automated processing, packaging and quality control systems. Expansion of organised dairy processing is expected to create opportunities for manufacturers of advanced dairy processing machinery.

The Government has continued the Animal Husbandry Infrastructure Development Fund

(AHIDF) with an revised outlay of ₹29,110.25 crore up to FY 2025–26, supporting investments in dairy processing, value addition, cold chain and related infrastructure. The scheme is expected to encourage installation of modern dairy processing plants and associated equipment.

NEW OPPORTUNITIES

The dairy machinery sector in India presents significant growth opportunities driven by expanding dairy consumption, modernization of infrastructure, and technological advancements. Increasing demand for processed and value-added dairy products, which is growing at approximately 8%–10% annually, is creating demand for advanced equipment such as pasteurizers, homogenizers, separators, and automated packaging systems.

There is strong potential in turnkey dairy projects, integrated processing plants, and modular equipment solutions catering to both large cooperatives and emerging private dairy players. Expansion of cold-chain infrastructure, supported by government funding and private investments, is further driving demand for chilling and storage equipment.

Additionally, the increasing focus on exports of dairy products, growth of organized retail, and emergence of new dairy clusters across states such as Gujarat, Maharashtra, Uttar Pradesh, and Karnataka are opening new avenues for business. Technological advancements such as IoT-enabled monitoring, automation, and energy-efficient systems also present opportunities for domestic manufacturers to enhance competitiveness and expand market share.

CHALLENGES

Despite strong growth prospects, the dairy machinery industry faces several challenges. The

sector is characterized by intense competition from both domestic and international players, leading to pricing pressures. Volatility in raw material prices, particularly stainless steel and alloy components, directly impacts manufacturing costs. The industry also faces constraints related to skilled manpower, especially in the operation and maintenance of advanced automated systems. Further, dependence on imports for certain high-precision components and control systems exposes manufacturers to supply chain disruptions and foreign exchange fluctuations.

In addition, the need for continuous investment in research and development to meet evolving technological standards and customer expectations adds to operational challenges. Delays in project execution and financial constraints faced by smaller dairy operators also impact demand for machinery.

RISKS & CONCERNS

The dairy machinery industry is exposed to multiple risks that could impact its growth trajectory. One of the key concerns is the fluctuation in milk procurement prices, which affects the profitability of dairy processors and may lead to postponement of capital investments in machinery.

Financial constraints among small and medium dairy operators, who form a significant portion of the market, can limit demand for advanced equipment. Project delays and working capital challenges may further impact order execution and revenue realization.

Supply chain disruptions, particularly for imported components and specialized equipment, remain a risk factor. Technological obsolescence is another concern, as rapid advancements require continuous upgradation of products and capabilities.

Additionally, increasing regulatory requirements related to food safety, quality standards, and environmental compliance may result in higher costs for manufacturers. The industry must therefore focus on innovation, cost competitiveness, and strengthening after-sales support to mitigate these risks and sustain long-term growth.

SEGMENT WISE / PRODUCT WISE PERFORMANCE

Food Processing Equipment

- i) **SS Centrifugal Pumps:** Well-accepted in the market. Upgraded die tool set to achieve enhanced quality and performance. Expecting more sale in F.Y. 2026-27 than previous years.
- ii) **Cream Separators:** Very good market for cream separators with capacity 1 KLPH & 2 KLPH. But it could not sustain in the market for higher capacity separator i.e. 5 kl, 10 kl & 20 kl due to its performance problem.
- iii) **Homogenizer:** Homogenizer of capacity 500 LPH, 1000 LPH and 2000 LPH machines are well accepted in the market. Homogenizers of 3000 & 5000 LPH capacity have performance issue and need technological upgradation to compete with market players.
- iv) **Milk Pasteurizer/Chiller:** Due to old and obsolete design of HMT Plate Heat exchangers, pasteurizers are not acceptable in the market. Even after purchasing PHE plates with CLIP ON type gasket, prices of machine are very high due to our overheads. Hence, business for Milk Pasteurizers/chillers is very low.
- v) **Continuous Butter Making Machine:** Strong market demand has been identified for Continuous Butter Making Machine, particularly for the production of white butter used in ghee manufacturing. HMT CBM machines are efficient,

reliable and perform well in 400, 800 and 1000 kg/h capacity range. Our existing CBM machines are not equipped with salt dozing device and hence not suitable for table butter. Imported variants of CBM machine offer the flexibility to produce both white and table butter.

Watches

- i) Automatic Day Date models: Well-accepted in the market because of design aesthetics, but due to the cost factor sales is low.
- ii) Quartz: Very good market for quartz watches as the price range starts from Rs.650/- to Rs.3500/-.
- ii) Hand wound Mechanical watches: Well-accepted in the market, but due to unavailability of components, production of hand wound mechanical watches are limited.

FINANCIAL PERFORMANCE

The turnover of the Company for the year 2025-26 was Rs.25.96 crore with net profit of Rs.16.69 Crore.

The total borrowing (loan) of the Company from Government of India were Rs.641.72 crore as on 31.3.2026.

	2025-26	2024-25
Trade Receivables Turnover Ratio	2.77	1.87
Inventory Turnover Ratio	2.35	2.16
Interest Coverage Ratio	230.75	24.97
Current Ratio	0.80	0.78
Debt Equity Ratio	1.38	1.43
Operating Profit Margin (%)	71.11%	75.39%
Net Profit Margin (%)	64.29%	61.53%
Return on Net Worth	0.04	0.03

Trade Receivables Turnover has increased due to reduction in debtors in the current year.

Inventory Turnover has increased due to reduction in average inventory in the current year.

Interest coverage ratio has increased due to Interest on borrowings dropped drastically during the year.

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

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

Operating profit margin decreased due to reduction in EBIT.

The increase in Net Profit Margin is mainly due to increase in Net profit during the year.

Increase in return on Net worth is due to increase in PAT during the current year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

v) Detailed Annual budget giving further break up of monthly targets under various heads.

vi) Continuous review of the performance by the Core Committee with reference to the budgets on an ongoing basis.

vii) Compliance with laws and regulations.

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

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

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

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

HUMAN RESOURCES

As on 31.03.2026, the Company and its Subsidiaries had a total workforce of 552 employees, comprising various categories of employees in manufacturing plants and other offices in technical and other professional areas as detailed below.

COMPANY AND SUBSIDIARY WISE QUALIFICATION DETAILS AS ON 31.03.2026									
Sl No	Company and Subsidiary	IP as on 31.03. 2026	Engineering Graduates	Diploma Holders	Professionals		ITI/ NAC	General Graduates/ Post Graduates	Others
					HR	Finance			
1	HMT Limited	39	11	3	5	2	2	15	1
2	HMT Machine Tools Ltd	501	93	85	3	5	242	30	43
3	HMT (International) Ltd	12	9	0	1	1	0	1	0
	Total	552	113	88	9	8	244	46	44

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

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

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

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

PERSONNEL AND INDUSTRIAL RELATIONS

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

For and on behalf of the Board of Directors

Sd/-
(N. Ramesh Kumar)
Chairman & Managing Director
(Addl. Charge)
DIN: 11630127

Place: Bengaluru
Date: 07-09-2026

ANNEXURE- 3

REPORT ON CORPORATE GOVERNANCE

I COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

II BOARD OF DIRECTORS

As per the listing requirements, the Board of Directors of the Company should consist of

minimum Six Directors out of which half shall comprise of Independent Directors including one Independent Woman Director. As on March 31, 2026, the Board of Directors comprised of Chairman & Managing Director (Additional Charge), two Government Nominee Directors, Director (Finance) (Additional Charge) and one Independent Director. As Government of India/ President of India is the appointing authority for Directors, request has been made to appoint Independent Directors to comply with Listing requirements.

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

During the year 2025-26, Seven (7) Board Meetings were held on June 05, July 23, August 13, September 29, November 13 in the calendar year 2025, February 09 and March 13 in the calendar year 2026.

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

Name	Category	Meetings held during respective tenure of Directors	Attendance particulars		No. of other Directorships and Committee Member /Chairmanship held as on end of tenure / 31.03. 2026		
			Board Meetings	AGM/ EGM	Directorship	# Committee	
						Membership	Chairmanship
N Ramesh Kumar (DIN: 11630127) (w.e.f. 25.03.2026)	C & MD	-	-	NA	2	2	-
Rajesh Kohli (DIN: 10333951) (upto 24.03.2026)	C & MD	7	7	Yes	3	1	-

Arti Bhatnagar (DIN: 10065528) (upto 30.09.2025)	NENI	4	4	NA	6	2	3
Asit Gopal (DIN: 08548124) (w.e.f.10.02.2026)	NENI	1	0	NA	4	0	0
Prem Chandra Mourya (DIN: 11198433) (w.e.f.17.07.2025)	NENI	6	6	Yes	5	0	0
Renuka Mishra (DIN: 08635835) (upto 16.07.2025)	NENI	1	0	NA	8	-	-
Sameena Kohli (DIN: 10663362) (w.e.f. 10.06.2024)	ENI	7	6	Yes	-	-	-
Datania Dineshbhai Ramjibhai (DIN: 11193263) (w.e.f.15.07.2025)	ID	6	6	Yes	-	-	-
Dr. Karthik Chandulal Bhadra (DIN: 09453387) (upto 27.03.2026)	ID	7	7	Yes	-	-	-

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

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

No Director is holding equity shares in the Company as on 31.03.2026. None of the Directors had any relationship inter-se during the year 2025-26.

Details of Directors holding Directorship in other Listed Entities and the category of their Directorship as on 31.03.2026

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

NENI: Non-Executive & Non-Independent, NED: Non-Executive Director

TRAINING PROGRAMMES FOR DIRECTORS & FAMILIARISATION PROGRAMME TO INDEPENDENT DIRECTORS

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

Details of the Training Programs & Familiarisation Program to Non-Executive Directors are available at weblink: <https://www.hmtindia.com/wp-content/uploads/2026/05/Details-of-Familiarization-Programmes-Imparted-To-Non-Executive-Directors.pdf>

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

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

Sl. No.	Name of Director	Skills/Expertise/Competence
1.	Ramesh Kumar (DIN: 11630127)	Shri N. Ramesh Kumar is an Executive Director in M/s Bharat Heavy Electricals Limited (BHEL). Shri N Ramesh Kumar Graduated from BITS, Pilani in BE (Hons) Mechanical Engineering having more than 35 years of Industry experience. He joined BHEL's Electronics Division at Bangalore in Aug,1990 as a Graduate Engineer Trainee. Subsequently, he pursued his Post graduation (PGDMM) from IGNOU and was trained at both IIM-Ahmedabad & IIM-Bangalore on Advanced leadership skill development. He worked in diverse areas of advanced technologies namely, Gas Turbine Controls, Distributed Control systems, New product(s) development, Strategic Planning, Material Procurement and management, Erection and Commissioning of various Solar projects etc., He carried a wide exposure to various Original Equipment Manufacturers and their State-of-art technologies. While he served in BHEL Electronics Division (1990-2024), he was leading the team in Design, Engineering, Commissioning of Gas Turbine Controls for Refineries and Captive Power plants in both domestic and overseas projects, Performance optimisation and training Simulators for both BHEL and non-BHEL power plants, Large Ground Mount Solar Power Plants engineering and commissioning, Rail Transportation – Traction electrics for ACEMU, MEMU, High speed Vande Bharat Train sets, Business sharing partnerships with many OEMs, R&D of New Product(s) Design and development, Strategic Planning and Asset utilisation,

		Knowledge Management, Cost optimisation, Material Management and Digitalisation initiatives. He holds several recognitions in cost reduction initiatives and new product developments. He joined BHEL Solar Business Division at Bengaluru in 2024. His recent charge as Executive Director in BHEL Bangalore included diverse roles including EPC for Solar projects both Floating, Ground mount and Roof top projects in both domestic and overseas projects, Development of new products for substation and Transmission business, Creation of new manufacturing facilities to support Indian Railway's wheel casting, Established a Centre of Excellence for KAVACH (State of the art Train collision and Avoidance systems) a strategic diversification initiative, improvising the product, production capabilities leading to higher productivity. Very keen and enthusiastic person with a strong focus in developing & establishing Systems, Processes, Procedures for meeting the customer demands.
2	Rajesh Kohli (DIN: 10333951)	Shri. Rajesh Kohli was 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 Optimization 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.

3	Prem Chandra Maurya (11198433)	Shri. Prem Chandra Maurya is presently Joint Secretary in Ministry of Heavy Industries, Government of India. Shri. Prem Chandra Maurya holds a Bachelor of Arts from Allahabad University. Joined the Income Tax Department in 1995 and held various positions in Central Government including Deputy Director (Investigation)/Deputy Commissioner, Additional Director (Investigation) with Settlement Commission of Income Tax (ITSC), CIT in National Faceless Assessment Centre, Delhi, Additional Director (Investigation) in SFIO, a Department of Ministry of Corporate Affairs and Principal Commissioner of Income Tax (PCIT). Shri. Prem Chandra Maurya has 29 years of rich experience in handling Tax Administration and Investigation which includes representation of tax matters before Tribunal, Head of range in Income Tax, exposure of working in faceless assessment directorate as CIT, exposure of working in Income Tax Department as PCIT, Investigation in various matters in Serious Fraud Investigation Office etc
4	Renuka Mishra (DIN: 08635835)	Dr. Renuka Mishra is presently Economic Adviser in Ministry of Heavy Industries, Government of India. Dr. Renuka Mishra, PhD, MA (Economics) is an officer of Indian Economic Service (2003 Batch). She has previously served in offices of Government of India at Office of Development Commissioner (MSME), Department of Economic affairs, Department of Commerce, Ministry of Overseas Indian Affairs and Department of Higher Education. Dr. Renuka Mishra has been regular author of many articles/papers published in various journals/magazines on the areas covering taxation, forestry, renewable energy, climate change and vulnerability of women.
5	Asit Gopal (DIN: 08548124)	Shri Asit Gopal is a senior Indian government officer with over three decades of experience in public administration, finance, tribal affairs, vigilance, education, sanitation, and forest management. An alumnus of IIT Bombay (B. Tech, Civil Engineering), he also holds postgraduate qualifications in Wildlife Management, Public Policy & Management and an MBA. He has served extensively in the Forest Department of Madhya Pradesh, held key leadership roles including Additional Secretary (Finance), Director in the Ministry of Tribal Affairs and Central Vigilance Commission, Mission Director of Swachh Bharat Mission (MP), and Chairman & Managing Director of the National Scheduled Tribe Finance and Development Corporation. He also served as Commissioner of the National Education Society for Tribal Students (NESTS), overseeing Eklavya Model Residential Schools.

6	Arti Bhatnagar (DIN: 10065528)	Ms. Arti Bhatnagar was a Civil Servant of the Indian Defence Accounts Service of the 1990 batch. She is presently working as Special Secretary & Financial Adviser, Ministry of Commerce & Industry, Ministry of Heavy Industry and Ministry of MSME. Ms. Arti Bhatnagar has a postgraduate degree in Economics and M. Phil in Defence Strategic Studies from Madras University. She is an alumni of the National Defence College. With about 25 years of experience in dealing with Finance, Accounts and Audit of the Defence Forces, her expertise is in handling defence acquisition and procurement contracts. Ms. Arti Bhatnagar has worked as Joint Secretary (Security), Cabinet Secretariat handling SPG for five years. Ms. Arti Bhatnagar has also worked as a Chief Vigilance Officer for Air India, Pawan Hans Ltd. and Airport Authority of India.
7	Sameena Kohli (DIN: 10663362)	Smt. Sameena Kohli has over 33 years of rich and diverse experience in Finance and Accounting across various functions at BHEL. Presently, she is General Manager, BHEL, heading the Finance function of the Industrial Systems Group. She has extensive expertise in Budgeting, Project Accounting, Auditing, Receivables, Payables, and Operations Management. She has played a key role in project execution, cost control, process improvement, and digitization of Finance functions. She is a qualified Cost Accountant and Company Secretary.
8	Datania Dineshbhai Ramjibhai (DIN: 11193263)	Shri. Datania Dineshbhai Ramjibhai, aged 60 years holds Bachelor of Commerce from Gujarat University. Shri. Datania Dineshbhai Ramjibhai is an active full time Social Worker and Agriculturist. He has completed Entrepreneurship Development program from Entrepreneurship Development Institute of India, Gujarat. Participated in the Interstate Training Program of Farmers from Anand district (Gujarat) to Gurukul Kurukshetra (Haryana) & Rajasthan on Natural Farming and Advanced Agriculture / Horticulture Technology under Gujarat Prakritik Krushi Vikas Board in 2023. On “Natural Farming” subject, he has given participation in M/s. Natural Farming Training Institute Gurukul, Kurukshetra & also from Gujarat Vidyapith, Krishi Vigyan Kendra (Agriculture Science Center) in 2023. Shri. Datania Dineshbhai Ramjibhai held the position of Secretary in M/s Lal Darwaja Cooperative Credit Society, Khambhat, Gujarat from 1989 to 1993 and ORG. Secretary of BJP, Ahmedabad City, Gandhinagar District, Kheda District, Gujarat from March 1995 to 2004 and served as Secretary of BJP State OBC Morcha from 2006 to 2010.
9	Dr. Kartik Chandulal Bhadra (DIN: 09453387)	Dr. Kartik Chandulal Bhadra is an MBBS, DCH and is a Pediatrician Doctor in Kalarav Children Hospital in Valsad, Gujarat since 1991. He is an eminent pediatrician of South Gujarat and has a well-equipped Hospital with state-of-the-art facilities where he has been practicing medicine and serving the community for the past 29 years. He was the President of Indian Medical Association of Valsad and has also been the President of Indian Academy of Pediatrics, Valsad for five consecutive years. He is a philanthropist who believes in serving the society and strengthening the community as demonstrated by his numerous initiatives. He is actively associated with more than 10 social organization's. He is the Vice President trustee of Vidhyabharti affiliated school “Shree Saraswati Shishu Mandir” where over 800 students from

		lower socioeconomic status come to receive an education of a higher standard. He is actively doing so many programmes for parents on the subject 'IDEAL PARENTING FOR NATION BUILDING". He is a Motivational Speaker for Doctors on the subject – Ideal Life of a Doctor". He is a Poet and has written poetries in HINDI, GUJARATI and KUTCHHI language and taken part as a poet in many Kavi Sammelan with PATRIOTISM as the main subject. He is a HIMALAYAN TREKKER and GOOD STAGE ARTIST (acting) also. He has established UDAN (Unnat Desh-Adarsh Nagrik) foundation, a unique awareness programme managed and operated by him and his patriotic team of stalwarts from different spheres of life.
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BRIEF RESUME OF DIRECTORS PROPOSED FOR APPOINTMENT AND RE-APPOINTMENT AS PER SEBI (LODR) REGULATION, 2015

Shri. N Ramesh Kumar (DIN: 11630127), Ms. Nigar Fatima Husain (DIN: 11688785), Shri. Dharmender Varada (DIN: 00056981) and Smt. Seema Mishra (DIN: 08022967) are proposed for appointment as Directors in terms of Article 67 of the Articles of Association of the Company read with Section 160 of the Companies Act, 2013, at the ensuing Annual General Meeting.

In terms of the provisions of the Companies Act, 2013, Smt. Sameena Kohli, Director (Finance), will be retiring by rotation and, being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

The Nomination and Remuneration Committee has recommended the appointment of Shri. N Ramesh Kumar and Ms. Nigar Fatima Husain. The Board of Directors has recommended the appointment of all the aforesaid four Directors and the re-appointment of Smt. Sameena Kohli, Director (Finance) Additional Charge.

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

III COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

In accordance with Regulation 18(1)(a) & (b) of the SEBI (LODR) Regulations, 2015, which mandates that the Audit Committee shall consist of a minimum of three members with at least two-thirds being Independent Directors, and Regulation 18(2)(b), requiring a minimum quorum of two Independent Directors, Shri Kartik Chandulal Bhadra was appointed as an Independent Director on April 1, 2025. Consequently, in the spirit of the law, committee meetings were conducted with a Board-approved quorum pending the appointment of Shri Datania Dineshbhai Ramjibhai as an Independent Director on July 15, 2026. However, since Shri Kartik Chandulal Bhadra ceased to be an Independent Director on March 28, 2026, the Audit Committee was not properly composed as on March 31, 2026.

As on 31.03.2026, the Audit Committee consists of three Directors i.e., Shri Datania Dineshbhai Ramjibhai, Independent Director as Chairperson, Shri. Asit Gopal, Government Nominee Director and Shri. Prem Chandra Maurya, Government Nominee Director, as members. The Company Secretary shall be the Convener of the Committee Meetings.

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

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

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

During the financial year 2025-26, Seven (7) Audit Committee Meetings were held on June 5, July 23, August 13, September 29, November 13 in the calendar year 2025 and February 09 and March 13 in the calendar year 2026.

DETAILS OF ATTENDANCE OF MEMBERS AT THE AUDIT COMMITTEE MEETING HELD DURING 2025-26

Name of the Member	Category	Meetings held during respective tenure of Directors	No of Meetings attended
Shri. Rajesh Kohli ¹	C & MD	1	1
Shri. Prem Chandra Maurya ²	NENI	6	6
Dr. Renuka Mishra ³	NENI	1	0
Shri. Datania Dineshbhai Ramjibhai ⁴	ID	6	6
Dr. Kartik Chandulal Bhadra ⁵	ID	7	7

^{1.} Ceased to be Member w.e.f. 15.07.2025

^{2.} Appointed as Member w.e.f. 17.07.2025

^{3.} Ceased to be Member w.e.f. 17.07.2025

^{4.} Appointed as Member w.e.f. 15.07.2025 & as Chairperson w.e.f. 28.03.2026

^{5.} Appointed as Chairperson w.e.f. 01.04.2025 & ceased to be Chairperson w.e.f. 28.03.2026

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

B. NOMINATION & REMUNERATION COMMITTEE

In accordance with Regulation 19 of the SEBI (LODR) Regulations, 2015, which mandates that the Nomination and Remuneration Committee (NRC) shall consist of a minimum of three members with at least two-thirds being Independent Directors, and a minimum quorum requirement of one Independent Director, Shri Kartik Chandulal Bhadra was appointed as an Independent Director on April 1, 2025, followed by the appointment of Shri Datania Dineshbhai Ramjibhai on July 15, 2026. However, since Shri Kartik Chandulal Bhadra ceased to be an Independent Director on March 28, 2026, the NRC was not properly composed as on March 31, 2026.

As on 31.03.2026, the Nomination and Remuneration Committee consists of Three Directors i.e., Shri. Datania Dineshbhai Ramjibhai, Independent Director as Chairperson, Shri. Asit Gopal, Government Nominee Director and Shri. Prem Chandra Maurya, Government Nominee Director as members. The Company Secretary shall be the Convener of the Committee Meeting.

The Nomination and Remuneration Committee shall comply with the terms of reference as enumerated under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the DPE guidelines on Corporate Governance which includes recommend to the Board of Directors matters relating to the appointment and remuneration of the key managerial personnel and senior management personnel, Recommend on Performance Related Pay in line with relevant Guidelines of the Department of Public Enterprises, Recommend the annual bonus/ variable pay pool and policy for its distribution across executives and non-unionized supervisors and carrying out any other functions as enumerated under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, DPE guidelines and directions of the Board of Directors of the Company.

During the year 2025-26, Two (2) Nomination and Remuneration Committee Meeting was held on September 29 in the calendar year 2025 and February 09 in the calendar year 2026

Details of attendance of members at the Nomination and Remuneration Committee Meeting held during 2025-26

Name of the Member	Category	Meetings held during respective tenure of Directors	No of Meetings attended
Dr. Kartik Chandulal Bhadra ¹	ID	2	2
Shri. Datania Dineshbhai Ramjibhai ²	ID	2	2
Ms. Arti Bhatnagar ³	NENI	-	-
Shri. Asit Gopal ⁴	NENI	-	-
Shri. Prem Chandra Maurya ⁵	NENI	2	2
Dr. Renuka Mishra ⁶	NENI	-	-

¹ Appointed as Chairperson w.e.f. 01.04.2025 & ceased to be Chairperson w.e.f. 28.03.2026

² Appointed as Member w.e.f. 15.07.2025 & as Chairperson w.e.f. 28.03.2026

³ Ceased to be Member w.e.f. 01.10.2025

⁴ Appointed as Member w.e.f. 10.02.2026

⁵ Appointed to be Member w.e.f. 17.07.2025

⁶ Ceased to be Member w.e.f. 17.07.2025

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

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/ President of India. Accordingly, evaluation of Directors including Independent Directors is done by the Government of India/President of India.

Ministry of Corporate Affairs vide Notification dated June 5, 2015 provided that Section 178 (2), (3) & (4) of the Companies Act, 2013 with regard to performance evaluation of Directors shall not apply to Government Company.

The Company has formulated a “Policy on Board Diversity and Criteria for Appointment, Remuneration, and Evaluation of Directors and Other Employees”, which is accessible on our

website at <https://www.hmtindia.com/wp-content/uploads/2026/04/POLICY-ON-BOARD-DIVERSITY-AND-CRITERIA-etc.pdf>

The appointment/ remuneration in respect of Key Managerial Personnel (KMPs) and Senior Management Personnel are governed by the policies covered in HMT’s personal manual.

Remuneration to Directors

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

Amount in Rs.

Particulars of Remuneration	Shri. N. Ramesh Kumar	Shri. Rajesh Kohli	Smt. Sameena Kohli
Gross Salary	NIL	NIL	NIL
Value of perquisites / Commission / Stock Option	NIL	NIL	NIL
Total	NIL	NIL	NIL

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

No sitting fee is payable to any of the Directors, except Non-Official (Independent) Directors. An amount of Rs. 5,000 per Board Meeting was paid to the Non-Official (Independent) Directors upto the Meetings dated 23 July 2025, and an amount of Rs. 10,000 per Board Meeting has been paid thereafter for attending Meetings.

Further, an amount of Rs. 3,000 per Committee Meeting was paid to the Non-Official (Independent) Directors upto the Meetings dated 23 July 2025, and an amount of Rs. 7,000 per Committee Meeting has been paid thereafter, for attending Meetings.

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

Apart from receiving sitting fee and reimbursement of expenses incurred in the discharge of their duties, none of the Non-executive Directors had any pecuniary relationship or transactions with the Company during the year 2025-26.

Details of sitting fees paid to the Non-Official (Independent) Directors during the financial year 2025–26 for attending the Board and Committee Meetings are as follows:

Sl. No.	Name of the Non-Official (Independent) Director	Board Meetings (In Rs)	Committee Meetings (In Rs)	Total Sitting Fees Paid (In Rs)
1.	Dr. Kartik Chandulal Bhadra	60,000	90,000	1,50,000
2.	Shri. Datania Dineshbhai Ramjibhai	55,000	73,000	1,28,000

C. SHAREHOLDER COMMITTEE:
(i) Share Transfer Sub-Committee

During FY 2025-26, the Share Transfer Sub-Committee comprised of Shri Rajesh Kohli, Chairman & Managing Director (Additional Charge) up to 24.03.2026, and Shri N Ramesh Kumar, Chairman & Managing Director (Additional Charge) w.e.f., 25.03.2026 as a single member to look after transfer/transmission of shares issued by the Company etc. During the financial year 2025-26, One meeting were held.

(ii) Name & Designation of the Compliance Officer:

Shri Kishor Kumar S
Company Secretary

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

As on 31.03.2026, the Stakeholders Relationship Committee consists of Three Directors i.e., Shri. Datania Dineshbhai Ramjibhai, Independent Director, as Chairperson, Shri. N. Ramesh Kumar, Chairman & Managing Director (Addl. Charge) and Smt. Sameena Kohli, Director (Finance) (Addl. Charge) as members. The Company Secretary is the Convener of the Committee Meeting.

During FY 2025-26, one Meetings were held on 13th November 2025.

DETAILS OF ATTENDANCE OF MEMBERS AT THE STAKEHOLDER'S RELATIONSHIP COMMITTEE MEETING HELD DURING FY2025-26

Name of the Member	Category	Meetings held during respective tenure of Directors	No of Meetings attended
Shri. N. Ramesh Kumar ¹	C&MD	-	NA
Shri. Rajesh Kohli ²	C&MD	1	1
Smt. Sameena Kohli	ENI	1	0
Shri. Datania Dineshbhai Ramjibhai ³	ID	1	1
Dr. Kartik Chandulal Bhadra ⁴	ID	1	1

¹. Appointed as Member w.e.f. 25.03.2026

². Ceased to be Member w.e.f. 25.03.2026

³. Appointed as Member w.e.f. 15.07.2025 and appointed as Chairperson w.e.f. 28.03.2026

⁴. Appointed as Chairperson w.e.f. 01.04.2025 and ceased to be Chairperson w.e.f. 28.03.2026

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

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

During the financial year 2025-26, 13 complaints were received from shareholders which has been resolved to the satisfaction during the year itself. There are no pending complaints.

Number of pending Share Transfers - NIL

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

As on 31.03.2026, CSR Committee consists of Four Directors i.e., Shri. N. Ramesh Kumar, Chairman & Managing Director (Addl. Charge) as Chairperson, Shri. Prem Chandra Maurya, Government Nominee Director, Smt. Sameena Kohli, Director (Finance) (Addl. Charge) and Shri. Datania Dineshbhai Ramjibhai, Independent Director, as Members of the Committee. The Company Secretary is the Convener of the Committee Meeting.

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

During the financial year 2025-26, Two (2) CSR Committee Meetings were held on September 29, November 13 in the calendar year 2025.

DETAILS OF ATTENDANCE OF MEMBERS AT THE CSR COMMITTEE MEETING HELD DURING 2025-26

Name of the Member	Category	Meetings held during respective tenure of Directors	No of Meetings attended
Shri. N. Ramesh Kumar ¹	C & MD	-	NA
Shri. Rajesh Kohli ²	C & MD	2	2
Shri. Prem Chandra Maurya ³	NENI	2	2
Dr. Renuka Mishra ⁴	NENI	-	-
Smt. Sameena Kohli	ENI	2	1
Dr. Kartik Chandulal Bhadra ⁵	ID	2	2
Shri. Datania Dineshbhai Ramjibhai ⁶	ID	-	-

¹. Appointed as Chairperson w.e.f. 25.03.2026

². Ceased to be Chairperson w.e.f. 24.03.2026

³. Appointed as Member w.e.f. 17.07.2025

⁴. Ceased to be Member w.e.f. 17.07.2025

⁵. Appointed as Member w.e.f. 01.04.2025 and ceased to be Member w.e.f. 27.03.2026.

⁶. Appointed as Member w.e.f. 28.03.2026

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

E. RISK MANAGEMENT COMMITTEE

As on 31.03.2026, Risk Management Committee consists of Three Directors i.e., Smt. Sameena Kohli, Director (Finance) (Addl. Charge), as Chairperson, Shri. N. Ramesh Kumar, Chairman & Managing Director (Addl. Charge), Shri. Datania Dineshbhai Ramjibhai, Independent Director as Members of the Committee. Company Secretary is the Convener of the Committee.

The terms of reference of the Risk Management Committee are as enumerated under the provisions of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 which includes formulation of detailed risk management policy, to ensure appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems, etc.

During the financial year 2025-26, Two Risk Management Committee Meetings were held on August 13 in the calendar year 2025 and February 09 in the calendar year 2026.

Details of attendance of members at the Risk Management Committee Meeting held during 2025-26

Name of the Member	Category	Meetings held during respective tenure of Directors	No of Meetings attended
Shri. N Ramesh Kumar ¹	C&MD	-	NA
Smt. Sameena Kohli ²	ENI	2	2
Dr. Renuka Mishra ³	NENI	-	NA
Dr. Kartik Chandulal Bhadra ⁴	ID	2	2
Shri. Datania Dineshbhai Ramjibhai ⁵	ID	2	2

¹ Appointed as Member w.e.f. 28.03.2026

² Appointed as Chairperson w.e.f. 17.07.2025

³ Ceased to be Chairperson w.e.f. 17.07.2025

⁴ Appointed as Member w.e.f. 01.04.2025 and ceased to be Member w.e.f. 28.03.2026

⁵ Appointed as Member w.e.f. 15.07.2025

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

F. PARTICULARS OF SENIOR MANAGEMENT OF THE COMPANY DURING FY 2025-26

Name	Current Designation	Date of Joining	Date of Promotion / Designated to Senior Management	Date of Cessation (Changes if any, since the close of previous FY)
Shri. S.K. Kadbe	General Manager (FPA)	01.02.1993	01.07.2022	30.06.2026
Shri. J.K. Prasad	General Manager (O&M) HMT Machine Tools Limited, (Addl. Charge), ABD HMT Limited	12.03.1992	18.02.2025	-
Smt. Aparna R	AGM (Finance & Accounts)/ CFO	28.01.2016	10.11.2023	-
Shri. Kishor Kumar S	AGM (Company Secretary)	20.03.2017	08.06.2017	-

IV INDEPENDENT DIRECTORS' MEETING

During FY 2025-26, Meeting of Independent Directors was held on 14th March 2026 and all the Independent Directors participated in the meeting. Independent Directors reviewed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the Management.

None of the Independent Directors of the Company resigned before the completion of his/her tenure.

V GENERAL BODY MEETINGS

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

Financial year	Date	Time	Venue
2022-2023*	29.09.2023	10.30 a.m.	Registered Office at No. 59, Bellary Road, Bengaluru-560 032.
2023-2024*	22.11.2024	11.00 a.m.	
2024-2025*	07.11.2025	11.00 a.m.	

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

b) DETAILS OF SPECIAL RESOLUTIONS PASSED IN PREVIOUS THREE AGMS

In accordance with Regulation 25(2A) of the SEBI Listing Regulations, the shareholders at the 72nd Annual General Meeting held on November 7, 2025, passed special resolutions approving the appointment of Dr. Kartik Chandulal Bhadra and Shri Datania Dineshbhai Ramjibhai as Independent Directors of the Company.

c) POSTAL BALLOT

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

VI DISCLOSURES

i) There were no transactions of a material nature with its Promoters, the Directors or the

Management, their Subsidiaries or Relatives etc., which may have potential conflict of interest w.r.t Company at large.

ii) **Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large**

The Company has not entered into any materially significant related party transactions (RPTs) that may have potential conflict with the interests of the Company at large. Nonetheless, transactions with related parties have been disclosed in Notes to the financial statements 2025-26 in the Annual Report.

Policy for determining 'material' subsidiaries & Policy on dealing with related party transactions were placed on the Company's website <https://www.hmtindia.com/policies/>

iii) **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Rs. 2,56,060/- (including GST) was paid/payable to the Statutory Auditors of the Company during FY 2025-26. Details of the fees paid are also disclosed in Note 31 to the Standalone Financial Statements and Note 31 to the Consolidated Financial Statements. The auditors of the subsidiary and joint venture companies were appointed separately by the respective companies and were not the same auditors who conducted the audit of the financial statements of HMT Limited.

- iv) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity: NIL
- v) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: NIL
- vi) Disclosures with respect to demat suspense account/ unclaimed suspense account: NIL
- vii) List of all credit ratings obtained by Company: NIL
- viii) A Certificate received from Company Secretary in Practice is attached with this report as **Annexure – 10** confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company.
- ix) During the year 2025-26, the Board of Directors accepted all the recommendations of its committees which were mandatorily required.
- x) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the Financial year 2025-26 is below
 - a. number of complaints filed during the financial year: NIL
 - b. number of complaints disposed of during the financial year: NIL
 - c. number of complaints pending as on end of the financial year: NIL

xi) Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): NA

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

Administrative Ministry has been requested to appoint four Independent Directors including one woman Independent Director on the Board of Directors of the Company and one Independent Director of the Company as Director on the Board of material subsidiary to comply with listing requirements. In this regard during the financial year 2025-26, Administrative Ministry has nominated two Independent Directors on the Board of Directors of the Company, i.e. Dr. Kartik Chandulal Bhadra (appointed from 01.04.2025 to 28.03.2026) and Shri. Datania Dineshbhai Ramjibhai (appointed from 17.07.2025 to 06.07.2028). Efforts are made for timely submission of annual audited financial results to stock exchanges.

xiii) **Presidential Directives and Guidelines**

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

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

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

xv) Details of Administrative and office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase- Administrative and office expenses constitute 8.7% of total expenses and financial expenses as a percentage of total expenses is 8.4%.

VII RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirmed that the total issued/paid-up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL except for 733420900 equity shares of Rs.10/- each which were allotted to President of India from the year 2005 to 2014 and Listing approval was obtained from Stock Exchanges. Corporate Action and Trading approval from Stock Exchanges were under process as on 31.03.2026. Subsequently, on 13.07.2026, the Stock Exchanges granted trading approval for 289679400 of these equity shares, and the company is actively pursuing the remaining corporate action and trading approvals for the balance 443741500 equity shares.

Hon'ble National Company Law Tribunal (NCLT) vide its Order dated 16.10.2018 had confirmed/ approved reduction in share capital of the

Company from Rs.1204.09 Crores to Rs.355.60 Crores by reduction of 848490000 Equity Shares of Rs.10/- each held by President of India (as per the Cabinet Approval). Registrar of Companies, Karnataka (ROC) had registered the NCLT order on 17.11.2018 and issued "Certificate of Registration confirming the Reduction of Share Capital of HMT Limited". However, the process of reduction of share capital in the records of Stock Exchanges and Depositories are pending for procedural compliances which will be initiated once the corporate actions and trading approvals for the balance 443741500 equity shares are fully completed. Hence, there is a difference between Paid up Share Capital of the Company as per Audited Financial Statements and Shareholding Pattern provided by Registrar and Transfer Agent (RTA).

VIII SUBSIDIARY COMPANIES

The Minutes of the Board Meetings of the Unlisted Material Subsidiary Companies were periodically placed before the Board of Directors of the Company.

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

Particular	Date and place of Incorporation	Name and date of appointment of Statutory Auditor
HMT Machine Tools Limited	09 th August 1999 Bengaluru	M/s. Rajagopal & Badri Narayanan Chartered Accountants Date of Appointment:21.11.2025
HMT (International) Limited	13 th December 1974 Bengaluru	M/s. R. Venkata Krishna & Co., Chartered Accountants Date of Appointment: 11.09.2025

IX MEANS OF COMMUNICATION

The Company published its Quarterly Results as per the listing requirements in leading newspapers viz., The Financial Express, Hosa Digantha and Rajasthan Patrika. The above results were also displayed at the Company's

website <https://www.hmtindia.com/investor-relation/pr/>. Pursuant to the directions of Securities & Exchange Board of India (SEBI), the Company has been submitting documents viz., Shareholding Pattern, Financial Results, Annual Report etc. The Company has not made

any presentations to institutional investors or analysts.

X CEO AND CFO CERTIFICATION

In terms of the SEBI (LODR) Regulation, 2015, the Certification by the CEO (Chairman & Managing Director) and CFO on the Financial Statements and Internal controls relating to financial reporting for the financial year 2025-26 had been obtained and was placed before the Board. **(Refer Annexure – 11)**

XI. WHISTLE BLOWER POLICY

The Company formulated a Vigil Mechanism / Whistle Blower Policy for Directors and employees to report genuine concerns. The policy provides for adequate safeguards against victimization of Director/s or employee/s and also provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The policy is placed on the Company's website <https://www.hmtindia.com/policies/>

We affirm that no personnel were denied to access the audit committee. The personnel were also provided unrestricted access to the senior management in case of any complaints.

XII GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Date	30 th September 2026
Time	02.00 P.M
Venue	The Company is conducting meeting through Video Conference / Other Audio-Visual Means (VC/ OAVM) pursuant to the MCA Circular dated September 22, 2025 read with MCA Circular dated May 5, 2020. The deemed venue for the AGM shall be the registered office of the Company. For details, please refer to the Notice of this AGM

No dividends have been declared.

ii) Financial Calendar

Financial Year

April 01, 2025 to March 31, 2026

iii) Book Closure

Please refer to the Notice of the AGM

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

BSE Limited	Scrip Code:
Phiroze Jeejeebhoy	500191
Towers	
25 th Floor, Dalal Street,	
Mumbai – 400 001	
National Stock Exchange	Scrip Symbol:
of India Limited	HMT
“Exchange Plaza”, Bandra-	
Kurla Complex	
Bandra (E), Mumbai – 400	
051	

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

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

L29230KA1953GOI000748

vi) Share Transfer System

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

Further, SEBI has, vide its circular dated 25th January 2022, mandated companies to issue its securities in demat form only while processing various service requests such as issue of duplicate share certificates, subdivision, consolidation, transmission, etc. to enhance ease of dealing in securities markets by

investors. Members who are holding shares in physical form are hereby requested to convert their holdings to electronic mode to avail various benefits of dematerialization.

vii) Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements

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

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

- a) The Company has the position of the Chairman & Managing Director (Addl. Charge) (Executive) & there is no Non-Executive Chairman.
- b) As the Company's financial results are submitted to Stock Exchanges, displayed on the website of the Company and published in the Newspapers, they are not separately circulated to all the shareholders.
- c) The Company is making endeavors to move towards a regime of financial statements with unmodified audit opinion.
- d) Internal Auditor reports submitted to the Audit Committee.
- e) During the financial year, the Independent Directors held one meeting, and the board will endeavour to meet the benchmark of holding two meetings in future as recommended.
- f) Company has Risk Management Committee

viii. Performance in comparison to broad-based indices

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

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

Period: April 2025 to March 2026

BSE			Market Index (Close)
Month	High Price	Low Price	S&P BSE SENSEX
Apr-25	53.00	47.00	80242.24
May-25	59.14	45.60	81451.01
Jun-25	75.45	58.50	83606.46
Jul-25	67.00	56.80	81185.58
Aug-25	58.75	53.00	79809.65
Sep-25	70.05	55.00	80267.62
Oct-25	59.5	55.01	83938.71
Nov-25	57.00	48.11	85706.67
Dec-25	54.75	44.95	85220.60
Jan-26	49.65	41.00	82269.78
Feb-26	61.21	42.30	81287.19
Mar-26	72.50	55.30	71947.55

NSE - Company: HMT LTD. (SCRIP SYMBOL – HMT)

Period: Apr 2025 to March 2026

NSE			Market Index (Close)
Month	High Price	Low Price	NSE NIFTY
Apr-25	53.00	46.70	24,198.75
May-25	59.17	45.00	24,750.70
Jun-25	75.49	56.21	25,517.05
Jul-25	67.45	56.00	24,768.35
Aug-25	59.00	53.00	24,426.85
Sep-25	69.36	55.00	24,611.10
Oct-25	59.92	55.01	25,722.10
Nov-25	57.50	49.00	26,202.95
Dec-25	53.75	44.50	26,129.60
Jan-26	49.00	41.00	25,320.65
Feb-26	60.95	42.20	25,178.65
Mar-26	72.31	55.01	22,331.40

ix) *Distribution of Shareholding:

The shareholding distribution of Equity shares as of 31.03.2026 is given below:

HMT LIMITED					
Distribution of Shareholding as on 31.03.2026 (AMOUNT WISE TOTAL)					
Sl. No.	Category (Amount)	No. of Holders	% To Holders	Amount (Rs.)	% To Equity
1	1 - 5000	24646	91.63	21021110.00	0.17
2	5001 - 10000	1153	4.29	9457380.00	0.08
3	10001 - 20000	548	2.04	8236690.00	0.07
4	20001 - 30000	193	0.72	4931190.00	0.04
5	30001 - 40000	87	0.32	3161320.00	0.03
6	40001 - 50000	65	0.24	3059310.00	0.03
7	50001 - 100000	117	0.43	8666190.00	0.07
8	100001 and above	88	0.33	11982383210.00	99.51
	TOTAL:	26897	100.00	12040916400.00	100.00

HMT LIMITED					
Distribution of Shareholding as on 31/03/2026 (SHARES WISE TOTAL)					
Sl. No	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 – 5000	26686	99.24	4986700	0.41
2	5001 - 10000	117	0.44	866619	0.07
3	10001 - 20000	44	0.16	616046	0.05
4	20001 - 30000	15	0.06	355239	0.03
5	30001 - 40000	9	0.03	320243	0.03
6	40001 - 50000	4	0.02	229225	0.02
7	50001 - 100000	9	0.03	598505	0.05
8	100001 and above	6	0.02	1196119063	99.34
	TOTAL:	26891	100.00	1204091640	100.00

HMT LIMITED				
Shareholding Pattern as on 31/03/2026 (Total)				
Sl. No.	Description	No. of Cases	Total Shares	% Equity
1	HUF	369	528190	0.04
2	Indian Mutual Funds	11	19000	0.00
3	Insurance Companies	1	100	0.00
4	Bodies Corporates	135	67888265	5.64
5	Foreign Portfolio Investor	1	880	0.00
6	NBFC	1	2750	0.00
7	Non-Resident Indians	246	184896	0.01
8	Promoters	2	1128056626	93.69
9	Resident individuals	26131	7410933	0.62
	Total:	26897	1204091640	100.00

*Hon'ble National Company Law Tribunal (NCLT) vide its Order dated 16.10.2018 confirmed/ approved reduction in share capital of the Company from Rs.1204.09 Crores to Rs.355.60 Crores by reduction of 848490000 Equity Shares of Rs.10/- each held by President of India (as per the Cabinet Approval). Registrar of Companies, Karnataka (ROC) has registered the NCLT order on 17.11.2018 and issued "Certificate of Registration confirming the Reduction of Share Capital of HMT Ltd". However, the process of reduction of share capital in the records of Stock Exchanges, Depositories is pending for procedural compliances which are under process in consultation with Registrar and Share Transfer Agent ("RTA"). The shareholding of President of India is 279566626 of Rs.10/- each, equivalent to 78.62% shareholding in the Company as against 1128056626 equity share of Rs.10/- each shown as per RTA records. Hence there is a difference between Paid up Share Capital of the Company as per Audited Financial Statements and Shareholding Pattern provided by RTA. Shareholding Pattern after considering Reduction of Share Capital is below

HMT LIMITED				
Shareholding Pattern as on 31/03/2026 (Total)				
(After considering Reduction of Share Capital)				
Sl. No.	Description	No. of Cases	Total Shares	% Equity
1	H U F	369	528190	0.15
2	Indian Mutual Funds	11	19000	0.01
3	Insurance Companies	1	100	0.00
4	Bodies Corporates	135	67888265	19.09
5	Foreign Portfolio Investor	1	880	0.00
6	NBFC	1	2750	0.00
7	Non-Resident Indians	246	184896	0.05
8	Promoters	2	279566626	78.62
9	Resident individuals	26131	7410933	2.08
	Total:	26897	355601640	100.00

x) Compliance

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

1. The Board of Directors of the Company should consist of minimum six Directors out of which half of the Board of Directors shall comprise of Independent Directors including one Independent Woman Director. As on 01.04.2025, the Board comprised five Directors, namely, the Chairman and Managing Director (Additional Charge), two Government Nominee Directors, the Director (Finance) (Additional Charge), and one Independent Director. The strength of the Board increased to six Directors upon the appointment of one Independent Director on 15.07.2025. However, following the cessation of one Independent Director on 28.03.2026, the Board strength again stood reduced to five Directors. Hence, the Composition of the Board is not in compliance with the SEBI (LODR) Regulation.
2. Due to the vacancy of one Independent Director on the Board of the Company during the periods from 01.04.2025 to 14.07.2025 and from 28.03.2026 to 31.03.2026, the Audit Committee and Nomination & Remuneration Committee were not validly constituted during the respective periods. However, On the spirit of the law, Board Level Audit Committee was held on 05.06.2025 with board approved quorum.
3. One Independent Director of Company (Listed Entity) has not been appointed as Director on the Board of unlisted material subsidiary Companies as per Regulation 24 of SEBI (LODR) Regulation, 2015.

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

Due to some of the above instances of non-compliance by the Company, fines were imposed on the Company by the Stock Exchanges.

xi) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

Due to the non-appointment of the requisite number of Independent Directors including women Independent Director, the Company was not in compliance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, particularly Regulation 17(1) relating to the composition of the Board of Directors; Regulation 17(2A) relating to the quorum of meetings of the Board of Directors; Regulation 18(1) relating to the composition of the Audit Committee and the conduct of its meetings; Regulation 19(1) and 19(2) relating to the composition of the Nomination and Remuneration Committee and the conduct of its meetings; Regulation 20(2) and 20(2A) relating to the composition of the Stakeholders Relationship Committee and the conduct of its meetings; and Regulation 21(2) relating to the composition of the Risk Management Committee and the conduct of its meetings.

Further, Non-compliance under Regulation 33 – occurred due to the delay in submission of the Annual Financial Results.

Due to above non-compliances, the fines levied by the stock exchanges for three years are given below.

Financial Years	SEB1 (LODR) Regulation, 2015 under which imposed	Fine amount (Rs.) (excluding taxes)
FY2025-26	Regulation 17(1), 18(1), 19(1) / 19(2) & 33	Rs. 50,70,000
FY2024-25	Regulation 17(1), 17(2A), 18(1), 19(1) / 19(2), 20(2)/(2A), 21(2) & 33	Rs. 1,01,90,000
FY2023-24	Regulation 17(1), 18(1), 19(1) / 19(2) & 33	Rs. 1,03,46,000

Compliance is a pre-requisite for applying for waivers of such fines with stock exchanges. The Company has taken up the matter with stock exchanges for waiver of fines. The Company has not paid any such fines to the Stock Exchanges for the periods stated above.

Management has stated that, being a Central Public Sector Enterprise (CPSE), all appointments of Directors of HMT Limited were made by the Government of India and communicated to the Company through orders issued by the Ministry of Heavy Industries. Further, HMT Limited and its subsidiaries have units located across India, including Bengaluru, Pinjore, Aurangabad, Hyderabad, Kalamassery, Ajmer and Ranibagh. The audit of various units was in progress as on the due date, i.e., 30 May. The Company made its best efforts to complete the audit process and submit the financial results to the Stock Exchanges at the earliest possible date subsequent to the prescribed due date.

No penalty or stricture has been imposed by Securities and Exchange Board of India (SEBI) or any statutory authority in matters relating to capital markets during above period.

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

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

xiii) Address for correspondence:

Shareholders can send their queries and any other correspondence relating to the shares of the Company either to

REGISTRAR AND SHARE TRANSFER AGENTS

Name: KFin Technologies Limited
(Formerly KFin Technologies Pvt Limited)
Address: Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana,
India – 500 032.

Email ID: einward.ris@kfintech.com

Toll Free/ Phone Number: 1800 309 4001

WhatsApp Number: (91) 910 009 4099

KPRISM (Mobile Application): <https://kprism.kfintech.com/>

KFINTECH Corporate Website: <https://www.kfintech.com>

RTA Website: <https://ris.kfintech.com>

Investor Support Centre (DIY Link): <https://ris.kfintech.com/client-services/isc>

Or

Kishor Kumar S

Company Secretary

Phone: 080-23330333

Email ID: cosey@hmtindia.com

Website: <https://www.hmtindia.com/>

Registered Office at:

HMT Bhavan, No.59, Bellary Road,
Bengaluru - 560 032, Karnataka, India

Note: Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

xiv) Dematerialization of Shares:

The Company's Shares are compulsorily traded in the electronic mode from June 26, 2000. The Company's shares are admitted into both the depositories i.e., National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on 31st March 2026, the Company's Shares representing 760229291 equity shares were held in dematerialized form and the balance 443862349 shares were in the physical form. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE262A01018.

xv) Investor Education and Protection Fund (IEPF)

In terms of the provisions of the Companies Act, 2013 and read with rules made thereunder, as on 31st March, 2026, no amount and shares are required to be transferred to IEPF.

xvi) Plant Locations**(1) Food Processing Machinery Division**

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

(2) Auxiliary Business Division

Jalahalli, Bengaluru, Karnataka – 560 013

Place: Bengaluru
Date: 07-09-2026

For and on behalf of the Board of Directors

(N. Ramesh Kumar)
Chairman & Managing Director
(Addl. Charge)
DIN: 11630127

Annexure – 3A

**INDEPENDENT AUDITOR'S
CERTIFICATE ON CORPORATE GOVERNANCE**

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

1. This certificate is issued in accordance with the terms of our engagement letter dated March 13, 2026.
2. We, GRSM & Associates, Chartered Accountants, the Statutory Auditors of HMT Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2026, as stipulated in:
 - 2.1. Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and
 - 2.2. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises (DPE), Government of India.

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit

nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Basis for Qualified Opinion

8. Based on the examination of records, filings, and information provided by the Company, the following instances of non-compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and/or the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises (DPE), Government of India, were observed during the reporting period:

8.1. Board Composition – Regulation 17(1)

- The Company did not comply with the requirements relating to Board composition, as the Board comprised only one Independent Director and no Independent Woman Director, against the requirement of having at least 50% Independent Directors including one Independent Woman Director.

8.2. Audit Committee Composition – Regulation 18(1)(b) & 18(2)(b)

- Due to the vacancy of one Independent Director, the Audit Committee did not have the required two-thirds majority of Independent Directors, resulting in non-compliance with Regulation 18(1)(b).
- An Audit Committee meeting held on 05.06.2025 was conducted with Board-approved quorum; however, as the Company did not have the required number of Independent Directors, the prescribed quorum was not met, leading to non-compliance with Regulation 18(2)(b).

8.3. Nomination & Remuneration Committee Composition – Regulation 19(1)

- The Nomination & Remuneration Committee was not validly constituted during the periods 01.04.2025 to 14.07.2025 and 28.03.2026 to 31.03.2026, owing to insufficient Independent Directors, resulting in non-compliance with Regulation 19(1).

8.4. Independent Director on Material Subsidiary – Regulation 24(1)

- The Company did not appoint at least one Independent Director of the listed entity as a Director on the Board of its unlisted material subsidiary, resulting in non-compliance with Regulation 24(1).

8.5. Penalties Imposed by Stock Exchanges – Regulation 98 (Read with Schedule V)

- Consequent to the above instances of non-compliance, penalties were levied on the Company by the Stock Exchanges under Regulation 98. The Company has sought waiver of the penalties along with processing fee in this regard.

Qualified Opinion

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, except for the matters covered under '**Basis for Qualified Opinion**' section of our report, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises (DPE), Government of India, during the year ended March 31, 2026.
10. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

Place: Bangalore
Date: 14-8-2026
UDIN: 26208063VEGCFR6517

For **GRSM & Associates**
Chartered accountants
FRN: 000863S

GOPALKRISHNA HEGDE
Partner
M No.:208063

Annexure – 4

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**A. CONSERVATION OF ENERGY:****i) Steps taken on conservation of energy.**

- The Machine Shop is now running with 2 shifts instead of 3 shifts without hampering production target. This saved a lot of electricity.
- Outer peripheral lighting has been replaced with LED lighting with fixtures.
- The loading of machines is pre-planned. Hence, machines idle time reduced.
- New LED Street light fittings (85 nos.), Energy savings LED bulbs (51 nos.) & LED tube lights (44 nos.) 20W LED Batten Fittings (41 nos.) have been replaced with old non-functional LED lights. No existing fluorescent tube lights have been replaced with LED lights. Presently, there are no sodium vapor lamps or mercury vapor lamps in township.
- Existing old rheostat type fan regulators of 21 nos. have been replaced with electronic fan regulators.
- Air conditioners of 7 nos. in watch assembly and watch showroom are upgraded to 5-star BIS ratings. -

ii) Steps taken by the company to utilize alternate sources of energy

- The Company has taken decisions for installation of Roof type Solar plant as well as Solar plant on open space.

iii) The capital investment on energy conservation equipment

- Under initial stage and will be intimated later

B. TECHNOLOGY ABSORPTION:**(i) Efforts made towards technology absorption:**

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

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

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

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

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange earnings and outgo

- Earnings: Rs.114.12 Lakhs
- Outgo: Nil

For and on behalf of the Board of Directors

Sd/-

(N. Ramesh Kumar)

Chairman & Managing Director
(Addl. Charge)
DIN: 11630127

Place: Bengaluru
Date: 07-09-2026

Annexure - 5

MANAGEMENT'S REPLIES TO THE OBSERVATIONS MADE BY STATUTORY AUDITORS ON THE ACCOUNTS OF HMT LIMITED FOR THE YEAR ENDED 31ST MARCH 2026

Audit Observations	Management Replies
1. We draw attention to the audit report of Food Processing Machinery Unit, Aurangabad audited by M/S R. K. MULEY & CO., Chartered Accountants, which includes a qualification relating to inventory valuation. As stated in Note 2(ii)(j) of the Significant Accounting Policies, inventories of raw materials, stores, and spares are valued using the Weighted Average Cost method. However, the branch auditor was unable to verify the accuracy of rates and costs due to inadequate audit evidence. Consequently, we are unable to determine whether there is any material misstatement in the inventory valuation and its consequential impact, if any, on the financial statements.	The inventory is valued using the weighted average cost method Considering the nature of the inventory and the records maintained, the management is of the view that the inventory balances disclosed in the financial statements represent the best estimate based on available records.
2. At the Auxiliary Business Company, Bengaluru, the Company has valued inventories based on the Chartered Valuer's report without adequate supporting evidence for the rates used. This approach is inconsistent with the stated accounting policy of valuing raw materials, stores, and spares using the Weighted Average Cost method. In the absence of sufficient audit evidence and deviation from the stated policy, we are unable to determine whether adjustments, if any, are required to the reported inventory values.	The inventories received from HMT Watches Ltd. during the year 2016 were segregated based on usability. Usable items are being utilised for manufacturing of watches, while non-usable items and items requiring further processing have been valued based on the lower of NRV/Fair Realisable Value. Inventories procured in recent years and watches assembled during FY 2025-26 have been valued considering material cost and conversion cost based on available records and management assessment. The valuation represents the best estimate of inventory value as at the reporting date.

3. The Auxiliary Business Company, Bengaluru is still in the process of reconciling the input tax credit under the Goods & Services Tax for the current as well as the past periods, as accounted in the books of accounts with the GST portal. Adjustment entries and reversal of ineligible input tax credit may be required upon completion of such reconciliation. In the absence of such reconciliation, we are unable to comment on the impact of the same on the result or financial position of the Company.	Noted, the reconciliations with GSTR 2B will be completed before filing 9 & 9 C Forms (i.e. on or before 31.12.2026) and necessary adjustment entries if any, will be made as required.
4. The Auxiliary Business Company, Bengaluru has not carried out the physical verification of Property, Plant and Equipment during the financial year 2025-26, although such verification was due as per its policy of verifying fixed assets once every three years. In the absence of physical verification, we were unable to obtain sufficient appropriate audit evidence regarding the existence and condition of the Property, Plant and Equipment. Consequently, we are unable to determine whether any adjustments are required to the carrying value of Property, Plant and Equipment and the related depreciation in the financial statements.	Noted, The physical verification of all PPE will be carried out at the earliest, and in any case, before the finalization of the next audit
5. Ind AS 109 requires the application of an expected credit loss (ECL) model for measuring and recognising impairment of financial assets. However, based on the information and explanations provided, no ECL matrix was prepared during the audit period to determine the loss allowance. Consequently, we are unable to assess the potential impact, if any, on the Standalone Ind AS financial statements.	The Auxiliary Business Company, Bengaluru, The trade receivables as at the reporting date are ₹37.10 lakh against annual turnover of ₹17.04 crore. Considering the low level of receivables, regular recovery pattern and management assessment of credit risk, the expected credit loss impact is not considered material. However, the Company is strengthening the ECL assessment and documentation process in line with the requirements of Ind AS 109.

6. No allowance for expected credit losses has been made in respect of a outstanding receivable from a subsidiary HMT Machine Tools Limited, which in our opinion has significant credit risk in view of the subsidiary's continued losses and negative net worth. The non creation of the loss allowance results in overstatement of the assets and understatement of profit for the year to the extent of such loss, which is unascertained.	HMT Machine Tools Limited has substantial land assets, the realizable value of which, even considering the applicable guidance value, is significantly higher than the outstanding receivable from the subsidiary. The management expects recovery of the outstanding amount from the proceeds arising out of monetisation of these land assets. Accordingly, based on the assessment of recoverability and available security in the form of underlying assets, no ECL provision is considered necessary at this stage. The position will continue to be reviewed periodically in accordance with the requirements of Ind AS 109.
7. The Company has not obtained external confirmations for trade receivables, trade payables, other current liabilities, and other Current assets. In the absence of such confirmations and alternative audit procedures, we were unable to obtain sufficient appropriate audit evidence regarding the accuracy, completeness, and existence of these balances. Accordingly, we are unable to determine whether any adjustments are required in respect of these items.	Letters were sent through email and post to all parties requesting them to confirm the balance as on 31.03.2026. Reconciliations as per available records are carried out on an ongoing basis. Consequential adjustment and provision are made wherever required as per management assessment.

For and on behalf of the Board of Directors

Sd/-

(N. Ramesh Kumar)

Chairman & Managing Director

(Addl. Charge)

DIN: 11630127

Place: Bengaluru

Date:07-09-2026

Annexure - 6

FORM No. MR-3**Secretarial Audit Report for the financial year ended 31st March 2026****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by H.M.T. Limited (CIN: L29230KA1953GOI000748) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing 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, the explanations and clarifications given to us and the representations made by the Management, the company has, during the audit period covering the financial year ended on 31st March 2026 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by H.M.T. Limited for the financial year ended on 31st March 2026 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable for the period under report**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company: -

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **(Not applicable during the audit period);**
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **(Not applicable during the audit period);**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not applicable during the audit period);**
- f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- **(Not applicable during the audit period);**
- g. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- **(Not applicable during the audit period)**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **(Not applicable during the audit period)** and
- j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

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

Considering the nature of operations of the Company, we have also examined compliance mechanism and records under the following laws as applicable:

- i. Factories Act, 1948 and Rules made thereunder;
- ii. Industrial Disputes Act, 1947;
- iii. The Code on Wages, 2019 and other applicable labour laws to the extent notified and applicable;
- iv. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- v. The Employees' State Insurance Act, 1948;
- vi. Environmental laws relating to manufacturing operations and waste management, as applicable; and

vii. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by The Institute of Company Secretaries of India. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meeting (SS-1) and General Meeting (SS-2): and to the best of our knowledge, belief and understanding, we are of the view that the Company has generally complied with provisions of Secretarial Standards 1 and 2 during the aforementioned audit period.

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

The Company has appointed the respective Unit Chiefs as the Occupiers of its various factories pursuant to the approval accorded by the Board of Directors of HMT Limited. The Company has generally complied with the applicable provisions of the labour laws during the period under review.

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

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

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

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

- i. The company has not complied with the provisions of requirements of Section 149 (4) of the Companies Act, 2013, with respect to composition of Board of Directors of the Company for not having sufficient independent directors on the Board during the FY 2025-26 from 01.04.2025 to 14.07.2025 and from 28.03.2026 to 31.03.2026.
- ii. The Company has not complied with the provisions of Section 177 (2)&178 (1) of the Companies Act, 2013 with respect to the composition of Audit Committee and Nomination and Remuneration Committee of the Board during the FY 2025-26 from 01.04.2025 to 14.07.2025 and from 28.03.2026 to 31.03.2026.

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

- i. The Company has not complied with the provisions of Regulation 17 (1) of SEBI (LODR) 2015 with respect to Composition of Board of Directors of the Company {for not having sufficient independent directors including appointment of independent woman director on the Board} during the FY 2025-26.
- ii. The Company has not complied with the provisions of Regulation 18 (1) & 18 (2) (b) of SEBI (LODR), 2015 with respect to composition of Audit Committee during the FY 2025-26 from 01.04.2025 to 14.07.2025 and from 28.03.2026 to 31.03.2026 & Quorum for the Audit Committee Meeting held on 05th June, 2025.
- iii. The Company has not complied with the provisions of Regulation 19(1)/ 19(2) of SEBI (LODR), 2015 with respect to composition of Nomination and Remuneration Committee during the FY 2025-26 from 01.04.2025 to 14.07.2025 and from 28.03.2026 to 31.03.2026.
- iv. The Company has not complied with the provisions of Regulation 33 of SEBI (LODR), 2015 with respect to submission of Audited Financial Results for the 2024-25 to the Stock Exchanges by submitting with a delay of 54 days.
- v. The Company has not complied with the provisions of Regulation 24(1) of SEBI (LODR), 2015 of appointing atleast one Independent Director of the listed entity on the Board of its unlisted material subsidiary.

We further report that:

The composition of the Board of Directors of the Company was not in compliance with the applicable provisions of the Companies Act, 2013 from 01.04.2025 to 14.07.2025 and from 28.03.2026 to 31.03.2026 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year under review. However, 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 applicable provisions of the Companies Act, 2013 and other applicable laws.

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

All decisions at Board Meetings are carried out by requisite majority as recorded in the minutes of the meetings of the Board of Directors as the case may be.

The paid-up capital of the Company was reduced from Rs.1,204.09 Crores to Rs.355.60 Crores vide NCLT Order dated 16th October 2018. However, the reduction of share capital has not been updated in the records of Stock Exchanges / Depositories. They are pending for procedural compliances which are in the process.

We further report that as represented by the Company and relied upon by us 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, there are no such events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards taken place. However, some of the events took place during the year are enlisted below:

During the year under review, HMT Watches Limited, a wholly owned subsidiary of HMT Limited, was struck off from the Register of Companies under Section 248(2) of the Companies Act, 2013 with effect from 02.03.2026.

During the year under review, BSE & NSE has imposed an aggregate fine of Rs. 29,67,700/- each including taxes for non-compliance under Regulation(s) 17(1), 18(1), 19(1) / & 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to composition of Board, Committees of the Board and Delay in submission of audited financial results to the Stock Exchanges.

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

For M & A Associates
(A Firm of Company Secretaries)

CS Vivek Mishra
Partner

FCS No.: 8540 | COP: 17218

Peer Review No.: 2000/2022

UDIN: F008540H001080710

Date: 14-08-2026

Place: Bangalore

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

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

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 M & A Associates
(A Firm of Company Secretaries)

CS Vivek Mishra
Partner

FCS No.: 8540 | COP: 17218
Peer Review No.: 2000/2022
UDIN: F008540H001080710

Date: 14-08-2026
Place: Bangalore

Annexure – 6A
MANAGEMENT’S REPLIES TO THE OBSERVATIONS MADE BY SECRETARIAL AUDITOR ON THE SECRETARIAL AUDIT OF HMT LIMITED FOR THE YEAR ENDED 31ST MARCH 2026

Ref.	SECRETARIAL AUDITORS’ OBSERVATIONS	MANAGEMENT REPLIES
A) i)	The company has not complied with the provisions of requirements of Section 149 (4) of the Companies Act, 2013, with respect to composition of Board of Directors of the Company for not having sufficient independent directors on the Board during the FY 2025-26 from 01.04.2025 to 14.07.2025 and from 28.03.2026 to 31.03.2026.	During the relevant period of FY 2025-26, the Company did not have the requisite number of Independent Directors on its Board, including one Independent Woman Director. Consequently, the composition of the Board of Directors, Audit Committee and Nomination and Remuneration Committee could not be maintained in accordance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Further, the quorum requirement of the Audit Committee meeting held on 05 June 2025 could not be complied with.
ii)	The Company has not complied with the provisions of Section 177 (2) & 178 (1) of the Companies Act, 2013 with respect to the composition of Audit Committee and Nomination and Remuneration Committee of the Board during the FY 2025-26 from 01.04.2025 to 14.07.2025 and from 28.03.2026 to 31.03.2026.	
B) i)	The Company has not complied with the provisions of Regulation 17 (1) of SEBI (LODR) 2015 with respect to Composition of Board of Directors of the Company {for not having sufficient independent directors including appointment of independent woman director on the Board} during the FY 2025-26.	The Company had requested the Ministry of Heavy Industries, being the Administrative Ministry, to appoint the requisite number of Independent Directors, including an Independent Woman Director, on the Board of the Company. Pursuant to the same, two Independent Directors, including one Independent Woman Director, have been appointed on the Board of the Company with effect from 17.08.2026. The Company will take necessary steps to ensure compliance with the applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
ii)	The Company has not complied with the provisions of Regulation 18 (1) & 18 (2) (b) of SEBI (LODR), 2015 with respect to composition of Audit Committee during the FY 2025-26 from 01.04.2025 to 14.07.2025 and from 28.03.2026 to 31.03.2026 & Quorum for the Audit Committee Meeting held on 05 th June, 2025.	
iii)	The Company has not complied with the provisions of Regulation 19(1)/ 19(2) of SEBI (LODR), 2015 with respect to composition of Nomination and Remuneration Committee during the FY 2025-26 from 01.04.2025 to 14.07.2025 and from 28.03.2026 to 31.03.2026.	

iv)	The Company has not complied with the provisions of Regulation 33 of SEBI (LODR), 2015 with respect to submission of Audited Financial Results for the 2024-25 to the Stock Exchanges by submitting with a delay of 54 days.	HMT Limited & its Subsidiaries have Units across India in Bengaluru, Pinjore, Aurangabad, Hyderabad, Kalamassery, Ajmer and Ranibagh. Audit at various units were under progress and the Company made its best efforts to complete and submitted the financial results to the exchanges on 23 rd July, 2025. Hence, there was delay of 54 days in submission of Audited Financial Results for the quarter and year ended 31.03.2025.
v)	The Company has not complied with the provisions of Regulation 24(1) of SEBI (LODR), 2015 of appointing atleast one Independent Director of the listed entity on the Board of its unlisted material subsidiary.	Administrative Ministry has been requested to appoint one Independent Director of the Company as Director on the Board of unlisted material subsidiaries to comply with Listing Regulations.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: 07-09-2026

(N. Ramesh Kumar)
Chairman & Managing Director
(Addl. Charge)
DIN: 11630127

FORM No. MR-3**Secretarial Audit Report for the financial year ended 31st March 2026**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

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, 2026 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, 2026, 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 Secretarial Standards 1 and 2 as issued by The Institute of Company Secretaries of India. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meeting (SS-1) and General Meeting (SS-2): and to the best of our knowledge, belief and understanding, we are of the view that the Company has generally complied with Secretarial Standards 1 and 2 during the aforementioned audit period.

The Company has appointed the respective Unit Chiefs as the Occupiers of its various factories pursuant to the approval accorded by the Board of Directors of HMT Limited, the Holding Company.

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

The Company has generally complied with the applicable provisions of the labour laws during the period under review except timely payment of Wages.

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.

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

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

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

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

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

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

- 1. Being a material subsidiary of a Listed Entity, there shall be at least one Independent Director of its Holding Company) on its Board under Regulation 24(1) of SEBI (LODR) Regulations 2015. The Company not complied with this Regulation and Section 149(4) of the Companies Act, 2013, with respect to**

composition of Board of Directors of the Company. This was subsequently complied w.e.f 14th August 2026.

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, etc and received Notices from statutory Authorities. Besides, there are ongoing litigations with various courts of law.

For M & A Associates
(A Firm of Company Secretaries)

CS Vivek Mishra
Partner
FCS No.: 8540 | COP: 17218
Peer Review No.: 2000/2022
UDIN: F008540H001253564

Place: Bangalore

Date: 27-08-2026

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

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

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

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

For M & A Associates
(A Firm of Company Secretaries)

CS Vivek Mishra
Partner

FCS No.: 8540 | COP: 17218
Peer Review No.: 2000/2022
UDIN: F008540H001253564

Place: Bangalore
Date: 27-08-2026

Annexure – 7A

MANAGEMENT’S REPLIES TO THE OBSERVATIONS MADE BY SECRETARIAL AUDITOR ON THE SECRETARIAL AUDIT OF HMT MACHINE TOOLS LIMITED FOR THE YEAR ENDED 31ST MARCH 2026

Ref.	SECRETARIAL AUDITORS’ OBSERVATIONS	MANAGEMENT REPLIES
01	Being a material subsidiary of a Listed Entity, there shall be at least one Independent Director of its Holding Company on its Board under Regulation 24(1) of SEBI (LODR) Regulations 2015. The Company not complied with this Regulation and Section 149(4) of the Companies Act, 2013, with respect to composition of Board of Directors of the Company. This was subsequently complied w.e.f 14th August 2026.	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 and accordingly Appointment of Independent director made on 14.08.2026.
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, etc and received Notices from statutory Authorities. Besides, there are ongoing litigations with various courts of law.	The company is incurring losses from several years, hence not able to make timely payment of the statutory dues as observed by the Auditors. The Company is taking all efforts to generate funds from Internal operations and address the timely payment of the statutory dues.

For and on behalf of the Board of Directors

Sd/-
(N Ramesh Kumar)
Chairman & Managing Director
(Addl. Charge)
DIN: 11630127

Place: Bengaluru
Date: 07-09-2026

Annexure - 8

FORM NO. MR-3**Secretarial Audit Report for the financial year ended 31st March 2026****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To

The Members

M/s. H.M.T. (International) Limited

(CIN: U33309KA1974GOI002707)

No.59, Bellary Road, Bengaluru 560 032

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **H.M.T. (International) Limited** (CIN: U33309KA1974GOI002707) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, the company has, during the audit period covering the financial year ended on 31st March 2026 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by H.M.T. (International) Limited for the financial year ended on 31st March 2026 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder; **(Not applicable during the audit period);**
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; ; **(Not applicable during the audit period);**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were **Not applicable during the audit period;**

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- g. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

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

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

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

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

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit

since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

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

The Company has not complied with the provisions of Regulation 24(1) of SEBI (LODR), 2015 of appointing atleast one Independent Director of the listed entity on the Board of its unlisted material subsidiary.

I further report that:

- a. The Board of Directors of the Company is duly constituted subject to the observations mentioned herein above and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
- b. Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. All decisions at Board Meetings are carried out by requisite majority as recorded in the minutes of the meetings of the Board of Directors as the case may be.
- d. I further report that as represented by the Company and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- e. I further report that during the audit period, there are no such events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards taken place

D VENKATESWARLU
Company Secretary in Practice
FCS No. 8554 : C P No. 7773
UDIN: F008554H001085476
PR No: 1617 / 2021

Place: Bengaluru

Date: 12th August 2026

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

To

The Members

M/s. H.M.T. (International) Limited

(CIN: U33309KA1974GOI002707)

No.59, Bellary Road, Bangalore 560 032

My report of even date is to be read along with this letter.

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

D VENKATESWARLU

Company Secretary in Practice

FCS No. 8554 : C P No. 7773

UDIN: F008554H001085476

PR No: 1617 / 2021

Place: Bengaluru

Date: 12th August 2026

MANAGEMENT'S REPLIES TO THE OBSERVATIONS MADE BY SECRETARIAL AUDITOR ON THE SECRETARIAL AUDIT OF HMT (INTERNATIONAL) LIMITED FOR THE YEAR ENDED 31ST MARCH 2026

Ref.	SECRETARIAL AUDITORS' OBSERVATIONS	MANAGEMENT REPLIES
01	The Company has not complied with the provisions of Regulation 24(1) of SEBI (LODR), 2015 of appointing atleast one Independent Director of the listed entity on the Board of its unlisted material subsidiary.	Administrative Ministry has been requested to appoint one Independent Director of HMT Limited, Holding Company as Director on the Board of HMT (International) Limited, unlisted material subsidiary to comply with listing regulations.

For and on behalf of the Board of Directors

Place: Bengaluru
Date:07-09-2026

Sd/-
(N. Ramesh Kumar)
Chairman & Managing Director
(Addl. Charge)
DIN: 11630127

Annexure - 9

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR

WITH THE COMPANY'S CODE OF CONDUCT

This is to certify that:

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

The said Code of Conduct has been uploaded on the website of the Company and has also been circulated to the Board Members and the Senior Management Personnel of the Company; and,

All Board Members, both Full time and Part-time and the Senior Management have affirmed compliance of the said Code of Conduct, for the year ended March 31, 2026.

Date:07-09-2026
Place: Bengaluru

Sd/-
(N. Ramesh Kumar)
Chairman & Managing Director
(Addl. Charge)
DIN: 11630127

Annexure - 10

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

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

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

I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2026 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority as on 31st March 2026.

S No	Name of the Director	DIN	Date of appointment in the Company
1.	Ms. Arti Bhatnagar ¹	10065528	14/02/2023
2.	Mr. Rajesh Kohli ²	10333951	05/04/2024
3.	Dr. Renuka Mishra ³	08635835	23/07/2024

4.	Ms. Sameena Kohli	10663362	10/06/2024
5.	Mr. Kartik Chandulal Bhadra ⁴	09453387	01/04/2025
6.	Mr. Dineshbhai Ramjibhai Datania ⁷	11193263	15/07/2025
7.	Mr. Prem Chandra Maurya ⁶	11198433	17/07/2025
8.	Mr. Asit Gopal ⁵	08548124	10/02/2026
9.	Mr. Ramesh Kumar Nalluru ⁸	11630127	25/03/2026

1. *Appointed as Government Nominee Director (Additional Charge) w.e.f. 14.02.2023 & ceased w.e.f. 01.10.2025*
2. *Appointed as Chairman & Managing Director (Additional Charge) w.e.f. 05.04.2024 & ceased w.e.f. 25.03.2026.*
3. *Appointed as Government Nominee Director w.e.f. 23.07.2024 & ceased w.e.f. 17.07.2025*
4. *Appointed as the Independent Director w.e.f. 01.04.2025 & ceased w.e.f. 28.03.2026.*
5. *Appointed as Government Nominee Director (Additional Charge) w.e.f. 10.02.2026 & ceased w.e.f. 27.04.2026*
6. *Appointed as Government Nominee Director w.e.f. 17.07.2025*
7. *Appointed as the Independent Director w.e.f. 15.07.2025*
8. *Appointed as Chairman & Managing Director (Additional Charge) w.e.f. 25.03.2026*

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

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

Place: Bengaluru
Date: 12th August 2026

D VENKATESWARLU
Practicing Company Secretary
FCS: 8554 :: CP: 7773
UDIN: F008554H001085553
PR No: 1617 / 2021

CEO & CFO CERTIFICATION

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

- (a) We have reviewed the Financial Statements and the cash flow statement for the year 2025-26 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or in violation of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors regarding:
 - (i) Any significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For HMT Limited

Aparna R, CFO
Date: 25th July, 2026

N Ramesh Kumar, CMD/CEO

***STANDALONE
FINANCIAL
STATEMENTS***

REVISED INDEPENDENT AUDITORS' REPORT

**To the Members of HMT Limited
Bangalore**

Report on the Audit of the Standalone Financial Statements

Revision of Independent Auditors' Report

This Revised Independent Auditor's Report replaces our earlier report dated 27-07-2026 bearing UDIN 26208063IBFUGY3904, which was issued on the standalone financial statements of the Company for the year ended 31st March 2026. The earlier report has not yet been adopted by the shareholders at the Annual General Meeting. The earlier report has been revised to give effect to the provisional comments by CAG Audit modifying certain disclosures and rectifying typographical errors in the report and in Annexure A. Except for this revision, there is no change in our audit conclusions, and our opinion on the financial statements remains unchanged.

Qualified Opinion:

We have audited the standalone financial statements of **HMT Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2026, and the Statement of Profit and Loss (including Other Comprehensive Income) for the year then ended 31 March 2026, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branch located at Aurangabad.

In our opinion and to the best of our information and according to the explanations given to us, except for the basis of Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and

fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion:

1. We draw attention to the audit report of Food Processing Machinery Unit, Aurangabad audited by M/S R. K. MULEY & CO., Chartered Accountants, which includes a qualification relating to inventory valuation. As stated in Note 2(ii)(j) of the Significant Accounting Policies, inventories of raw materials, stores, and spares are valued using the Weighted Average Cost method. However, the branch auditor was unable to verify the accuracy of rates and costs due to inadequate audit evidence. Consequently, we are unable to determine whether there is any material misstatement in the inventory valuation and its consequential impact, if any, on the financial statements.
2. At the Auxiliary Business Company, Bengaluru, the Company has valued inventories based on the Chartered Valuer's report without adequate supporting evidence for the rates used. This approach is inconsistent with the stated accounting policy of valuing raw materials, stores, and spares using the Weighted Average Cost method. In the absence of sufficient audit evidence and deviation from the stated policy, we are unable to determine whether adjustments, if any, are required to the reported inventory values.
3. The Auxiliary Business Company, Bengaluru is still in the process of reconciling the input tax credit under the Goods & Services Tax for the current as well as the past periods, as accounted in the books of accounts with the GST portal. Adjustment entries and reversal

of ineligible input tax credit may be required upon completion of such reconciliation. In the absence of such reconciliation, we are unable to comment on the impact of the same on the result or financial position of the Company.

4. The Auxiliary Business Company, Bengaluru has not carried out the physical verification of Property, Plant and Equipment during the financial year 2025–26, although such verification was due as per its policy of verifying fixed assets once every three years. In the absence of physical verification, we were unable to obtain sufficient appropriate audit evidence regarding the existence and condition of the Property, Plant and Equipment. Consequently, we are unable to determine whether any adjustments are required to the carrying value of Property, Plant and Equipment and the related depreciation in the financial statements.
5. Ind AS 109 requires the application of an expected credit loss (ECL) model for measuring and recognising impairment of financial assets. However, based on the information and explanations provided, no ECL matrix was prepared during the audit period to determine the loss allowance. Consequently, we are unable to assess the potential impact, if any, on the Standalone Ind AS financial statements.
6. No allowance for expected credit losses has been made in respect of a outstanding receivable from a subsidiary HMT Machine Tools Limited, which in our opinion has significant credit risk in view of the subsidiary's continued losses and negative net worth. The non creation of the loss allowance results in overstatement of the assets and understatement of profit for the year to the extent of such loss, which is unascertained.
7. The Company has not obtained external confirmations for trade receivables, trade payables, other current liabilities, and other current assets. In the absence of such confirmations and alternative audit

procedures, we were unable to obtain sufficient appropriate audit evidence regarding the accuracy, completeness, and existence of these balances. Accordingly, we are unable to determine whether any adjustments are required in respect of these items.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

1. We draw your attention to Note No. 49 of Standalone Ind AS financial statements for the financial year ended 31st March, 2026 wherein HMT Limited has invested Rs.15 lakh (50% of equity shares) comprising 1,50,000 equity shares of Rs.10 each fully paid up in Sudmo HMT Process Engineers (India) Ltd., Bengaluru (M/s. Sudmo - HMT). M/s. Sudmo-HMT has no operations. The Board of HMT Ltd has approved (February 2020) for closure of the defunct joint venture company (M/s. Sudmo- HMT) and submitted the closure proposal to Ministry of Heavy Industries, Government of India (July 2021) for approval.
2. We draw your attention to Note No. 50 of Standalone Ind AS financial statements for the financial year ended 31st March, 2026

wherein HMT Limited has invested Rs.20.84 lakh (39.86% of equity shares) comprising 20,84,050 equity shares of Rs.1 each fully paid up in Gujarat State Machine Tools Corporation Ltd., Bhavanagar (M/s. GSMTC). The Board of HMT Ltd gave (March 2021) in principle approval for liquidation of M/s. GSMTC and issued the consent letter to Gujarat Industrial Investment Corporation Limited (GIIC). GIIC approved (September 2021) liquidation of M/s. GSMTC subject to approval from Government of Gujarat, Industries & Mines Department. HMT Ltd is awaiting approval from Ministry of Heavy Industries, Government of India to initiate liquidation under the Insolvency & Bankruptcy Code, 2016.

3. We draw your attention to Note No. 51 of Standalone Ind AS financial statements for the financial year ended 31st March, 2026 wherein HMT Limited has invested 30,00,000 equity shares of 1 Naira each fully paid up in Nigeria Machine Tools Limited, Nigeria (M/s. NMTL). The Board of HMT Ltd gave (February 2020) approval for divestment of stake in M/s. NMTL and awaiting approval from Ministry of Heavy Industries, Government of India.
4. We draw your attention to Note No. 3C Additional information (e) and 34 (i) of Standalone Ind AS financial statements for the financial year ended 31st March, 2026 relating to transfer of land to Raman Research Institute (transferee) for Rs.926.64 Lakhs and Government of Uttarakhand (transferee) for Rs.7202.10 Lakhs wherein the Company (transferor) has received entire sale consideration and has given the part-possession of the land and the registration of sale is pending due to procedural issues.
5. We draw attention to foot note (additional information) (i) of Note 3B of the financial statements, which states that the Company has not obtained a valuation of fair value of investment properties from a qualified valuer and disclosed only the guidance value of such investment properties of the Company.

6. We draw attention to Note No.52 to the Financial Statements which states that the Auxiliary Business Company, Bengaluru, has recognised rental income and incurred maintenance expenses in respect of land and buildings that belong to a subsidiary under the previously implemented scheme of demerger/ subsidarisation. These buildings are not reflected in the books of the Company as assets, though rental income is recognised. The Company has recognised rental income of Rs.847 lakhs and incurred expenses of Rs.630 lakhs during the year. This arrangement is not supported by a formal, legally enforceable agreement to clearly establish the terms of use, rights, and obligations between the Company and the subsidiary.

7. We draw attention to Note No. 35(i) of the standalone financial statements that describes the non-redemption of preference share capital of Rs.3686 lakhs.

8. We draw attention to Note No.58 of the financial statements relating to non-renewal of expired lease agreements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31st March, 2026. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Other Matter

1. We did not audit the financial statements/ information of Food Processing Machinery Unit,

Aurangabad included in these Standalone Ind AS financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 891.71 lakhs as at March 31, 2026 and total revenues of Rs. 943.75 lakhs for the year ended on that date. The financial statements/ information of the branch has been audited by the branch auditor M/s R.K. Muley & Co, Chartered Accountants, Aurangabad whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, are based solely on the report of such branch auditor. The branch auditors have reported certain discrepancies under the "Other Matters" section of their report, rather than including them as the basis for a qualified opinion. As these observations pertain specifically to the branch, have not been classified as qualifications by the branch auditor, and are not considered material to the standalone financial statements of the Company, they have not been addressed in this report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing

to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements

as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence

obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Standalone's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Standalone to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Government of India in terms of Section 143(11) of the Companies Act, 2013, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable..
2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, except for the matter described in the Basis for Qualified opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, except for the matter described in the Basis for Qualified opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.
- e. The entity is a government entity and in the terms of notification reference No.G.S.R. 463(E) dated 05th June 2015 issued by Ministry of Corporate Affairs for Government Companies, sub- section (2) of Section 164 of Companies Act, 2013 regarding disqualification for appointment of director is not applicable. Hence, Comment on the same does not arise.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the financial statements.
 - ii. The Company does not have any long-term contracts, including derivative contracts, that would require provisioning for any material foreseeable losses under applicable laws or Indian accounting standards.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The Management of the company has represented that, to the best of their knowledge and belief, that the Company has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
b) The Management of the company has represented that, to the best of their knowledge and belief, other than that as disclosed in the notes to the accounts, that the Company has not received any funds from any

person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- c) Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations stated under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31st March 2026, and therefore, compliance with section 123 of the Companies Act, 2013 is not applicable.
- vi. Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants

of India, which included test checks, we report that the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year at corporate level, but not followed at Auxiliary Business Division and at Food Processing Machinery Unit for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, in case where the audit trail is maintained. Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. We have not carried out any audit or examination of the audit trail beyond the matters required by the aforesaid Rule 11(g) nor have we carried out any standalone audit or examination of the audit trail.

- 3. As required by Section 143(5) of the Act, we give in the "**Annexure C**", a statement on the compliance to Directions issued by the Comptroller and Audit General of India.

For GRSM & Associates
Chartered accountants
FRN: 000863S

GOPALKRISHNA HEGDE
Partner
M No.:208063

Place: Bangalore
Date: 07-09-2026
UDIN: 26208063DPOHDN2840

Annexure A to the Independent Auditor's Report

The "Annexure A" referred to in the Independent Auditors' Report to the Members of HMT Limited ('the Company') on the Standalone Financial Statements for the year ended 31 March 2026, we report that:

- (i). In respect of the Company's property, plant and equipment, right-of-use assets, intangible assets, non-current assets held for sale and investment properties::
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment, and relevant details of right-of-use assets, non-current assets held for sale and investment properties..
- (b) The Company does not own any Intangible Assets and hence reporting under the paragraph 3(i)(a)(B) is not applicable to the Company.
- (b) The Auxiliary Business Division and Food Processing Machinery Unit have not carried out the physical verification of Property, Plant and Equipment during the financial year 2025–26, although such verification was due as per its policy of verifying fixed assets once every three years. In the absence of physical verification, we were unable to obtain sufficient appropriate audit evidence regarding the existence and condition of the Property, Plant and Equipment. Consequently, we are unable to determine whether any adjustments are required to the carrying value of Property, Plant and Equipment and the related depreciation in the financial statements.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed under Property, Plant and Equipment in the financial statements are held in the name of the Company, except the following:

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

- (d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year..
- (e) According to the information and explanations given by the management, no proceedings has been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1 988 and the rules made thereunder.
- ii). a) The Company hasnot produced any records before us to show that the inventory have been physically verified during the year by the management. In the absence of any records of physical verification, we are unable to comment on the frequency of such verification and any material discrepancies noticed on such physical verification..
- b) According to the information and explanations given to us by the management and based on our examination of the books of accounts in the normal course of audit, the Company has not been sanctioned any working

capital loan. Thus, paragraph 3(ii)(b) of the Order is not applicable to the Company.

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

to subsidiaries, joint ventures or any other parties.

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

Particulars	Loans (Rs. in lakhs)	Advances (Rs. in lakhs)	Guarantee (Rs. in lakhs)	Security (Rs. in lakhs)
<i>Aggregate amount during the year</i>				
Subsidiaries	1,763.00	34.44	-	-
Joint Venture	-	(0.36)	-	-
<i>Balance outstanding as at the year end:</i>				
Subsidiaries	36,431.41	1678.85	-	-
Joint Venture	-	2.87	-	-

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

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantee provided and the terms and conditions of loans granted by the Company are prima facie not prejudicial to the interest of the company, other than a case of non-recovery of overdue loans amounting to ₹364.31 crore, interest amounting to ₹52.21 and waiver of interest aggregating ₹76.39 crore during the year in respect of loan granted to its wholly owned subsidiary.
- c) According to the information and explanation provided to us and based on the audit procedures conducted by us, in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are not regular as per stipulation. With respect to the principal and interest of the loans, the repayment of loan is overdue as on 31st March 2026. The details for which are as below:

Name of Entity	Amount (Rs.) In lakhs	Due date	Extent of Delay (in days)	Remarks, if any
HMT Machine Tools Limited	406.99	31-03-2019	2557	-
HMT Machine Tools Limited	1345.47	31-03-2020	2191	-
HMT Machine Tools Limited	1640.73	31-03-2021	1826	-
HMT Machine Tools Limited	1828.65	31-03-2022	1461	-

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

Number of Cases (Rs. in lakhs)	Principal Amount Overdue	Interest Overdue	Total Overdue	Remarks (if any)
HMT Machine Tools Limited	36,431.41	5,221.85	41,653.26	-

The Company has not taken reasonable steps for recovery of the overdue principal and interest recognising and keeping in view the liquidity problem faced by the entity.

- e) According to the information and explanation provided to us, there is no loan given falling due during the year, which has been renewed or extended or granted fresh loans to settle the over dues of existing loans given to the same party.
- f) According to the information and explanation provided to us and based on the audit procedures conducted by us, the Company has granted loan or advance in nature of loan to any parties under an agreement which does not stipulate the terms and period of repayment which are as follows

Particulars	All Parties	Promoters	Related Party
Aggregate of loans/advances in nature of loan			
– Repayable on Demand (Rs. in lakhs)	1,849.53	-	1,849.53
– Agreement does not specify any terms or period of repayment	-	-	-
% of loans/advances in nature of loan to the total loans	4.72%		4.72%

- (iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act with respect to the loans, deposit and investments made.
- (v) The Company has not accepted any deposits or has any amounts which are deemed to be deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act rules framed thereunder and the directions issued by the RBI are applicable. Hence paragraph 3 (v) of CARO is not applicable to the company.
- (vi) The Central government has not prescribed maintenance of cost records under section 148(1) of the Act for any of the products/ services of the Company. Thus paragraph 3(vi) of CARO is not applicable to the Company.
- (vii).a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services tax, Cess and other material statutory dues have been not regularly deposited during the year by the Company with the appropriate authorities.
- There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Duty of Customs, Goods and Services tax, Cess and any other material statutory dues were in arrears as at 31 March 2026 except the following, for a period of more than six months from the date they became payable

Statement of Undisputed Dues (Rs. in lakhs)			
Sl. No	Nature of Statute	Nature of Dues	Amount
1.	Employee State Insurance	Employee State Insurance	2.34
2.	VAT/CST	Interest on VAT/CST	1.25
3.	GST	Interest on GST	0.17
4.	Greater Hyderabad Municipal Corporation	Property Tax	1023.65
5.	Bruhat Bengaluru Mahanagara Palike	Property Tax	59.94

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

Statement of Disputed Dues (Rs. In lakhs)				
Name of the statute	Nature of Dues	Amount	Period to which the amount relates	Forum where the dispute is pending
Haryana Local Area Development Tax Ordinance, 2000	Haryana Local Area Development Tax	486.17	From 2005 to 2017	Honourable High Court of Punjab and Haryana
Employee Provident Fund	Provident Fund	1194.56	Various years	Employee Provident Fund Appellate Tribunal

- (viii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix).a) Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or other borrowing to its lender other than that stated below:

Nature of Borrowing including securities - from Government of India	Amount not paid (Rs. lakhs)	Due since from	Days of delay unpaid
Interest free Loan dated 21/01/2017	6073.60	21/01/2018	2990
----do----	6073.60	21/01/2019	2625
----do----	6073.60	21/01/2020	2260
----do----	6073.60	21/01/2021	1894
----do----	6073.60	21/01/2022	1529
Interest free Loan dated 16/02/2017	4800.00	16/02/2018	2964
----do----	4800.00	16/02/2019	2599
----do----	4800.00	16/02/2020	2234
----do----	4800.00	16/02/2021	1868
----do----	4800.00	16/02/2022	1503
Interest free Loan dated 29/04/2017	1958.00	29/04/2018	2892
----do----	1958.00	29/04/2019	2527
----do----	1958.00	29/04/2020	2161
----do----	1958.00	29/04/2021	1796
----do----	1958.00	29/04/2022	1431

- b) According to the information and explanation given to us by the management, the Company is not declared as a willful defaulter by any bank or Financial Institution or other lenders.
- c) According to the information and explanation given to us by the management, the Company has not obtained any term loan during the year and hence comment on the same does not arise.

- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under Companies Act, 2013.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x).a) According to the information and explanation given to us and based on audit procedure performed; no money was raised by the way of public issue/follow-on-offer (including debt instruments).
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi).a) Based upon audit procedure performed and information and explanation given by the management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- b) Based upon audit procedure performed and information and explanation given by the management, no report under sub-section (12) of section 143 of the Companies Act has been filed by us or by other auditors of the Company.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and therefore clause 3(xii)(a),(b) and (c) of the Order are not applicable to the Company.
- (xiii) In our opinion, and based on our audit procedure, transactions with the related parties entered into by the Company during the year are in compliance with section 177 and section 188 of the Companies Act of 2013 and the details thereof have been disclosed in the Standalone Financial Statements, as required by the Indian Accounting standards and Companies Act, 2013.
- (xiv).a) According to the information and explanations given by the Company, it has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports were made available and have been considered by us.
- (xv). On the basis of the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- (xvi).a) According to the information and explanation given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- b) Based on the audit procedure performed, the Company has not conducted any Non-Banking Financial or Housing Finance activities as per the Reserve Bank of India Act, 1934.
- c) Based on audit procedures performed, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) Based on audit procedure performed, the Group does not have more than one Core Investment Company (CIC) as a part of the group. Hence, reporting under this clause is not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the financial year and in the preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly clause 3(xviii) is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xix) a) The company does not have unspent amount in respect of other than ongoing projects in the financial year in compliance with second proviso to sub-section (5) of section 135
- a) In respect of ongoing projects, the company has transferred unspent amount to a Special Account, within a period of 30 days from the end of the financial year in compliance with Sec.135(6) of the said Act, as per the details given below:

Financial Year	Amount unspent on CSR activities for "On going Projects"	Amount Transferred to Special Account within 30 days from the end of the Financial Year	Amount Transferred after the due date (specify the date of deposit)
(a)	(b)	(c)	(d)
2025-2026	Rs.20.88 lakhs	Rs.20.88 lakhs	-

For GRSM & Associates
Chartered accountants
FRN: 000863S

GOPALKRISHNA HEGDE
Partner
M No.:208063

Place: Bangalore
Date: 07-09-2026
UDIN: 26208063DPOHDN2840

Annexure — B to the Independent auditor's report of even date on the standalone financial statements of "HMT LIMITED" for the year ended 31 March 2026.

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

We have audited the internal financial controls over financial reporting of "HMT Limited" as of March 31, 2026, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India, and

the Standards on Auditing, as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, with reference to the Standalone financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial

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

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or

procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2026:

Company as whole

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

Specific with respect to Divisions (Branches)

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

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. In our opinion, except for the effects/possible effects of the material weaknesses

described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2026, 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

statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2026 standalone financial

For GRSM & Associates

Chartered accountants

FRN: 000863S

GOPALKRISHNA HEGDE

Partner

M No.:208063

Place: Bangalore

Date: 07-09-2026

UDIN: 26208063DPOHDN2840

“ANNEXURE C” to our Independent Auditors’ Report on the standalone financial statements of HMT limited for the financial year 2025-26

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

Directions/ Sub-directions	Auditors’ Observations
1. Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	HMT Limited has Trusts common to companies in the group/location to manage PF and Gratuity. The Gratuity Trust has invested its funds with the Life Insurance Corporation of India. The Company has obtained a report from an actuary with regard to its post retirement benefit obligations under the relevant IND AS standard. The actuary has adopted the fair value of the investments as communicated by the Life Insurance Corporation of India. However, we have not been provided with a detailed valuation report to arrive at the value by the Insurance Company. The PF Trust has its funds kept only in bank (including RBI) deposits and the value is equivalent to the bank balances only. We are informed that, other than the above mentioned Gratuity Trust funds, no direct investments by the Company or through Trusts are made with respect to the post retirement benefits.

2. Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies, financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empaneled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	The Division uses “Tally Prime” accounting software to process the accounting transactions. During the year, no review of this system and controls that are significant to the Companies, financial reporting process as well as cyber security has been done by Information Security Auditing Organizations empaneled by Cert-In. Currently, aspects like Payroll, Inventory, Invoicing, Inventory Valuation, Computation of Depreciation and a few other accounting aspects are outside this accounting system. They are prepared using generic spread sheets/ software or another utility independent of this accounting system.
	The calculations/ information generated from these utilities are fed into the accounting software as vouchers. This process involves manual intervention. However, integrity is ensured through internal check processes.
3. Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	During the year, the Company has not received any grants/ subsidies/ other funds for specific schemes from Central/ State Government or its Agencies.
4. Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has identified the key risk areas and also formulated risk management policy. In our opinion, the risk management policy has been formulated considering the global best practices, considering the nature of risks. However, the Company has not identified its data assets.

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

Sub-directions to Statutory Auditors for the year 2025-26

(i) Verify whether the existing regulatory assets of the Company are supported by the tariff orders of the Electricity Regulatory Commission;	Not Applicable
(ii) Verify whether the revenue in respect of such assets has been recognized by the Company on the basis of tariff orders issued by the Electricity Regulatory Commission;	Not Applicable
(iii) State the impact of recognition/ existence of regulatory assets in the absence of tariff orders, if any;	Not Applicable
(iv) State the impact of delayed/ non-recovery of regulatory assets on the financial statements of the Company;	Not Applicable
(v) Examine and report upon the accuracy/ adequacy of accounting treatment/ related disclosures in this regard.	Not Applicable

For GRSM & Associates

Compliance Certificate

We have conducted the audit of annual accounts of HMT Limited for the year ended 31 March 2026 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

for GRSM & Associates

Chartered Accountants

Firm registration number: 000863S

GOPALKRISHNA HEGDE

Partner

Membership No: 208063

Place: Bengaluru

Date: 07-09-2026

UDIN: 26208063WWFFE5910

Standalone Material Accounting Policies for the year ended March 31, 2026

1. Background:

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

2. Material Accounting Policies:

i) *Basis of preparation:*

The financial statements have been prepared to comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 ("the Act"), read the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company and other provisions of the Act.

The financial statements have been prepared on the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Financial Statements have been prepared on a Going Concern basis with a reasonable expectation considering adequate resources to continue in operation existing for the foreseeable future.

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**

All items of Property, Plant and Equipment ("PPE") are accounted for in accordance with the cost model. Property, Plant and Equipment ("PPE") are stated at cost of acquisition or construction, net of vatable taxes, less accumulated depreciation and impairment, if any. 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 transfers 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 on operating expenses on a straight line basis over the term of the lease.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

d) Borrowing Cost:

Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to acquisition of PPE which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

All other borrowing costs are expensed in the period in which they occur.

e) Investment Property:

Investment Properties are properties (land or building or part of land or both) held to earn rental income and /or capital appreciation.

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 shall be depreciated separately.

The Company reviews the residual value and the useful life of an asset at each financial year-end and, if expectations differ from previous estimates, the changes shall be accounted for as a change in an accounting estimate

Special Tools capitalised as PPE is depreciated over the period of five years and items those costing less than Rs.750/- is depreciated in the year of acquisition/manufacture.

Amortisation methods and useful lives of intangible assets are reviewed periodically including at the end of each financial year.

h) Non-current assets held for distribution to owners and discontinued operations:

The Company classifies non-current assets as held for sale/distribution to owners if

their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Non-current Assets classified as held for sale/ distribution are presented separately in the balance sheet.

i) Government Grants:

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expenses. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

j) Inventories:

Raw materials, stores and spares, tools and instruments, scrap, work in progress and finished goods are valued at the lower of cost and net realizable value. The cost of materials is ascertained by adopting Weighted Average Cost Method.

Cost of work in progress, finished goods and goods-in-transit comprises direct

materials, direct labour and an appropriate portion of variable and fixed overhead being allocated on the basis of normal operating capacity.

Provision for 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 *Incoterms*.

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 Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

v) Interest Income:

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

vi) Warranty:

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

With regard to turnkey projects implemented by the company, warranty provision at the rate of 2 percent of the purchase value is provided

vii) Extended Warranties:

When the company sells extended warranty, the revenue from sale of extended warranty is deferred and recognised over the period covered by the warranty. Where extended warranties are included in the price of the product and provide protection in excess of that provided by normal terms and conditions of sale for the relevant product, the company will separate and account for these two items separately.

l) Foreign Currency Translation:

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net Profit in the statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

m) Retirement & Other Employee Benefits:

Provident Fund is provided for, under a defined benefit scheme. The contributions are made to the Trust administered by the company.

Leave encashment is provided for under a long-term employee benefit based on actuarial valuation.

Gratuity is provided for under a defined benefit scheme, to cover the eligible employees, liability being determined on actuarial valuation. Annual contributions are made, to the extent required, to a Trust constituted and administered by the Life Insurance Corporation of India under which the Gratuity is fully covered for all eligible employees.

Settlement allowance ("SA") is provided for, under a defined benefit scheme, to cover the eligible employees, liability being determined on actuarial valuation.

The Company recognizes the net obligation of a defined benefit plan i.e. Gratuity and SA in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ asset are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in Other Comprehensive Income are not to be subsequently reclassified to statement of Profit and Loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Pension is provided for under a defined contribution scheme; contributions are

made to the Pension Fund administered by the Government.

In respect of employees who are separated other than under Voluntary Retirement Scheme, the Gratuity, Earned Leave Encashment (ELE), SA is debited to the respective provision accounts. The provision at the year-end for Gratuity, ELE and SA is restated as per the actuarial valuation done at the year-end

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

n) Income taxes:

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

i) Current taxes:

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

ii) Deferred Taxes:

Deferred income tax assets and liabilities are recognized on temporary differences between the tax bases of

assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.,,

o) Provisions:

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

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

p) Impairment:

i) Financial assets:

The Company assesses at each date of balance sheet whether

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

ii) Non-financial assets:

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

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

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

q) Financial Instruments:

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

i) Cash & cash equivalents:

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

ii) Financial assets at amortised cost:

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

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

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

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

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

recognized in statement of profit and loss.

v) *Financial Liabilities:*

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

vi) *De-recognition of financial instruments:*

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. On de-recognition of any financial assets in its entirety, the difference between Carrying amount (on date of de-recognition) and any consideration received (including difference between any new asset and new liability assumed) shall be recognized in Profit or Loss.

A financial liability (or a part of a financial liability) is de-recognized when the obligation specified in the contract is discharged or cancelled or expires.

vii) *Fair value of financial instruments:*

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

viii) *Investment in subsidiaries, joint ventures and associates:*

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

r) **Earnings per Share (EPS):**

The Company presents basic Earnings Per Share (EPS) for its equity shareholders.

Basic EPS is computed by dividing the net profit or loss attributable to equity

shareholders of the Company by the weighted average number of Equity shares outstanding during the period. The weighted average number of equity shares is adjusted for events such as bonus issues, bonus element in a rights issue, share splits and reverse share splits (consolidation of shares), if any, have changed the number of Equity shares outstanding, without a corresponding change in resources.

The Company does not have any outstanding instruments or arrangements that could potentially dilute earnings per share. Accordingly, diluted EPS is the same as basic EPS, and hence, separate presentation of diluted EPS is not considered necessary.

iii) **Material 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.

a) **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.

i) **Operating lease— Company as lessor:**

The Company has entered commercial property leases on its investment property

portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b) **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.

i) **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.

ii) **Defined Benefit Obligations:**

The cost of the defined benefit Gratuity plan, Provident Fund and Settlement Allowance and the present value of the gratuity obligation are determined using

actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

iii Other Long-Term Employee Benefits:

Other Long-Term Employee liability like Earned Leave Encashment- EL / Half Pay Leave- HPL is determined through the actuarial valuation. The Company provides EL and HPL to the employees of the Company which accrue every month and credit in full on first January respectively. EL is encashable while in the service subject to fulfilment of certain conditions. Encashment of Earned Leaves and Half Pay leaves restricted to the eligible maximum limit of EL encashment days based on the category of employee on retirement.

The Measurement of the expected cost of accumulating compensated absences as the additional amount expected to be

paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Expenses on non-accumulating compensated absences are recognized in the period in which the absences occur. Service cost, net interest on the net defined benefit liability (asset), remeasurements of the net defined benefit liability (asset) and other expenses related to long term benefit plans are recognized in the Statement of Profit & Loss.

The measurement of long-term employee benefits is not subject to the same degree of uncertainty as the measurement of Defined Benefit Obligation. For this reason- the Remeasurement is not recognized in Other Comprehensive Income.

Classification of leave encashment liability as current and non-current (long term) liability based on the expected timing of the settlement, i.e., within 12 months and after 12 months respectively, of the reporting period.

iii Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the NAV/NRV model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2026

(Rs. in lakhs)			
Particulars	Notes	As at 31-03-2026	As at 31-03-2025
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3A	108.32	190.87
Investment Property	3B	547.50	573.88
Financial Assets			
Investments	4	71,977.91	71,977.91
Other Financial Assets	11	189.79	240.98
Deferred Tax Asset (Net)	5	59.37	37.61
Other Non Current Assets	13	68.42	75.15
		72,951.31	73,096.40
Current assets			
Inventories	6	961.63	1,249.06
Financial Assets			
Trade Receivables	7	596.74	1,283.82
Cash and Cash Equivalents	8	275.04	210.83
Bank balances other than Cash and Cash Equivalents	9	15,486.12	14,854.77
Loans	10	36,431.41	34,668.41
Other Financial Assets	11	5,633.21	5,632.06
Current Tax Assets (Net)	12	664.63	566.40
Other Current Assets	13	2,713.37	2,688.94
		62,762.15	61,154.29
Non Current Assets Held for Sale	3C	296.15	296.15
		296.15	296.15
TOTAL ASSETS		1,36,009.61	1,34,546.84
EQUITY AND LIABILITIES			
Equity			
Share Capital	14	35,560.16	35,560.16
Other Equity	15	13,607.20	11,932.55
Total Equity		49,167.36	47,492.71
Non-current Liabilities			
Non-current Financial Liability	17	-	-
Other Non-Current Liabilities	21	8,128.74	8,128.74
Provisions			
Provision for Employee Benefits	18	201.04	233.83
		8,329.78	8,362.57

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2026

(Rs. in lakhs)			
Particulars	Notes	As at 31-03-2026	As at 31-03-2025
Current Liabilities			
Financial Liabilities			
Borrowings	16	64,171.74	64,229.55
Trade Payables	19		
<i>Total outstanding dues to Micro & Small Enterprises</i>		117.90	113.23
<i>Total outstanding dues of creditors other than Micro & Small Enterprises</i>		1,450.14	1,887.02
Other Financial Liabilities	20	3,686.00	3,689.05
Other Current Liabilities	21	8,722.50	8,339.16
Provisions			
Provision for Employee Benefits	18	69.27	85.25
Others	23	294.92	291.42
Current Tax Liabilities (Net)	22	-	56.88
		78,512.47	78,691.56
Total Liabilities		86,842.25	87,054.13
TOTAL EQUITY AND LIABILITIES		1,36,009.61	1,34,546.84

Material Accounting Policies and Notes forming part of Accounts

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

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

Ramesh Kumar N
Chairman and Managing Director
(Addl. Charge)
DIN 11630127

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

Gopalkrishna Hegde
Partner
Membership No : 208063

Kishor Kumar Shankar
Company Secretary

Aparna R
Chief Financial Officer

Place : Bangalore
Date : July 27th 2026

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

(Rs. in lakhs)			
Particulars	Notes	Year Ended 31-03-2026	Year Ended 31-03-2025
CONTINUING OPERATIONS			
Revenue from Operations	24	2,595.79	2,617.31
Other Income	25	5,791.19	5,626.68
Total Income		8,386.98	8,243.99
EXPENSES			
Cost of Materials Consumed	26	745.98	1,028.37
Changes in Inventories of finished goods, Stock in trade and work-in-progress	27	289.50	(148.49)
Employee Benefits Expense	28	596.63	672.05
Depreciation and Amortization Expense	29	109.31	145.47
Finance Costs	30	7.93	79.47
Other Expenses	31	4,799.63	4,572.97
Total expense		6,548.98	6,349.84
Profit/(loss) before exceptional items and tax from continuing operations		1,838.00	1,894.15
Exceptional items	32	-	-
Profit/(loss) before tax from continuing operations		1,838.00	1,894.15
(1) Current tax		190.00	275.00
(2) Deferred tax		(20.53)	8.83
		169.47	283.83
Profit/(loss) for the year from continuing operations		1,668.53	1,610.32
DISCONTINUED OPERATIONS			
		-	-
Profit/(loss) for the year		1,668.53	1,610.32
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on defined benefit plans		4.89	5.93
Tax expense/(income)		(1.23)	1.49

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2026

(Rs. in lakhs)			
Particulars	Notes	Year Ended 31-03-2026	Year Ended 31-03-2025
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		6.12	4.44
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		1,674.65	1,614.76
Earnings per share for continuing operations	39		
i) Basic, profit from continuing operations attributable to equity holders		0.47	0.45
ii) Diluted, profit from continuing operations attributable to equity holders		0.47	0.45
Earnings per share for discontinued operations			
i) Basic, profit from discontinued operations attributable to equity holders		-	-
ii) Diluted, profit from discontinued operations attributable to equity holders		-	-
Earnings per share from continuing and discontinued operations			
i) Basic, profit for the year attributable to equity holders		0.47	0.45
ii) Diluted, profit for the year attributable to equity holders		0.47	0.45

Material Accounting Policies and Notes forming part of Accounts

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

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

Ramesh Kumar N
Chairman and Managing Director
(Addl. Charge)
DIN 11630127

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

Gopalkrishna Hegde
Partner
Membership No : 208063

Kishor Kumar Shankar
Company Secretary

Aparna R
Chief Financial Officer

Place : Bangalore
Date : July 27th 2026

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2026

(Rs. in lakhs)

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Operating activities		
Profit/(loss) before tax from continuing operations	1,838.00	1,894.15
Profit before tax	1,838.00	1,894.15
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	82.93	117.99
Depreciation of investment properties	26.38	27.48
Loss on Assets sold/discarded	0.09	-
Interest Income	(3,555.06)	(3,520.60)
Finance costs	7.93	79.47
Working capital adjustments:		
Movements in provisions, gratuity and government grants	79.94	(385.48)
Increase in trade and other receivables and prepayments	1,211.91	(1,351.77)
(Increase)/Decrease in inventories	286.75	(72.94)
Increase in trade and other payables	(48.87)	(64.12)
	(70.00)	(3,275.82)
Income tax (paid)/reversed	(345.11)	(270.90)
Net cash flows from operating activities	(415.11)	(3,546.72)
Investing activities		
Proceeds from sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(0.46)	(0.75)
Deposits with Banks	(594.89)	1,860.69
Interest received	1,143.47	1,308.69
Net cash flows used in investing activities	548.11	3,168.63
Financing activities		
Interest Paid	(10.98)	(76.42)
Proceeds from borrowings	-	57.81
Repayment of borrowings	(57.81)	-
Net cash flows from/(used in) financing activities	(68.79)	(18.61)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2026

(Rs. in lakhs)

Particulars	Year Ended 31-03-2026	Year Ended 31-03-2025
Net increase in cash and cash equivalents	64.21	(396.70)
Net foreign exchange difference		
Opening balance of Cash and cash equivalents(Refer Note 8)	210.83	607.53
Closing balance of Cash and cash equivalents (Refer Note.8)	275.04	210.83
Material Accounting Policies and Notes forming part of Accounts		

Note:

- 1) The above statement has been prepared under the indirect method as set out in Ind AS 7
- 2) Bank deposits placed during the year Rs.11432.91 lakhs and matured during the year Rs.10838.02 lakhs.
- 3) Previous year's have been regrouped/reclassified wherever applicable.

Material Accounting Policies and Notes forming part of Accounts

As per our Report of even date attached

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

For GRSM & Associates

Chartered Accountants

F.R.N : 000863S

Ramesh Kumar N

Chairman and Managing Director

(Addl. Charge)

DIN 11630127

Sameena Kohli

Director, Finance

(Addl. Charge)

DIN 10663362

Gopalkrishna Hegde

Partner

Membership No : 208063

Kishor Kumar Shankar

Company Secretary

Aparna R

Chief Financial Officer

Place : Bangalore

Date : July 27th 2026

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

As at 31st March 2026

(Rs. In lakhs)

Balance as at 1st April 2025	Changes in Equity Share Capital during the year	Balance as at 31st March 2026
35,560.16	-	35,560.16

As at 31st March 2025

(Rs. In lakhs)

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

B Other Equity

As at 31st March 2026

(Rs. in lakhs)

	Reserves and Surplus		Other Comprehensive Income	Total equity
	General Reserve	Retained earnings		
Balance as of 1st April 2025	13,453.11	173.18	(1,693.74)	11,932.55
Total Comprehensive Income for the year	-	1,668.53	6.12	1,674.65
Balance as at 31 Mar 2026	13,453.11	1,841.71	(1,687.62)	13,607.20

As at 31st March 2025

(Rs. in lakhs)

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

Material Accounting Policies and Notes forming part of Accounts

As per our Report of even date attached

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

For GRSM & Associates

Chartered Accountants

F.R.N : 000863S

Ramesh Kumar N

Chairman and Managing Director

(Addl. Charge)

DIN 10333951

Sameena Kohli

Director, Finance

(Addl. Charge)

DIN 10663362

Gopalkrishna Hegde

Partner

Membership No : 208063

Kishor Kumar Shankar

Company Secretary

Aparna R

Chief Financial Officer

Place : Bangalore

Date : July 27th 2026

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

3A. PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

	Land & Land Development	Buildings	Plant and Machinery	Furniture, Fittings & Office Appliances	Special Tools	Transport Vehicles	Land- Leasehold	Total
Gross carrying value								
As At 1 April 2024	-	342.99	10,825.02	468.60	623.99	63.55	17.09	12,341.24
Additions	-	-	-	0.75	-	-	-	0.75
Disposals	-	-	(86.93)	-	-	-	-	(86.93)
As At 31 March 2025	-	342.99	10,738.09	469.35	623.99	63.55	17.09	12,255.06
Additions/Adjustment	-	-	0.36	0.10	-	-	-	0.46
Disposals	-	-	(170.36)	(23.72)	-	(0.80)	-	(194.88)
As At 31 March 2026	-	342.99	10,568.09	445.73	623.99	62.75	17.09	12,060.64
Accumulated Depreciation								
As At 1 April 2024	-	225.88	10,651.68	460.51	620.91	63.55	10.60	12,033.13
Depreciation charge for the year	-	71.21	44.02	2.63	-	-	0.13	117.99
Disposals/Adjust	-	-	(86.93)	-	-	--	-	(86.93)
As At 31 March 2025	-	297.09	10,608.77	463.14	620.91	63.55	10.73	12,064.19
Depreciation charge for the year	-	41.67	35.65	2.40	3.08	-	0.13	82.93
Disposals/Adjustment	-	-	(170.37)	(23.63)	-	(0.80)	-	(194.80)
As At 31 March 2026	-	338.76	10,474.05	441.91	623.99	62.75	10.86	11,952.32
Net carrying value								
As At 31 March 2026	-	4.23	94.04	3.82	-	-	6.23	108.32
As At 31 March 2025	-	45.90	129.32	6.21	3.08	-	6.36	190.87
31-03-2026 31-03-2025								
Net carrying value	Amount	Amount						
Plant Property and Equipment	108.32	190.87						

Additional Information:

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

Land:

(b) includes land measuring 0.50 acres purchased at Bangalore

(c) The leasehold land measuring 29.84 acres at Aurangabad includes 4.94 acres of land which has been encroached upon. Further, legal action is being pursued for restoration of the encroached land.

(d) The carrying amount of temporarily idle property, Plant and Equipment : -NIL

(e) The Gross carrying amount of any fully depreciated Property, Plant and Equipment that is still in use Rs.11209.90 lakhs.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

	(Rs. in lakhs)		
	Land & Land Development	Buildings	Total
3B. INVESTMENT PROPERTY			
Gross carrying value			
As at 1 April 2024	168.94	2,041.65	2,210.59
Additions	-	-	-
As at 31 March 2025	168.94	2,041.65	2,210.59
Additions	-	-	-
Deduct/adjustment	-	-	-
As at 31 March 2026	168.94	2,041.65	2,210.59
Depreciation and impairment			
As at 1 April 2024	-	1,609.23	1,609.23
Depreciation	-	27.48	27.48
Deduct/adjustment	-	-	-
As at 31 March 2025	-	1,636.71	1,636.71
Depreciation	-	26.38	26.38
Deduct/adjustment	-	-	-
As at 31 March 2026	-	1,663.09	1,663.09
Net carrying value			
As at 31 March 2026	168.94	378.56	547.50
As at 31 March 2025	168.94	404.94	573.88

Additional Information:

- i) The Company has not obtained any fair valuation of the investment property from a Registered Valuer. However, based on the guidance value, determined by the department of Stamps and Registrar of the respective State Government, the fair value of the investment property as at March 31, 2026 is Rs.4,56,092.24 lakhs (previous year Rs. 4,52,094.25 Lakhs)

ii) Land:

- (a) Land includes land located at Pinjore, Kalamassery and Hyderabad gifted by the respective State Governments admeasuring 382.54 acres, 27 acres and 660.75 acres respectively, nominally valued at Rs1/- each. It also include Land admeasuring 14.55 acres purchased at Pinjore, Mohali and 2.89 acres purchased at Bangalore.
- (b) In respect of land at Hyderabad, out of 660.75 acres of land an area admeasuring 28.40 acres was leased to various Government Departments. Pending registration of transfer, the Company has agreed to release 14.20 acres of land in exchange for 14.20 acres of land under an exchange agreement with a State Public Sector Undertaking. No finality has been reached on the proposal for surrender of 300 acres of land owned by the Company at Hyderabad, to the Government of Telangana (formerly called as Government of Andhra Pradesh), in lieu of payment of part sale consideration and issue of marketable title for the balance land. The State Govt has not given appointment till date even after several requests and follow ups for discussion and amicable settlement of dispute as per directions of Hon'ble High Court.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Additional Information:

Information regarding income and expenditure of Investment property	(Rs. in lakhs)	
	31-Mar-26	31-Mar-25
Rental income derived from investment properties	1,207.04	1,126.29
Direct operating expenses (including repairs and maintenance) generating rental income	(441.11)	(368.59)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(2.85)	(2.59)
Profit/(loss) arising from investment properties before depreciation and indirect expenses	763.08	755.11
Less – Depreciation	20.94	22.05
Profit arising from investment properties before indirect expenses	742.14	733.06

3C. Non Current Assets Held for Sale

	As at 31-Mar-26	As at 31-Mar-25
Nature of Asset		
Land	24.13	24.13
Buildings	272.02	272.02
Total	296.15	296.15

Additional Information:

- The "Assets Held for Sale" comprise land measuring 5.80 acres situated at Bangalore. The matter is currently under adjudication before the Hon'ble Supreme Court of India, where the Company has sought denotification or such other directions by the Court. An Interlocutory Application (IA) in respect of the said land has been filed by the Company during 2024-25. The future course of action in respect of this asset will be determined upon final outcome of the proceedings before the Hon'ble Supreme Court.
- In line with the approval of Government of India, the Immovable Assets of HMT Watches Ltd (closed) have been transferred to HMT Limited at the book value of Rs.296.06 lakhs (included above) during the year 2022-23, the rights of transfer of immovable assets have been assumed by the Government and HMT Limited is the custodian of these properties till their disposal and ensure the transfer of the sale proceeds to the Government of India after deduction of applicable expenses and taxes.
- Gift land (included above) located at Bangalore admeasuring 89.70 acres. The matter is currently under adjudication before the Hon'ble Supreme Court of India, where the Company has sought denotification or such other directions by the Court. An Interlocutory Application (IA) in respect of the 87.85 acres land has been filed by the Company during 2024-25. Out of which 7.0 acres of land has been encroached upon and the matter has been taken up with the Government of Karnataka to shift the un-authorised occupants.
- The land at Tumkur, measuring 6.22 acres carrying value of Rs. 18.73 lakhs (included above) is occupied by Ancillary units. While disposing the Writ Petition filed by the Ancillary units claiming ownership, the Hon'ble High Court of Karnataka, directed Department of Heavy Industries and Public Enterprises, Government of India to enquire into the matter and examine the claims of Ancillary Units and it is under process.
- The Company has allowed possession of land measuring 45.622 acres located at Ranibagh and has received entire sale consideration of Rs.7202.10 lakhs during 2022-23 and is pending for registration (refer Note No.34(i)(2).) The sale proceeds is required to be transferred to Government of India after incurring applicable taxes.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	As at 31-Mar-26	As at 31-Mar-25
4. Financial assets		
Investments In Equity Instruments		
Investments at fair value through Other Comprehensive Income (FVTOCI)		
Unquoted equity shares (fully paid)		
30,00,000 (Previous year: 30,00,000) Equity Shares of 1 Naira each fully paid up in Nigeria Machine Tools Ltd, Nigeria - 15% of Shareholding (Refer Note 51)	-	-
Total FVTOCI investments	-	-
Investment in Equity Instruments of Subsidiaries, Associates and Joint Venture at Cost:		
Investments in Joint Venture		
1,50,000 (Previous year: 1,50,000) Equity shares of Rs.10/- each fully paid up in Sudmo HMT Process Engineers (India) Ltd., Bangalore - 50% of Shareholding (Refer Note 49)	15.00	15.00
Investments in Associates		
20,84,050 (Previous year: 20,84,050) Equity Shares of Rs.1/- each fully paid up in Gujarat State Machine Tools Corporation Ltd., Bhavnagar - 39.86% of Shareholding (Refer Note 50)	-	-
Investment in Subsidiaries		
7,20,000 (Previous year: 7,20,000) Equity Shares {including 6,90,000 (Previous year: 6,90,000) Bonus Shares} of Rs.10/- each fully paid up in HMT (International) Ltd, Bangalore - 100% of Shareholding	3.00	3.00
27,65,99,137 (Previous year: 27,65,99,137) Equity Shares of Rs.10/- each fully paid up in HMT Machine Tools Ltd, Bangalore - 100% of Shareholding (Refer Note below)	27,659.91	27,659.91
Nil (Previous year: 64,90,100) Equity Shares of Rs.10/- each fully paid up in HMT Watches Ltd, Bangalore - 100% of Shareholding	-	649.01
Total Investment in Equity instruments in subsidiaries and Joint Venture	27,677.91	28,326.92

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)		
Particulars	As at 31-Mar-26	As at 31-Mar-25
Investments in Preference Shares		
Investment in Subsidiaries		
4,43,00,000 (Previous year: 4,43,00,000) 3.5% Redeemable Preference Shares of Rs.100/- each fully paid up in HMT Machine Tools Ltd, Bangalore (Subsidiary Company) (Refer Note below)	44,300.00	44,300.00
Total Investment in Preference Shares	44,300.00	44,300.00
Total	71,977.91	72,626.92
Less: Allowance for Investments in Subsidiaries		
HMT Watches Ltd, Bangalore	-	649.01
	-	649.01
Total Investments	71,977.91	71,977.91
Current		
Non Current	71,977.91	71,977.91
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	71,977.91	72,626.92
Aggregate amount of impairment in value of investments	-	649.01
* Write off against allowances for investment in Subsidiaries		
Investment - opening balance	649.01	
Less : Write-off against provision	649.01	
Investment - Closing balance	-	
Allowance for investment - Opening balance	(649.01)	
Add: Write-off against provision	649.01	
Allowance for investment - Closing balance	-	

Additional Information:

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
5. Deferred Tax Assets (Net)		
Deferred Tax Asset	60.33	66.49
Less: Deferred Tax Liability	0.96	28.88
(Refer Note No.44)	59.37	37.61
6. Inventories		
Raw Materials and Components	485.08	485.28
Work-in-Progress	238.14	271.83
Finished Goods	435.17	690.22
Stock in Trade	24.41	25.17
Stores and Spares	22.45	22.14
Tools and Instruments	29.72	27.08
Scrap	0.69	0.69
	1,235.66	1,522.41
Less: Provision for Non-moving Inventories	274.03	273.35
	961.63	1,249.06
7. Trade Receivables		
Secured, considered good	-	-
Unsecured, considered good	596.74	1,283.82
Unsecured, considered doubtful *	7,259.28	7,262.04
	7,856.02	8,545.86
Allowance for doubtful debts		
Unsecured, considered doubtful *	7,259.28	7,262.04
	596.74	1,283.82

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

* Write off against allowances for doubtful debts

Particulars		
Unsecured considered doubtful - Opening balance	7,262.04	7,610.77
Add: Provision made during the year	0.99	24.28
Less : Write-off against provision	3.75	373.01
Unsecured considered doubtful - Closing balance	7,259.28	7,262.04
Allowance for doubtful debts - Opening balance	-7,262.04	-7,610.77
Less: Provision made during the year	0.99	24.28
Add: Write-off against provision	3.75	373.01
Allowance for doubtful debts - Closing balance	-7,259.28	-7,262.04

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - Considered good	88.73	59.44	29.15	398.72	20.70	596.74
Undisputed - Considered doubtful					118.95	118.95
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	7,140.33	7,140.33
	88.73	59.44	29.15	398.72	7,279.98	7,856.02

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	249.94	70.33	929.75	27.40	6.40	1,283.82
Undisputed - Considered doubtful					117.96	117.96
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	7,144.08	7,144.08
	249.94	70.33	929.75	27.40	7,268.44	8,545.86

Particulars	As at 31-Mar-26	As at 31-Mar-25
8. Cash and Cash Equivalents:		
Current Accounts	274.85	210.11
Cash and Cheques on hand	0.19	0.72
	275.04	210.83

9. Bank balances other than Cash and Cash Equivalents:

Escrow Accounts (for payment to Minority Shareholders of HMT Bearings Ltd)	6.74	6.74
Deposits with maturity more than three months but less than twelve months	13,500.73	13,662.34
Deposits having remaining maturity less than twelve months	1,978.65	1,185.69
	15,486.12	14,854.77

10. Loans

Unsecured - Considered Good

Loans to subsidiaries

HMT Machine Tools Ltd	36,431.41	34,668.41
	36,431.41	34,668.41

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
11. Other Financial Assets		
Non-Current		
Secured - Considered Good		
Deposits with Banks exceeding twelve months of maturity	186.56	223.02
Interest accrued and due on Bank Deposits	3.23	17.96
	189.79	240.98
Current		
Secured - Considered Good		
Interest accrued and due on Bank Deposits	411.36	360.21
Unsecured - Considered Good		
Interest accrued and due on Loans to Subsidiaries	5,221.85	5,271.85
	5,633.21	5,632.06
12. Current Tax Asset/(Liability) (Net)		
Advance tax/TDS Receivables	1,518.71	955.48
Less: Current Tax provision	854.08	389.08
	664.63	566.40
13. Other Assets		
Non-Current		
Unsecured - Considered Good		
Security Deposits with Government Authorities & Others	68.42	75.15
	68.42	75.15
Current		
Advances and Other Receivables		
Advances recoverable in cash or in kind		
Unsecured - Considered Good		
HMT Machine Tools Ltd	1,472.55	1,386.02
HMT International Ltd	206.30	258.39
Advances #	800.88	818.59
Deposits	233.64	225.94
	2,713.37	2,688.94

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Unsecured - Considered Doubtful		
Advances *	468.59	346.19
Interest on Trade Receivable	8,217.64	8,217.64
	8,686.23	8,563.83
Less: Allowance for Doubtful Advances *	468.59	346.19
Allowance for interest on Trade Receivable	8,217.64	8,217.64
	8,686.23	8,563.83
	-	-

Additional Information:

Includes

- 446.02 acres of land at Pinjore, Haryana has been transferred to HSIIDC (412.69 acres) and Indian Railways (33.33 acres) during the year 2019-20 and as on 31.3.2026 an amount of Rs.4.99 lakhs (Rs.4.99 lakhs Previous year) is due from HSIIDC.
- Advances to Joint Ventures Rs.2.87 lakhs (Rs.3.23 lakhs Previous Year)

* Write off against Allowances for doubtful advances

Particulars		
Advances considered Doubtful - opening balance	346.19	362.27
Add: Provision made during the year	122.40	3.90
Less : Write-off against provision	-	19.98
Advances considered Doubtful - Closing balance	468.59	346.19
Allowance for doubtful advances - Opening balance	(346.19)	(362.27)
Less: Provision made during the year	122.40	3.90
Add: Write-off against provision	-	19.98
Allowance for doubtful advances - Closing balance	(468.59)	(346.19)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. In lakhs)

	As at 31-March-26		As at 31-March-25	
	No	Amount	No	Amount
14 Equity Share Capital				
Authorised Share Capital:				
<i>Equity shares of Rs.10/- each</i>	1,23,00,00,000	1,23,000.00	1,23,00,00,000	1,23,000.00
	1,23,00,00,000	1,23,000.00	1,23,00,00,000	1,23,000.00

Issued, Subscribed & Paid up:
Equity shares of Rs.10/- each

At the beginning of the year	35,56,01,640	35,560.16	35,56,01,640	35,560.16
Issued during the year	-	-	-	-
Reduction during the year	-	-	-	-
At the end of the year	35,56,01,640	35,560.16	35,56,01,640	35,560.16

Additional Information:
1 Equity Shares:

The Company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

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

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

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

3 Shares held by promoters at the end of the year

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

4 Information regarding issue of shares in last 5 years

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. In Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
15 Other Equity:		
i) General Reserve:	13,453.11	13,453.11
ii) Retained Earnings:	1841.71	173.18
iii) Other Comprehensive Income (OCI)	(1,687.62)	(1,693.74)
Total	13,607.20	11,932.55

Nature and purpose of reserves:

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

16. Borrowings

Current

Secured

Term Loan from Bank	-	57.81
	-	57.81

Unsecured

Loan from Govt. of India (Defaulted) (Refer foot note 1 below)	64,158.00	64,158.00
Interest free loan from Government of India (Defaulted) (refer foot note 2 below)	13.74	13.74
	64,171.74	64,171.74

Total current borrowings

64,171.74 64,229.55

Aggregate Secured loans

- 57.81

Aggregate Unsecured loans

64,171.74 64,171.74

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note:

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

Nature of Borrowing [Interest Free]	Name of the lender	Amount of installment and period of default (Rs. In Lakhs)	No of Days Delay or Unpaid
i) Govt. of India Interest Free Loan dt.21.01.17 Rs.30368 lakhs	Govt. of India	a) Rs.6,073.60 Lakhs due since 21.01.2018.	2990
		b) Rs.6,073.60 Lakhs due since 21.01.2019.	2625
		c) Rs.6,073.60 Lakhs due since 21.01.2020.	2260
		d) Rs.6,073.60 Lakhs due since 21.01.2021.	1894
		e) Rs.6,073.60 Lakhs due since 21.01.2022.	1529
ii) Govt.of India Interest Free loan dt.16.02.2017 Rs. 24000 lakhs	Govt. of India	a) Rs.4,800 Lakhs due since 16.02.2018.	2964
		b) Rs.4,800 Lakhs due since 16.02.2019.	2599
		c) Rs.4,800 Lakhs due since 16.02.2020.	2234
		d) Rs.4,800 Lakhs due since 16.02.2021.	1868
		e) Rs.4,800 Lakhs due since 16.02.2022.	1503
iii) Govt. of India Interest Free loan dt. 29.04.2017 Rs.9790 lakhs	Govt. of India	a) Rs.1,958 Lakhs due since 29.04.2018.	2892
		b) Rs.1,958 Lakhs due since 29.04.2019.	2527
		c) Rs.1,958 Lakhs due since 29.04.2020.	2161
		d) Rs.1,958 Lakhs due since 29.04.2021.	1796
		e) Rs.1,958 Lakhs due since 29.04.2022	1431

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. In Lakhs)		
Particulars	As at 31-Mar-26	As at 31-Mar-25
17. Non current financial liability		
18. Provision for employee benefits		
Non Current		
Gratuity*	51.53	31.62
Earned Leave Encashment	100.54	135.02
Settlement Allowance	23.66	29.90
Provident Fund	25.31	37.29
	201.04	233.83
Current		
Earned Leave Encashment	35.30	27.95
Settlement Allowance	3.37	2.42
Wage and Salary Revision arrears (1992-1995)	30.60	54.88
	69.27	85.25

* includes Rs 7.84 lakhs towards Fixed Term Employees based on the New Labour Code announced by Government of India w.e.f. 21.11.2025 as per actuarial valuation.

19. Trade payables		
Total outstanding dues to Micro, Small & Medium Enterprises	117.90	113.23
Total outstanding dues of creditors other than Micro, Small & Medium Enterprises	1,450.14	1,887.02
Total	1,568.04	2,000.25

19A Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	31-Mar-26	31-Mar-25
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	117.90	113.23
- Interest	-	2.00
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006.	-	-
Amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.		
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	2.00
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006.		

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. In Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
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19B 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	89.98	27.89	-	0.03	117.90
Others	186.12	122.30	214.05	927.67	1,450.14
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	276.10	150.19	214.05	927.70	1,568.04

As at the end of Previous financial year:

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years	
MSME	112.46	0.74	0.03	-	113.23
Others	611.31	338.36	87.23	850.12	1,887.02
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	723.77	339.10	87.26	850.12	2,000.25

20. Other Financial Liabilities

3.5% preference Share Capital (Defaulted)	3,686.00	3,686.00
Interest accrued and due on term loan from bank	-	3.05
Total	3,686.00	3,689.05

Additional information:

1. 3.5% Preference Share Capital

Each Redeemable Preference Shares has a par value of Rs.100/- per share and is redeemable after 3 years. The preference shares carry a dividend of 3.5% per annum and conversion of cumulative dividend into equity shares on accrual. The dividend rights are cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation.

In accordance with the CCEA approval and DHI's directions thereon during January 2016, 3.5% Redeemable Preference Shares of 4,06,14,000 nos. (Rs.40,614.00 lakhs) out of 4,43,00,000 no's of Rs.100/- each (Rs.44,300.00 lakhs) has been extinguished and set off against the Loans and advances to subsidiaries companies provided by the Company to HMT Watches Limited, HMT Chinar Watches Limited and HMT Bearings Limited.

For the remaining 3.5% Redeemable Preference Shares the revival Plan sanctioned to the Company vide sanction No F.No.5.1(1)/2005.PE.X dated 29 March 2007 has specified for redemption of Preference Share Capital out of sale proceeds of the identified surplus assets of HMT Machine Tools Ltd. Since the sale of identified assets has not taken place which is pre-condition for redemption, remaining 3.5% Redeemable Preference Share Capital is not redeemed.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. In Lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
21. Other Liabilities		
Non- Current		
Advance received against sale of land	8,128.74	8,128.74
[(Refer Note No.3C-Additional information (d) & and Note 34 of (ii)]	8,128.74	8,128.74
Current		
Revenue received in advance	47.46	66.48
Accrued Expenses	53.20	49.68
Other liabilities (Earnest Money Deposit, Statutory dues, etc.,)	8,621.84	8,223.00
Total	8,722.50	8,339.16

22. Current Tax Liabilities		
Current Tax provision	-	275.00
Less: Advance tax/TDS Receivables	-	218.12
Total	-	56.88

23. Provisions - others

	Warranty Claims	Provision for Indirect Taxes	Others	Total
As at 1 April 2025	13.11	1.25	277.06	291.42
Arising during the year	3.50	-	-	3.50
Utilised	-	-	-	-
Unused amounts reversed	-	-	-	0.00
As at 31 March 2026	16.61	1.25	277.06	294.92
Current	16.61	1.25	277.06	294.92
As at 1 April 2024	9.88	1.25	277.06	288.19
Arising during the year	3.23	-	-	3.23
Utilised	-	-	-	-
Unused amounts reversed	-	-	-	-
As at 31 March 2025	13.11	1.25	277.06	291.42
Current	13.11	1.25	277.06	291.42

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

		(Rs. in lakhs)	
	Particulars	Year Ended 31-Mar-25	Year Ended 31-Mar-24
24. Revenue from operations			
	Sale of Products		
	Food Processing Machinery	804.61	1,032.43
	Watches	1,687.05	1,475.04
	Spares and Accessories	93.66	103.90
		2,585.32	2,611.37
	Sale of Services		
	Sundry Jobs and Miscellaneous Sales	10.47	5.94
		10.47	5.94
	Revenue from Operations	2,595.79	2,617.31
25. Other income			
	Interest Income		
	Interest income on Bank Deposits	1,129.28	1,247.72
	Interest income on Holding Company loans	2,425.17	2,272.27
	Interest from Dealers/Others	0.61	0.61
		3,555.06	3,520.60
	Other Income		
	Recoveries from Staff/Others	112.77	99.64
	Royalties from Subsidiaries	6.86	7.68
	Rental Income	1,924.47	1,845.76
	Provisions withdrawn	16.15	5.99
	Bad Debts recoved	3.75	66.81
	Other non operating Income	172.13	80.20
		2,236.13	2,106.08
	Total Other Income	5,791.19	5,626.68
26. Cost of Materials Consumed			
	Raw materials and Components		
	Inventory at the beginning of the year	485.28	555.20
	Add: Purchases	724.19	922.52
		1,209.47	1,477.72
	Less: inventory at the end of the year	485.08	485.28
	Cost of raw material and components consumed	724.39	992.44
	Consumption of Stores, Spares, Tools & Packing Materials	21.59	35.93
	Total raw materials and components consumed	745.98	1,028.37

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	Year Ended 31-Mar-25	Year Ended 31-Mar-24
Particulars of Materials Consumed		
Steel	75.67	61.13
Ferrous Castings	25.49	24.42
Standard parts & components	594.02	879.01
Others	29.21	27.88
Total	724.39	992.44
27. Changes in Inventory		
Finished Goods		
Inventory at the beginning of the year	690.22	486.39
Less: inventory at the end of the year	435.17	690.22
Changes in Inventory	255.05	(203.83)
Work in Progress		
Inventory at the beginning of the year	271.83	326.88
Less: inventory at the end of the year	238.14	271.83
Changes in Inventory	33.69	55.05
Stock in Trade		
Inventory at the beginning of the year	25.17	25.46
Less: inventory at the end of the year	24.41	25.17
Changes in Inventory	0.76	0.29
Scrap		
Inventory at the beginning of the year	0.69	0.69
Less: inventory at the end of the year	0.69	0.69
Changes in Inventory	-	-
Total	289.50	(148.49)
28. Employee benefits expense		
Salaries,Wages and Bonus	479.49	545.77
House Rent Allowance	26.32	25.93
Gratuity	19.54	11.24
Contribution to PF & FPS	46.70	53.30
Deposit Linked Insurance	0.17	0.17
Welfare Expenses	24.41	35.64
	596.63	672.05
29. Depreciation and amortization		
Depreciation of tangible assets	82.93	117.99
Depreciation on Investment Properties	26.38	27.48
	109.31	145.47

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	Year Ended 31-Mar-25	Year Ended 31-Mar-24
30. Finance costs		
Interest Expense		
Term Loan from Bank	1.76	78.25
Others	-	-
Other Borrowing Cost		
Discounting Charges	6.17	1.22
Total finance costs	7.93	79.47
31. Other expenses		
Manufacturing Expenses		
Power and Fuel	31.80	31.50
Provision for Non Moving Inventories	2.85	-
Selling & Distribution Expenses		
Advertisement and Publicity	9.29	6.56
Carriage outwards	5.84	11.11
Establishment Expenses		
Rent	59.70	59.70
Rates and Taxes	195.11	204.54
Insurance	12.80	9.71
Water and Electricity	127.65	106.84
Printing and Stationery	13.07	13.01
Auditors Remuneration *	2.83	2.27
Provision for Doubtful Debts, Loans and Advances	123.39	28.18
Warranty claims	3.50	3.22
Loss on Assets sold/discard	0.09	-
Loss sustained by PF Trust	36.26	31.75
Bad Debts	2,425.17	2,272.27
Travelling Expenses	50.20	37.88
Repairs and Maintenance-Other than Machinery	382.15	353.26
Security Charges	274.06	264.10
Casual Labour charges	386.96	417.41
Professional and Legal Charges	69.14	80.96
Corporate Social Responsibility#	34.21	47.15
Difference in Exchange	0.84	1.20
Other Expenses	605.55	647.95
Less: Recovery of Common Expenses from Subsidiary Companies	(52.83)	(57.60)
	4,799.63	4,572.97

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	Year Ended 31-Mar-25	Year Ended 31-Mar-24
* includes		
As auditor	2.23	2.17
For other services	0.55	-
Previous year audit fee	0.05	0.10
	2.83	2.27

Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expense for the year are as under:

i) Amount required to spend during the year	34.21	47.15
ii) Shortfall amount from the previous year	45.36	28.62
	79.57	75.77
iii) Amount spent during the year		
- on the project in Health and Nutrition Sector		
> Supply of Blazer / Jackets to Girl Students in Karnataka Public School, Bangalore	-	2.48
> Supply of Ambulance to Government Medical College, Aurangabad	-	21.75
> Menstraul	-	0.75
> Supply of CBNAAT machine to Govt. Dist. TB Centre, Mandya	23.56	-
> Supply of Electro therephy with Lazer and Ultrasound to Shri Guruji Seva Nyas	3.34	-
> Supply of Medical Instrument to Mandya Institute of Medical science	12.96	-
> Supply of educational related items to BLESS Society of Rural and Urban Development, Bangalore	1.77	-
- On the completed project		
> Supply of Digital Hearing Aid and Implant Accessories, Mandya	12.08	-
- Administrative expenses	0.26	-
- Transfer to PM National Relief Fund	3.59	5.43
- Unspent amount to be transferred to Central Govt. Fund	1.13	-
Total amount spent during the year	58.69	30.41

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	Year Ended 31-Mar-25	Year Ended 31-Mar-24
iv) CSR Reserve (amount c/f i.e. shortfall at the end of the year {inclusive of administrative expenses)	20.88	45.36

Reasons for Shortfall: The Company has identified certain CSR ongoing activities in the areas of Health care, Education, Rural Development & National Heritage etc as referred below:

- a) Construction of Toilet Facilities at M/s MK Anand Alwar Govt. Aided High School, Mahadevapura
- b) Restoration/Repair of Historical Mechanical Clock at Dufferin Clock Tower (1886), Mysuru

32. Exceptional Items

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

		(Rs. in lakhs)	
	Particulars	As at 31-03-2026	As at 31-03-2025
33	Contingent Liabilities		
	Claims against the company not acknowledged as debt:		
A.	Legal cases:		
a)	Tax related claims pending in appeal		
	i) Income Tax	37.92	37.92
	Employee related claims relating to Lockouts, Back wages,	52.64	52.64
b)	Incentive & Annual bonus, etc., pending adjudication, to the extent ascertainable		
c)	Various legal cases relating to defective product, accident causing injuries to third parties, claims relating to supply of materials etc.	444.61	4,135.52
d)	Various legal cases relating to employees and other contingent liabilities pertaining to HMT Watches Ltd	9,855.75	9,855.75
e)	Disputed Lease Rentals in respect of premises occupied by the Company upto April 2010 at Jeevan Tara Building belongs to LIC of India, New Delhi.	311.77	311.77
B.	Other than legal cases:		
a)	Guarantees and Counter Guarantees and LCs issued [including Rs.7002 Lakhs and previous year Rs.8063 lakhs) against Corporte Guarantee of Rs.12272 lakhs issued to HMT Machine Tools Ltd]	7,868.92	8,223.08
b)	Income tax deducted at source demand under the traces software for short and non remittances of tax deduction at source – matter under examination.	79.12	79.09
c)	Stock Exchanges have levied penalties to Company for the certain Non-Compliances under the SEBI (LODR) Regulations, 2015 like Composition of Board of Directors, Committees, delay in submission of accounts etc. As per the circulars of Stock Exchanges, listed entities are required to comply with the provisions of the Exchange circular before filing the waiver applications to the Exchange. Accordingly, in some of the cases, Company has got waiver of penalties from stock exchanges. The Company has again requested for waiver of penalties from Stock Exchanges. Total penalty amount (approx.):	278.18	643.37

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)		
Particulars	As at 31-03-2026	As at 31-03-2025
d) Based on an inspection, BESCOM on 18-8-2020 raised a demand for Rs.122 lakhs for use of electricity for commercial purposes in the township area (while the connection had been obtained for industrial purposes), which included application of revised tariff, interest and penalty with effect from a past date. HMT Limited paid Rs. 61 lakhs as a deposit and filed an appeal against the demand notice with the appropriate authorities. The appellate authority partially allowed the appeal [vide Order dated 6-5-2025], directing BESCOM that a revised notice is to be issued by applying a single rate without any penalty after deducting the demand amount already levied under the industrial tariff. The amount payable is not yet ascertained and will be decided only after getting a fresh demand from BESCOM.		

34 Other Disclosures:

i) Other Liabilities (Non Current) Includes:

The Company's efforts to complete the sale of two properties remain pending, resulting in advances received towards these transactions, which is classified under 'Other non-current liabilities' and cost of the properties classified under "Non Current Assets held for Sale" :

(1) ₹926.64 lakhs received from Raman Research Institute (RRI) and an agreement to sell was executed and possession has been transferred, registration could not be completed due to pending approval from the Concerned Authorities and

(2) ₹7,202.10 lakhs (including TDS) received from the Government of Uttarakhand (GOUK), sale of property to the GOUK through auction and negotiations by the Department of Investment and Public Asset Management (DIPAM) , the registration has been delayed due to the Company has not been able to obtain vacant possession from the ex-employees currently occupying the said property. Since both transactions remain incomplete, the Company being not recognised the sales in its books. Accordingly, any capital gains tax liability will be accounted for in the financial year in which the income on sale of the assets is recognised.

35 Preference Share Capital:

- (i) Government of India while approving the Revival Plan of HMT Machine Tools Ltd (HMT-MTL), a Subsidiary Company, during March 2007, had accorded sanction for cash infusion of Rs.44,300 lakhs in the form of 3.5% Preference Share Capital which was routed through the Company for investment in the Preference Share Capital in the Subsidiary, to be redeemed after 3 years i.e. 31.3.2010 out of sale of surplus immovable Properties of HMT-MTL.

However, as per the CCEA approval 4,06,14000 No. of Shares has been extinguished out of 4,43,00000 Nos. of Rs.100/- each, leaving a balance shares of 36,86,000 of Rs.100/- each which is proposed to be redeemed upon sale of immovable property.

- | | | |
|--|----------|----------|
| (ii) Arrears of fixed cumulative dividends on preference shares (including tax thereon) payable to Government of India | 5,607.63 | 5,607.63 |
|--|----------|----------|

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)		
Particulars	As at 31-03-2026	As at 31-03-2025
36 Advances:-		
Advances include		
(i) Adhoc payments to employees towards Wage/Salary, DA arrears, if any, pending adjustment & provision to this extent has been made in the accounts	-	24.29
(ii) EMD amount received towards sale of Land at Bangalore and the matter is pending adjudication before Hon'ble Supreme Court where the Company has sought denotification and such other directions by the Court. An Interlocutory Application (IA) has been filed by the Company during the FY 2024-25.	3,970.62	3,970.62
37 Transactions with Key Managerial Personnel		
<i>Compensation of key management personnel of the Company</i>		
i) Short-term employee benefits	29.27	26.39
ii) Post - employment benefits	4.06	3.79
iii) Other long term benefits	2.21	2.08
Total compensation paid to key management personnel	35.54	32.26

38 A Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values

(Rs. In lakhs)

	Carrying amount		Fair value	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Financial assets				
Loans to Subsidiaries	36,431.41	34,668.41	Not obtained	
Total	36,431.41	34,668.41	-	-
Financial liabilities				
3.5% Preference Share Capital	3,686.00	3,686.00	Not obtained	
Interest Free Government of India Loan	64,171.74	64,171.74	Not obtained	
Total	67,857.74	67,857.74		

The Company has assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The Company has also assessed that the Government of India ("GOI") loan excluding interest free GOI loan approximate their carrying amounts as transaction costs are not levied

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

38B Fair value Hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2026, 31 March 2025 are as shown below:

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2026

		Rs in Lakhs			
Particulars	Date of valuation	Valuation technique	Fair value measurement using		
			Total	Quoted prices in active markets	Significant observable inputs
				(Level 1)	(Level 2)
					Significant unobservable inputs (Level 3)

Assets measured at fair value:

FVTOCI financial investments:

Unquoted equity shares

Nigeria Machine Tools Ltd (see (A) below)

-

Nil

Nil

Assets for which fair values are disclosed

Investment properties

Land*	31-Mar-26	4,56,092.24	4,56,092.24
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Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2025

Assets measured at fair value:

FVTOCI financial investments:

Unquoted equity shares

Nigeria Machine Tools Ltd

-

-

-

Assets for which fair values are disclosed

Investment properties

Land*	31-Mar-25	4,52,094.25	4,52,094.25
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* Based on guidance value not restated in the financial statements since Investment property

A) Nigeria Machine Tools Ltd is a company incorporated outside India, and as per its latest audited balance sheet dated 31-12-2020 net worth is completely eroded and hence the fair value at Rs. NIL is considered.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

39. Earnings per share (EPS)

	31-Mar-26	31-Mar-25
Profit attributable to equity holders:		
Continuing operations	1,668.53	1,610.32
Discontinued operation	-	-
Profit attributable to equity holders for basic earnings	1,668.53	1,610.32
Profit attributable to equity holders adjusted for the effect of dilution	1,668.53	1,610.32
Weighted average number of Equity shares for basic EPS	35,56,01,640	35,56,01,640
Effect of dilution:		
Convertible preference shares		
Weighted average number of Equity shares adjusted for the effect of dilution *	35,56,01,640	35,56,01,640
Earnings per share for continuing operations		
i) Basic, profit from continuing operations attributable to equity holders	0.47	0.45
ii) Diluted, profit from continuing operations attributable to equity holders	0.47	0.45
Earnings per share for discontinuing operations		
i) Basic, profit from discontinuing operations attributable to equity holders	-	-
ii) Diluted, profit from discontinuing operations attributable to equity holders	-	-

* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

40 As per Indian Accounting Standard - 19 "Employee Benefits", the disclosures as defined are given below:

i) Defined Contribution Plan:

(Rs. In Lakhs)

Particulars	Year Ended 31-Mar-26	Year Ended 31-Mar-25
Employer's Contribution to Pension Fund	4.85	4.45

ii) Defined Benefit Plans:

The Company contributes to Provident Fund trust, Gratuity and Settlement Allowance to the Employees which are defined benefit plans. The Company has obtained the actuarial valuation report from the independent actuary for Provident Fund.

a) The principal assumptions used in determining defined benefit obligation of the Company's plan is shown below:

Discount rate:		
Gratuity plan	7.66	6.95
Settlement Allowance	7.66	6.95
Future salary increases:		
Gratuity plan	10.00	10.00
Settlement Allowance	10.00	10.00

Summary of Demographic Assumptions	Gratuity Plan		Settlement Allowance	
	31-Mar-26	31-Mar-25	31-Mar-25	31-Mar-25
Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality Table) {Previous Year IALM (2012-14) Ult. Mortality Table}	100%	100%	100%	100%
Disability Rate (as % of above mortality rate)	0%	0%	0%	0%
Withdrawal Rate	1% to 3%	1% to 3%	1% to 3%	1% to 3%
Attrition Rate				
Normal Retirement Age	60 yrs	60 yrs	60 yrs	60 yrs
Average Future Service	20.00	20.28	20.00	20.28

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

40 Employee Benefits (Contd.):

A. Employee Benefit Obligations

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

1) Gratuity

31 March 2026 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	
	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	(239.06)	(9.50)	(14.38)	(23.88)	64.47	(2.57)	13.02	(13.39)	(2.94)
Fair value of plan assets	207.44	12.18	12.18	12.18	(64.47)	2.57			2.57
Benefit liability	(31.62)		(11.70)	-					(0.37)
									(43.69)

31 March 2025 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	
	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	(363.05)	(13.73)	(20.57)	(34.30)	157.21	(0.09)	(5.31)	6.48	1.08
Fair value of plan assets	341.50	23.06	23.06	23.06	(157.21)	0.09			0.09
Benefit liability	(21.55)		(11.24)	-					1.17
									(31.62)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

2) Settlement Allowance:

31 March 2026 changes in the defined benefit obligation and fair value of plan assets

Particulars	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-26
	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	(32.32)	-	(2.17)	(2.17)	2.20		3.03	2.23	5.26	(27.03)
Benefit liability (32.32)			(2.17)	(2.17)	2.20				5.26	(27.03)

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

Particulars	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	(42.59)	-	(2.78)	(2.78)	8.30		(1.34)	6.09	4.75	(32.32)
Benefit liability (42.59)			(2.78)	(2.78)	8.30				4.75	(32.32)

3) Provident Fund (interest shortfall):

The Company's Contribution paid / payable to Provident Fund and the liability / obligation is recognised on accrual basis. The Company's Provident Fund Trust is exempted u/s section 17 of the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The condition for grant of exemptions stipulate that the employer shall make good deficiency, in any, in the interest rate declared by the Trust vis-a-vis Statutory rate. The Company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the fund and return on investment.

The Company has recognised the obligation on the basis of Actuarial Valuation carried out during the year. the present value of obligation due to difference between the expected interest rate to be earned by the Trust and expected future EPFO interest rate, being the interest shortfall of Rs.25.31 as on 31.3.2026 and Rs,37.29 lakhs (Previous year).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

40 Employee Benefits (Contd.):

B Sensitivity analysis:

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and fully salary escalation rate. The following table summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the assumptions by 100 basis points:

(i) Gratuity (Rs. In lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	15.84	18.83	17.82	21.28
Change in rate of salary increase	6.92	5.78	9.40	8.50
Change in withdrawal rates	1.04	0.88	1.00	1.15

(ii) Settlement Allowance

(Rs. In lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	3.56	4.40	4.42	5.54
Change in rate of salary increase	3.65	4.43	4.50	5.51
Change in withdrawal rates	3.83	4.77	4.73	5.96

C. The expected contributions for gratuity for next financial year Rs.43.68 lakhs and Settlement allowance Nil.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

41. RELATED PARTY TRANSACTIONS & DISCLOSURE U/S 186 OF THE COMPANIES ACT, 2013

Sr. No.	Name of Related Party	Relationship
1	HMT Machine Tools Ltd, Bangalore (MTL)	Subsidiary
	HMT Watches Ltd, Bangalore (HWL) (struct off on 2-3-2026 u/s 248 of the Companies Act, 2013)	
	HMT (International) Ltd, Bangalore (HMT(I))	
2	SUDMO HMT Process Engineers (India) Ltd, Bangalore	Joint Venture
	Nigeria Machine Tools Ltd, Nigeria	
3	Gujarat State Machine Tools Corporation, Bhavnagar	Associate
4	Mr. N Ramesh Kumar (w.e.f. 25.03.2026)	Key Managerial Persons (KMP)
	Mr. Rajesh Kohli (w.e.f. 05.04.2024 upto 24.3.2026)	
	Mr. Asit Gopal (w.e.f. 10.02.2026 upto 26.04.2026)	
	Ms. Arti Bhatnagar (w.e.f. 14.02.2023 upto 30.9.2025)	
	Mr. Prem Chandra Mourya (w.e.f. 17.07.2025)	
	Dr. Renuka Mishra (w.e.f. 23.07.2024 upto 16.7.2025)	
	Ms. Sameena Kohli (w.e.f. 10.06.2024)	
	Mr. Datania Dineshbhai Ramjibhai (w.e.f. 15.07.2025)	
	Dr. Kartik Chandulal Bhadra (w.e.f. 01.04.2025 upto 27.03.2026)	
	Mr. S. Kishor Kumar	
	Ms. Aparna R	

Transactions during the year with Related Parties:

a) Loans and Advances given and repayment thereof: (Rs. In Lakhs)

Name of Related Party	As at	Opening Balance	Loans Given	Repayment	transfers	Closing Balance
Loans						
HMT Machine Tools Ltd	Current year	34,668.41	1,763.00		-	36,431.41
	Previous year	30,582.41	4,086.00		-	34,668.41
Interest accrued & due on HC Loan	Current year	5,271.85	-		(50.00)	5,221.85
	Previous year	5,321.85	-		(50.00)	5,271.85

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Name of Related Party	As at	Opening Balance	Advance Given (Net) *	Advance taken (Net)	transfers	Closing Balance
b) Advances (Dr / (Cr))						
SUDMO HMT Process Engineers (India) Ltd	Current year	3.23	2.92 -		(3.28)	2.87
	Previous year	3.40	3.23 -		(3.40)	3.23
HMT Machine Tools Ltd	Current year	1,386.02	86.53 -		-	1,472.55
	Previous year	1,288.02	98.00 -		-	1,386.02
HMT (International) Ltd	Current year	258.39		52.09	-	206.30
	Previous year	311.51		53.12	-	258.39

* Advance includes reimbursement of expenses payable

c) The investments in related parties i.e. Subsidiaries, associates and Joint Venture are detailed under Note No.4

The Company has not given any guarantee/security to the related parties during the year.

						(Rs. In Lakhs)
d) Name of the Transacting Related Party	MTL	HWL	HMT(I)			TOTAL
Revenue from Operations	Current year	-	-	-		-
	Previous year	-	-	-		-
Other Income:	Current year	2425.17	-	-		2,425.17
	Previous year	2272.27	-	-		2,272.27
General Expenses:						
Other Expenses	Current year	2425.17	-	59.70		2,484.87
	Previous year	2272.27	-	59.70		2,331.97
Recovery of Expenses	Current year	(18.88)	-	(33.95)		(52.83)
	Previous year	(18.82)	-	(38.78)		(57.60)

			(Rs. In Lakhs)	
e) Transactions with Key Managerial Persons:	Current Year	Previous Year		
Remuneration paid to KMP				
- S.Kishore Kumar	19.17	16.91		
- Aparna R	16.37	15.35		
	35.54	32.26		
Directors sitting fees				
- Mr. Datania Dineshbhai Ramjibhai	1.28	-		
- Dr. Kartik Chandulal Bhadra	1.50	-		
	2.78	-		

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

42 Ratio Analysis

Ratio	Numerator	Denominator	FY 2025-26	FY 2024-25	% Variance	Reason for Variance for more than 25%
1 Current Ratio	Current Assets	Current Liabilities	0.80	0.78	2.56%	
2 Debt-Equity Ratio	Total Debt	Shareholder's Equity	1.38	1.43	-3.50%	
3 Debt Service Coverage Ratio	Earnings available for debt service(EBITDA)	Debt service (Interest + Principal)	0.03	0.03	0.00%	
4 Return on Equity Ratio	Net Profit after taxes	Average Shareholder's equity	3.452%	3.449%	0.09%	
5 Inventory turnover ratio	Sales	Average Inventory	2.35	2.16	8.75%	
6 Trade Receivables turnover ratio	Credit Sales	Average Trade receivables	2.76	1.87	47.73%	Reduction in Trade receivable
7 Trade payables turnover ratio	Net Credit Purchases/Services	Average Trade Payables	0.42	0.42	0.21%	
8 Net capital turnover ratio	Net Sales	Average Working Capital	(0.16)	(0.14)	9.43%	
9 Net profit ratio	Net Profit before taxes	Revenue	64.28%	61.53%	4.47%	
10 Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Networth + Total Debt	1.58%	1.64%	-4.03%	
11 Return on Investment	Not applicable	Not applicable				As there is no return on investment therefore Nil

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

43 SEGMENT REPORTING:

As per Ind AS - 108 "Operating Segment", segment information has been provided under the notes to consolidated financial statements.

During the year Food Processing Division has not made sale to any customer which exceed 10% of the revenue.

44 Deferred Tax

Provision for income taxes has been made in terms of Ind AS 12 -Income Taxes.

Movement in deferred tax asset/(liability) (Rs. In lakhs)

Particulars	31.3.2026	31.3.2025
Net deferred Tax asset/(liability) at the beginning of the year	37.61	47.93
Add: deferred Tax benefits / (charges) for the year	21.76	(10.32)
Net deferred Tax asset/liability at the end of of the year	59.37	37.61

The net Deferred Tax Asset as at 31st March 2026 comprises the tax impact arising from the timing differences on account of:

Particulars	31.3.2026	31.3.2025
Depreciation	(0.96)	(28.88)
Provision for employee benefits	60.33	66.49

The Company has not recognised deferred tax asset on unusable tax losses in the absence of resonable certainty of future business profits.

- 45** Considering the realisable value of the non current assets held for sale, support from the Government of India and other business plans, the Company has prepared the financial statements on the basis of going concern and that no adjustments are considered necessary to the carrying value of assets and liabilities.
- 46** A charge by ID 80046855 is still open in the Index of charge on the Website of Ministry of Corporate Affairs pertains to State Bank of India. The Company has already discharged the debt of State Bank of India and efforts are being made in co-ordination with State Bank of India for obtaining the necessary documents for satisfaction of charge .
- 47** The Investment in Gujrat State Machine Tools Corporation being an Associate Company, has been fully provided in books of Accounts as the Net Worth of the Company is completely eroded based on the latest information available with HMT Limited. Hence the carrying amount is Nil
- 48** The Company has accounted Bad Debts under other expenses, amounting to Rs.2425.17 lakhs being the unrealisable Interest income for the year on the Loans given to HMT Machine Tools Ltd, pursuant to Board of Directors approval.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- 49** The Company has invested Rs.15 lakhs (50% of Equity Shares) comprising 1,50,000 equity shares of Rs.10/- each fully paid up in Sudmo HMT Process Engineers (India) Ltd, Bangalore (M/s Sudmo-HMT). M/s Sudmo-HMT has no operations. The Board of HMT Ltd has approved (February 2020) for closure of the defunct Joint Venture Company and submitted the closure proposal to Ministry of Heavy Industries, Government of India (July 2021) for approval.
- 50** The Company has invested Rs.20.84 lakhs (39.86% of Equity Shares) comprising 20,84,050 equity shares of Rs.1/- each fully paid up in Gujarat State Machine Tools Corporation, Bhavanagar (M/s. GSMTC). The Board of HMT Ltd gave (March 2021) in principle approval for liquidation of M/s GSMTC, and issued a consent letter to Gujarat Industrial Investment Corporation Ltd (GIIC). GIIC approved (Sept. 2021) liquidation of M/s.GSMTC subject to approval from Government of Gujarat Industries and Mines Department. The company is awaiting approval from Ministry of Heavy Industries, Government of India to initiate liquidation under the Insolvency & Bankruptcy Code, 2016 for further action.
- 51** The Company has invested 30,00,000 equity shares of 1 Naira each fully paid up in Nigeria Machine Tools Ltd, Nigeria (M/s NMTL.) The Board of HMT Ltd approved (February 2020) for disinvestment of stake in M/s NMTL and sought approval from Administrative Ministry. Awaiting further communication from the Ministry of Heavy Industries, Govt. of India.
- 52** The Auxiliary Business Division (ABD), Bangalore has been recognizing rental income from land and buildings belonging to its wholly owned subsidiary, HMT Machine Tools Limited (HMTMTL), and incurs related estate maintenance and administrative expenses for their upkeep and management.
- Under the Government-approved Scheme of Arrangement implemented in 2000, the land and building assets were transferred to HMT MTL and are therefore not recorded in ABD's books. However, mutation of title deeds in favour of HMT MTL and execution of fresh lease deeds are still pending.
- The Common Services Division (CSD) was originally established to provide estate management and other common services to Bangalore-based HMT Group units. The division was restructured as the Auxiliary Business Division (ABD) w.e.f 1st September 2019, vide Board approval, to function as an independent business centre and generate revenue through activities such as licensing of non-performing assets and sale of watches, thereby offsetting increasing estate maintenance costs. As ABD continues to manage these properties and provide estate-related services to HMT Group companies including HMTMTL (located at Bangalore), it records the associated rental income and related maintenance expenses.
- 53** The Company has no transactions with struck off Companies under section 248 of the Companies Act, 2013.
- 54** The amendments in Indian Accounting Standards which are applicable to the Company are not expected to have any significant impact on the Company's Financial Statements
- 55** Balances under Trade Receivables, Loans & Advances, Trade payables and Other Current Liabilities are subject to confirmation, although confirmation has been sought in most of the cases.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- 56** 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.
- 57** 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.
- 58** The Company is in the process of getting the lease agreements renewed, wherever the lease term has expired. Until renewal, the lease continues to be accounted under the current terms.
- 59** The figures of previous year have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.
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***CONSOLIDATED
FINANCIAL
STATEMENTS***

INDEPENDENT AUDITORS' REPORT

To the Members of HMT Limited –

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of HMT Limited (hereinafter referred to as the “the Holding Company”), its subsidiaries, its associate and joint ventures (Holding Company, its subsidiaries, associates and joint ventures together referred to as “the Group”) which comprise the Balance Sheet as at 31st March 2026, and the statement of Profit and Loss (including Other Comprehensive Income) for the year then ended 31 March 2026, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the Consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the basis of Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the group as at 31st March, 2026, of the loss, changes in equity and cash flows for the year ended on that date.

Basis for Qualified Opinion

Introduction: In forming our qualified opinion on the consolidated financial statements, we have taken into consideration the qualifications and other observations contained in the audit reports of the components included in the Group. While doing so, we have exercised professional judgment to present

the matters in a manner relevant to the consolidated financial position and results. Accordingly, items that are common and already covered under group-level qualifications have not been repeated, matters not considered material at the group level have been excluded, and those that were found not to be significant or not in the nature of qualifications have been disregarded. The description below includes only those matters which, in our view, are material and relevant to the consolidated financial statements and form the basis for our qualified opinion.

Common Qualifications (Group-Level Issues):

1. Non-Compliance with Ind AS 109 – Expected Credit Loss Model:

Ind AS 109 requires the application of an Expected Credit Loss (ECL) model for the recognition and measurement of impairment on financial assets. However, based on the information and explanations provided to us, the Group has not prepared an ECL matrix or carried out any impairment assessment under this model during the audit period. Consequently, we were unable to assess the adequacy of any loss allowance that may be required.

2. Lack of External Confirmations for Party Balances:

The Group has not obtained external confirmations in respect of trade receivables, trade payables, other current assets, and other current liabilities. In the absence of such confirmations and alternative audit procedures, we were unable to obtain sufficient appropriate audit evidence to verify the existence, completeness, and accuracy of these balances. Accordingly, we are unable to

determine whether any adjustments may be necessary in respect of these items.

3. Non-Compliance with Ind AS 2 – Valuation of Inventories:

At several locations, inventories have not been valued strictly in accordance with the Group's stated accounting policy, which is required to be in compliance with Ind AS 2 and also inadequate physical verifications. Due to the absence of reliable alternative procedures, we are unable to ascertain the extent of any potential misstatement in the value of inventories and its consequent impact on the financial statements.

4. Unreconciled Input Tax Credit under GST Law:

Most units of the Group are in the process of reconciling the input tax credit as recorded in the books with the balances available on the GST portal, for both the current and prior periods. The reconciliation process is incomplete as at the reporting date, and adjustment entries for reversals or corrections, if any, have not yet been accounted for. In the absence of a completed reconciliation, we are unable to assess the impact of any potential overstatement of input tax credit or its implications on the Group's financial position and results.

Specific Qualifications (Component-Level Issues)

5. Audit of HMT Machine Tools Limited ("MTL")

a) Delay in remitting the Statutory Dues: At several units of this subsidiary, there have been a general delay in remitting the statutory dues including PF, Gratuity, GST and TDS/TCS etc. While such delays may attract interest and penalties, no provision has been made in the financial statements on this account, and the potential impact has not been quantified. In the absence

of such quantification, we are unable to determine whether any adjustments are required in this regard.

b) Loss sustained by PF Trust: The Company is obligated to compensate the loss sustained by the PF Trusts at its various units. However, in view of the non-completion of the accounting/ financial position of the PF Trusts for the year ended 31-3-2026, provision has been made on a provisional basis. If the actual loss varies, it will impact the results of the Company for the year. Accordingly, we are unable to determine whether any adjustments may be necessary in respect of these items.

c) Non-Compliance with Micro Small and Medium Enterprises Act, 2006: As reported by the auditors of some units of the subsidiary, there have been instances of non-compliance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') in respect of dues to micro and small enterprises. The non-compliances observed across these units include: (a) delay in payment to MSME vendors beyond the stipulated period without payment of the mandatory interest thereon; (b) computation of interest based on a minimum credit period (e.g., 45 days) exceeding the contractually agreed terms (e.g., 30 days); and (c) provision for interest on a simple interest basis instead of compound interest at three times the bank rate notified by the RBI on a monthly rest basis, as mandated under the MSMED Act, resulting in an understatement of Current Financial Liabilities and Net Loss for the year. Since the impact could not be reliably quantified by the respective unit auditors, the possible impact on

the consolidated financial statements is unascertainable.

6. Audit of HMT Machine Tools Limited ("MTL") - MTA, Ajmer

- a) The Unit has defaulted in the settlement/ payment of gratuity amounting to Rs. 302.07 lakhs in respect of employees who retired or separated from service. Additionally, no provision has been made towards interest for delayed payment of gratuity, which is not in compliance with the requirements of Ind AS 19 – Employee Benefits.
- b) The Unit has not reversed the GST input tax credit in respect of supplies and services for which payment has been outstanding for more than 180 days as of March 31, 2026, amounting to Rs.5.78 lakhs. This is not in accordance with the provisions of the GST law, and consequently, the input tax credit receivable and liabilities are overstated to that extent.

7. Audit of HMT Machine Tools Limited ("MTL") - MTK - Kalamassery

- a) The Unit has disclosed a claim recoverable of Rs. 199.92 lakhs as at March 31, 2026, which has remained outstanding for several years with no movement during the year. No supporting documentation, external confirmations, or correspondence was provided to substantiate the validity or recoverability of the amount. Further, no assessment has been made in accordance with the requirements of Ind AS 109 – Financial Instruments to determine any impairment loss, if applicable.
- b) The Unit has provided certain infrastructure facilities—such as electricity, water, and land—to an external party operating

a hotel business. However, no rental income has been recognised in respect of the use of such facilities. Moreover, the electricity and water charges incurred by the hotel have been paid by the Company and incorrectly classified under "Employee Benefit Expenses" in the financial statements. In our opinion, the non-recognition of income and the misclassification of expenditure is not in compliance with the applicable financial reporting framework. Due to the absence of adequate records, we are unable to quantify the financial impact of this matter.

- c) As per the audit report of the Unit, the electricity bill issued by the Kerala State Electricity Board (KSEB) reflects an outstanding payable of Rs.950.43 lakhs as at March 31, 2026. However, the Company has recognised only Rs.623.13 lakhs towards this liability in its books. The balance amount of Rs.327.30 lakhs has neither been acknowledged nor provided for, and no formal dispute or legal action has been initiated by the Company against the demand. In the absence of any documentation to support that the liability is disputed, we are of the view that the unrecorded amount ought to have been recognised as a provision in accordance with the applicable financial reporting framework.
- d) As per the audit report of the Unit, a demand for municipal tax arrears of Rs.116.12 lakhs was received and provision has been made only for Rs.57.49 lakhs. The balance of Rs.58.63 lakhs has not been provided for, but only disclosed as a contingent liability.
- e) The Unit has not remitted Provident Fund contributions payable, Loan Recovery

Payable and Voluntary Provident Fund Payable to the Provident Fund Trust on a regular basis from April 2024 onwards. As at March 31 2026, an amount of Rs. 290.78 lakhs remains outstanding and payable to the Trust. Although the unit remitted contributions pertaining to certain months, namely October 2024 (part payment), December 2024 (part payment), January 2025 and February 2025, the balance contributions due for the remaining periods have not been transferred.

- f) As per the audit report of the Unit, there is no adequate system for identifying, quantifying and accounting for liquidated damages payable to customers under the terms of outward supply contracts/ work orders. On random verification of selected documents, liquidated damages aggregating to Rs.87.02 lakhs were payable by the unit to customers as per the relevant contractual terms. However, the unit has not accounted for the said liability/provision in the books of account. Consequently, liabilities are understated and loss for the year is understated to the extent of Rs.87.02 lakhs. Further, in the absence of a comprehensive contract-wise assessment of liquidated damages payable to customers, the possible additional impact on the financial statements is presently unascertainable.
- g) As per the terms of certain contracts for supply of CNC machines, the supply of material and installation and successful commissioning of the equipment are separate performance obligations in accordance with Ind AS 115, Revenue from Contracts with Customers. The payment terms also provide that a portion of the

contract consideration is payable only upon successful installation and commissioning of the machines. However, the MTK Unit has recognized the full revenue on delivery of the machines, although installation and commissioning had not been completed in four cases as at the reporting date. We are of the opinion that revenue should have been recognized only to the extent of performance obligations completed. Accordingly, revenue has been overstated to that extent. Commissioning charges are not separately identifiable and hence the financial impact is presently unascertainable.

8. Audit of HMT Machine Tools Limited ("MTL") - MTH, Hyderabad

- a) The unit has reported inventories of Rs. 2,512.71 lakhs where the Management has not carried out an adequate assessment of the Net Realisable Value of slow-moving, non-moving, and obsolete inventories nor provided sufficient supporting evidence for the valuation thereof. Further, we were unable to observe the physical verification of inventories or perform satisfactory alternative audit procedures. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the existence and valuation of inventories, and the possible effect of any necessary adjustments on the financial statements could not be determined.

9. Audit of HMT Machine Tools Limited ("MTL") - MBX, Bangalore

The auditor of the branch/ unit of this subsidiary has issued a disclaimer of opinion on account of significant limitations in audit evidence based on various matters, and we include only the relevant aspects based on the explanation under the initial introduction paragraph.

- a) As per the audit report of the Unit, certain income and expenditure items pertaining to prior financial years were identified during the current period. Under the provisions of Ind AS 8, material prior-period errors must be corrected retrospectively by restating the comparative amounts for the prior period(s) presented and adjusting the opening balances of equity. However, management has accounted for these prior-period income and expense items prospectively in the current financial year's results instead of restating the comparative prior-year figures. This constitutes non-compliance with Ind AS 8.
- b) Based on the information and explanations provided, raw materials (including consumables) have been valued at cost as per the ERP records; however, the basis of such cost has not been explained. The valuation of work-in-progress, finished goods, and goods in transit has been carried out using job cards and estimated costs, including overheads. In the absence of supporting documentation, the accuracy of inventory quantities and valuation could not be verified. The use of estimated cost for inventory valuation is not in compliance with Ind AS 2 – Inventories, which requires valuation at cost or net realisable value, whichever is lower, and is also inconsistent with the stated accounting policy 2(j). The unit auditor has pointed out his inability to verify the scrap records, the physical verification of inventories and provision for non-moving inventories.
- c) The physical verification report of Fixed Assets provided by the Unit was unreliable, and the line items did not reconcile with the Fixed Asset Register. Consequently, we were unable to verify the existence and completeness of Fixed Assets.
- d) The unit has a letter dated 4.11.2024 from Karnataka Forest Department regarding illegal occupation and possession of Forest Land which has been responded by the unit as can be made out from the extract of the minutes of the Board provided to us. But no further details of this was provided to us.
- The unit's 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.
- e) The account wise details, balance confirmations and supporting documentation for the margin money deposits amounting to Rs 111.23 lakhs were not made available to us, and consequently, we were unable to determine whether any adjustments were necessary to these balances. The interest income earned or accrued on the margin money deposits for the Financial Year 2025–26 has not been recognized in the books of accounts. Due to the lack of supporting documentation, we were unable to ascertain the unrecorded interest amount and its corresponding impact on the profit/loss for the year.
- We conducted our audit in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants

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

Material Uncertainty Related to Going Concern

In respect of HMT Machine Tools Limited

The auditors of the HMT Machine Tools Limited has included in their report regarding its adoption of going concept as follows: “The Company has incurred losses across all its Unit/Divisions during the current and previous financial years. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis by the management on a basis which include ongoing support from the Government of India and the expectation of implementation of a revival plan.”

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31st March, 2026. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Emphasis of Matter Paragraph

1. We draw attention to the fact that certain component auditors have included Emphasis of Matter paragraphs in their respective audit reports. The matters referred to therein are either already considered in the Basis for Qualified Opinion section of our report or are not relevant or material at the consolidated level, or no corresponding disclosures have been made in the Consolidated Financial Statements. Accordingly, these matters have not been reproduced as Emphasis of Matter in our report.
2. We draw attention to foot note (a) of Note No.3A, where in it is stated that the group has not carried out impairment assessment of its assets during the year in view of the fact that the same was carried out in 2023-24.
3. We draw attention to Note No.49 of the consolidated financial statements, which states that the Group has disclosed segment information as required under ‘IND AS 108-Operating Segments’. However, the financial statements do not include a formal accounting policy outlining the basis of identification and measurement of segments.
4. We draw attention to foot note (additional information) (i) of Note 3B of the consolidated financial statements, which states that the Company has not obtained a valuation of fair value of investment properties from a qualified valuer and disclosed only the guidance value of such investment properties of the Company.
5. We draw attention to Note No. 39 of the consolidated financial statements that describes the non-redemption of preference share capital of Rs.3686 lakhs.

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

Other Matters

1. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 33,141.65 lakhs as at 31st March 2026, total revenues of Rs. 16,668.92 lakhs and net cash flows amounting to Rs. 4,043.41 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of 0.61 lakhs for the year ended 31st March, 2026, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements/ financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub – sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

2. The holding company has not received financial statements of two associates viz., "Gujarat Machine Tools Limited" and "Nigeria Machine Tools Limited" for the year ended March 31, 2026, and the same have not been considered for the purpose of preparation of these Consolidated Ind AS financial statements.

Our opinion is not modified in respect of these matters.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and joint

venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may

cast significant doubt on the Group and of its associate and joint venture's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture's to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial

statements and the other financial information of the subsidiary companies, associate companies and joint venture companies, as noted in the 'Other Matter' paragraph we give in the "**Annexure A**" a statement on the matters specified in paragraph 3(xxii) of the Order that are qualifications or adverse remarks.

2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account for the purpose of preparation of the Consolidated Financial Statements;
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended;
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory

auditors who are appointed under section 139 of the Act, of its subsidiary companies, associate and joint venture none of the directors of the Group and of its associate and joint venture is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and of its associate and joint venture and the operating effectiveness of such controls, refer to our separate report in “Annexure B”, and
- g. With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and of its associate and joint venture as notes in ‘Other Matter’ paragraph;
 - i. The consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position—Refer Note 37 to the Consolidated financial statements.
 - ii. The Group does not have any long-term contracts, including derivative contracts, that would require provisioning for any material foreseeable losses under applicable laws or accounting standards;
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Group and of its associate and joint venture.

- iv. (a) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group, associates and joint ventures to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group, associates and joint ventures (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the Group, associates and joint ventures from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group, associates and joint ventures shall, whether, directly or indirectly, lend or invest in

other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations stated under sub-clause (a) and (b) above contain any material mis-statement;

- v. The Holding Company, its subsidiaries, associates and joint venture companies incorporated in India have not declared or paid any dividend during the year, and therefore, compliance with section 123 of the Companies Act, 2013 is not applicable.
- vi. Based on our examination which included test checks, the group has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that the audit trail feature has not been enabled at some of the entities. In absence of the audit trail we are unable to comment whether audit trail feature of the said software operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

For GRSM & Associates
Chartered Accountants
FRN: 000863S

GOPALKRISHNA HEGDE
Partner
M.No.208063

Place: Bangalore
Date: 27-07-2026
UDIN: 26208063BGPNO3751

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements

The Annexure A referred to in the Independent Auditor's Report to the Members of HMT Limited ('the holding Company') for the year ended 31 March 2026, we report that:

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Sl. No.	Name of Company	CIN	Relation	Clause number of the CARO report which is qualified or is adverse
1	H M T Limited	L29230KA1953GOI000748	Holding Company	Clause (i) (b) Clause (i) (c) Clause (iii) (a) (A) Clause (iii) (c) Clause (iii) (d) Clause (iii) (f) Clause (vii) (a) Clause (vii) (b) Clause (ix) (a)
2	HMT Machine Tools Limited	U02922KA1999GOI025572	Subsidiary	Clause (i) (b), (c) Clause (ii) (a) Clause (vi) Clause (vii) (a) Clause (vii) (b) Clause (ix) (a) Clause (xi) (a) Clause (xvii)
3	HMT (INTERNATIONAL) Limited	U3309KA1974GOI002707	Subsidiary	-

For GRSM & Associates
Chartered Accountants
FRN: 000863S

GOPALKRISHNA HEGDE
Partner
M.No.208063

Place: Bangalore
Date: 27-07-2026
UDIN: 26208063BGPNO3751

Annexure B to the Independent Auditors' Report on the Consolidated Financial Statements of HMT Limited for the year ended 31 March 2026

Report on Internal Financial Controls with reference to the Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to paragraph 1(f) under 'Report on other regulatory requirements' Section of our report to the members of HMT Limited of even date)

We have audited the internal financial controls over financial reporting of "HMT Limited" as of March 31, 2026, in conjunction with our audit of the Consolidated financial statements for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company based on our audit. We conducted

our audit in accordance with the Guidance Note on audit of internal financial controls and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2026:

Group as whole

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

Specific with respect to Group/ Subsidiary/ Unit

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

The Company has a significant deficiency in its internal controls relating to the selection and consistent application of accounting principles,

as well as in the overall period-end financial reporting process.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis. In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2026, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting

issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2026 standalone financial statements of the Group, and these material weaknesses do not affect our opinion on the standalone financial statements of the Group.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to the three subsidiary companies (which are companies incorporated in India), is based on the corresponding reports of the auditors of such subsidiaries to the extent made available to us.

For GRSM & Associates

Chartered Accountants

FRN: 000863S

GOPALKRISHNA HEGDE

Partner

M.No.208063

Place: Bangalore

Date: 27-07-2026

UDIN: 26208063BGPONOM3751

Consolidated Material Accounting Policies for the year ended March 31, 2026

1. Background:

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

2. Material Accounting Policies:

i) *Basis of preparation:*

The financial statements have been prepared to comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 ("the Act"), read the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter, as applicable to the Company and other provisions of the Act.

The financial statements have been prepared on the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Financial Statements have been prepared on a Going Concern basis with a reasonable expectation considering adequate resources to continue in operation existing for the foreseeable future.

ii) *Basis of Consolidation:*

The consolidated financial statements of HMT Limited ("Parent Company"), subsidiary companies, associates and joint venture (collectively referred as "the Group") used in the preparation of these consolidated financial statements have been drawn up on the same reporting date as that of the parent company i.e. year ended March 31, 2022. The financial statement of the associate company has not received by the parent company, and the net worth of the said associate is completely eroded. Accordingly, losses have been consolidated to the extent of the value of the investments.

iii) *Principles of consolidation and equity accounting:*

- a) The financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- c) Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- d) Non-Controlling Interest's share of profit / loss of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

- e) Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- f) Investment in Associate and Joint Venture has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- g) The Company accounts for its share of post-acquisition changes in net assets of associate and joint venture, after eliminating unrealised profits and losses resulting from transactions between the Company and its associate to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

iv) Summary of Material Accounting Policies:

a) Use of estimates:

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to accounting estimates is recognized prospectively.

b) Property, Plant & Equipment

All items of Property, Plant and Equipment ("PPE") are accounted for in accordance with the cost model. Property, Plant and Equipment ("PPE") are stated at cost of acquisition or construction, net of vatiable taxes, less accumulated depreciation **and impairment, if any.** Cost includes direct costs and financing costs related to borrowing attributable to acquisition that are capitalized until the assets are ready for use.

Expenditure in connection with the development of land is capitalised in the year in which the expense is incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

The cost of an item of PPE shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

Items of PPE which is held for sale within 12 months from the end of reporting period is disclosed at lower of carrying cost or fair value less cost of sale

The carrying amount of an item of PPE is derecognised:

- (a) on disposal; or
- (b) where no future economic benefits are expected from its use or disposal.

The gain or loss arising from the de-recognition of an item of PPE shall be included in statement of profit or loss when the item is derecognised.

Special Tools:

Expenditure on manufactured and bought out special tools held for use in the production or supply of the goods or services and whose use is greater than one period is considered as an item of PPE and is depreciated over its useful life of 5 years.

c) Leases

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Operating Leases as a Lessor

- a) Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

- b) Operating lease payments in case of intermediate lease are recognized as an expense in the Profit and Loss Account on a straight-line basis over the term of the relevant lease.

The Company as a lessee

Leases for which the Company is a lessee is classified as a finance or operating lease.

- a) Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.
- b) Leases are classified as operating lease when there is no right of use of an asset and payments on such lease are recognised as expenses in Profit & Loss Account on a straight-line basis over the term of relevant lease.
- c) The Company, as a lessee, recognizes a right-of-use asset [ROU] and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset except leases with a term of 12 months or less and low value leases, the company recognises the lease payments as an operating expenses on a straight line basis over the term of the lease.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at

or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

d) Borrowing Cost:

Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to acquisition of PPE which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

All other borrowing costs are expensed in the period in which they occur.

e) Investment Property:

Investment Properties are properties (land or building or part of land or both) held to earn rental income and /or capital appreciation.

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.

The Company reviews the residual value and the useful life of an asset at each financial year-end and, if expectations differ from previous estimates, the changes shall be accounted for as a change in an accounting estimate.

Special Tools capitalised as PPE is depreciated over the period of five years and items those costing less than Rs.750 is depreciated in the year of acquisition/ manufacture.

Amortisation methods and useful lives of intangible assets are reviewed periodically including at the end of each financial year.

h) Non-current assets held for distribution to owners and discontinued operations:

The Company classifies non-current assets as held for sale/distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that

significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Non-current Assets classified as held for sale/ distribution are presented separately in the balance sheet.

i) Government Grants:

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expenses. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

j) Inventories:

Raw materials, stores and Spares, Tools and Instruments, Scrap, work in progress and finished goods are valued at the lower of cost and net realizable value. The cost of materials is ascertained by adopting Weighted Average Cost Method.

Cost of work in progress, finished goods and goods-in-transit comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead being allocated on the basis of normal operating capacity.

Provision for 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 **Incoterms**.

ii) Rendering of services:

Revenue from sale of services is recognised by reference to the stage of completion. Stage of completion is measured by services performed to date as a percentage of total services to be performed.

iii) Rental Income:

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

iv) Dividend Income:

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

v) Interest Income:

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

vi) Warranty:

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

With regard to turnkey projects implemented by the company, warranty provision at the rate of 2 percent of the purchase value is provided

vii) Extended Warranties:

When the company sells extended warranty, the revenue from sale of extended warranty is deferred and recognised over the period covered by the warranty. Where extended warranties are included in the price of the product and provide protection in excess of that provided by normal terms and conditions of sale for the relevant product, the company will separate and account for these two items separately.

I) Foreign Currency Translation:

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

m) Retirement & Other Employee Benefits:

Provident Fund is provided for, under a defined benefit scheme. The contributions are made to the Trust administered by the company.

Leave encashment is provided for under a long-term employee benefit based on actuarial valuation.

Gratuity is provided for, under a defined benefit scheme, to cover the eligible employees, liability being determined on actuarial valuation. Annual contributions are made, to the extent required, to a trust constituted and administered by the Life Insurance Corporation of India under which the Gratuity is fully covered for all the eligible employees.

Settlement allowance ("SA") is provided for, under a defined benefit scheme, to cover the eligible employees, liability being determined on actuarial valuation.

The Company recognizes the net obligation of a defined benefit plan i.e. Gratuity and SA in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in Other Comprehensive Income are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Pension is provided for under a defined contribution scheme; contributions are

made to the Pension Fund administered by the Government.

In respect of employees who are separated other than under Voluntary Retirement Scheme, the Gratuity, Earned Leave Encashment (ELE), SA is debited to the respective provision accounts. The provision at the year-end for Gratuity, ELE and SA is restated as per the actuarial valuation done at the year-end

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

In respect of HMT Machine Tools Ltd (HMT MTL)

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.

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

n) Income taxes:

Income tax expense comprises current tax expense and the net change in the

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

i) Current taxes:

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

ii) Deferred Taxes:

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

o) Provisions:

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

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

p) Impairment:

i) Financial assets:

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

ii) Non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company

estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

q) Financial Instruments:

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

fair value measured on initial recognition of financial asset or financial liability.

i) Cash & cash equivalents:

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

ii) Financial assets at amortised cost:

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

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

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

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

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

v) *Financial Liabilities:*

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

vi) *De-recognition of financial instruments:*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. On derecognition of any financial assets in its entirety, the difference between Carrying amount (on date of derecognition) and any consideration received (including difference between any new asset and new liability assumed) shall be recognized in profit or loss.

A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

vii) *Fair value of financial instruments:*

In determining the fair value of its financial instruments, the Company uses following

hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

r) **Segment Report:**

The Company has different operating units/subsidiaries and identified as “Operating Segments” as defined by IndAS 108 and evaluates the segments based on their revenue growth

The Company has identified its Operating Segments as Food Processing Machineries, Machine Tools, Projects and Others (include Watches Assembly etc).

Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, Expenses, Assets and Liabilities which are not allocable to segments on a reasonable basis are included under "unallocated revenue/expenses/assets/liabilities"

s) Earnings per Share (EPS):

The Company presents basic Earnings Per Share (EPS) for its equity shareholders.

Basic EPS is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the period. The weighted average number of equity shares is adjusted for events such as bonus issues, bonus element in a rights issue, share splits and reverse share splits (consolidation of shares), if any, have changed the number of Equity shares outstanding, without a corresponding change in resources.

The Company does not have any outstanding instruments or arrangements that could potentially dilute earnings per share. Accordingly, diluted EPS is the same as basic EPS, and hence, separate presentation of diluted EPS is not considered necessary.

v) Material Accounting judgements, estimations and assumptions:

The preparation of the Company's financial statements requires management to make

judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

a Operating lease— Company as lessor:

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

ii) Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or

circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a Deferred Taxes

Deferred Tax Assets must be recognised to the extent that it is probable that future profits will be available against which the deductible temporary difference can be utilised. The company does not recognise Deferred Tax Asset since the company has unused tax losses and there is no convincing evidence about future taxable profit.

b Defined Benefit Obligations:

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response

to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

c Other Long-Term Employee Benefits:

Other Long-Term Employee liability like Earned Leave Encashment- EL / Half Pay Leave- HPL is determined through the Actuarial Valuation. The Company provides EL and HPL to the employees of the Company which accrue every month and credit in full on first January respectively. EL is encashable while in the service subject to fulfilment of certain conditions. Encashment of Earned Leaves and Half Pay leaves restricted to the eligible maximum limit of EL encashment days based on the category of employee on retirement.

The Measurement of the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Expenses on non-accumulating compensated absences are recognized in the period in which the absences occur. Service cost, net interest on the net defined benefit liability (asset), remeasurements of the net defined benefit liability (asset) and other expenses related to long term benefit plans are recognized in the Statement of Profit & Loss.

The measurement of long-term employee benefits is not subject to the same degree of uncertainty as the measurement of Defined Benefit Obligation. For this reason- the Remeasurement are not recognized in Other Comprehensive Income.

Classification of Leave encashment liability as current and non-current (long

term) liability based on the expected timing of the settlement i.e. within 12 months and after 12 months respectively, of the reporting period.

d Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their

fair value is measured using valuation techniques including the NAV/NRV model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

vi) The consolidation of financial statement (CFS) presents the consolidated accounts of HMT Limited with its following subsidiaries and associates:

Name of the Company	Nature of relationship	Country of Incorporation	Proportion of Ownership	
			Current Year	Previous Year
HMT Machine Tools Limited	Subsidiary	India	100%	100%
HMT Watches Limited	Subsidiary	India	100%	100%
HMT (International) Limited	Subsidiary	India	100%	100%
Gujarat State Machine Tools Corporation Limited	Associate	India	39%	39%
Sudmo-HMT Process Engineers (India) Limited	Joint Venture	India	50%	50%

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2026

(Rs. in lakhs)

Particulars	Notes	As at 31-Mar-26	As at 31-Mar-25
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	2,038.36	2,625.96
Capital work in progress	3A	209.70	209.70
Investment Property	3B	964.98	1,003.21
Intangible assets under development	3C	-	-
Financial Assets			
Investments	4	17.10	17.71
Other Financial Assets	9	424.49	505.48
Other Non Current Assets	11	385.12	381.22
		4,039.75	4,743.28
Current assets			
Inventories	5	8,660.96	9,660.37
Financial Assets			
Trade Receivables	6	9,323.94	12,402.05
Cash and Cash Equivalents	7	4,605.16	497.54
Bank balances other than Cash and Cash Equivalents	8	21,592.17	20,078.94
Loans	11A	-	-
Other Financial Assets	9	489.30	434.18
Current Tax Assets (net)	10	946.12	932.56
Other Current Assets	11	3,609.95	3,542.77
		49,227.60	47,548.41
Non Current Assets Held for Sale	3D	296.15	296.15
TOTAL ASSETS		53,563.50	52,587.84
EQUITY AND LIABILITIES			
Equity			
Share Capital	12	35,560.16	35,560.16
Other equity	13	(2,38,226.80)	(2,25,349.97)
Total equity		(2,02,666.64)	(1,89,789.81)
Non-current Liabilities			
Financial liabilities			
Borrowings	14	-	-
Non Current Financial Liability	15	-	-
Other non current liabilities	20	10,003.79	10,027.67

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2026

(Rs. in lakhs)

Particulars	Notes	As at 31-Mar-26	As at 31-Mar-25
Provisions			
Provision for Employee Benefits	16	2,977.57	3,554.43
Deferred tax liability (net)	17	(21.49)	(1.84)
		12,959.87	13,580.26
Current liabilities			
Financial Liabilities			
Borrowings	14	1,03,333.27	1,02,916.84
Trade payables	18		
<i>Total outstanding dues to Micro, & Small Enterprises</i>		850.63	786.37
<i>Total outstanding dues of creditors other than Micro & Small Enterprises</i>		11,070.86	7,666.58
Other financial Liabilities	19	69,642.05	63,468.08
Other Current Liabilities	20	56,163.95	51,627.23
Provisions			
Provision for Employee Benefits	16	1,818.45	1,901.17
Others	22	342.58	396.45
Current Tax Liabilities (net)	21	48.48	34.67
		2,43,270.27	2,28,797.39
Total liabilities		2,56,230.14	2,42,377.65
TOTAL EQUITY AND LIABILITIES		53,563.50	52,587.84

Material Accounting Policies and Notes forming part of Accounts

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

For GRSM & Associates

Chartered Accountants

F.R.N : 000863S

Ramesh Kumar N

Chairman and Managing Director

(Addl. Charge)

DIN 11630127

Sameena Kohli

Director, Finance

(Addl. Charge)

DIN 10663362

(Gopalkrishna Hegde)

Partner

Membership No : 208063

Kishor Kumar Shankar

Company Secretary

Aparna R

Chief Financial Officer

Place : Bangalore

Date : July 27th 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2026

(Rs. in lakhs)			
Particulars	Notes	Year Ended 31-Mar-26	Year Ended 31-Mar-25
CONTINUING OPERATIONS			
Revenue from Operations	23	14,264.96	14,230.57
Other Income	24	5,844.81	5,968.92
Total Income		20,109.77	20,199.49
EXPENSES			
Cost of Materials Consumed	25	3,858.98	6,027.85
Purchase of Stock In Trade	26	4,410.92	351.07
Changes in inventories of finished goods, Stock-in -Trade and Work-in-progress	27	740.49	1,514.01
Employee Benefits Expense	28	5,641.68	6,232.05
Depreciation and Amortization Expense	29	676.13	745.69
Finance Costs	30	6,875.03	6,967.24
Other Expenses	31	10,843.24	12,553.08
Less: Jobs Done for Internal Use	32	(42.72)	(185.41)
Total expense		33,003.75	34,205.58
Profit/(loss) before share of profit/(loss) from investment in associate and a joint venture, exceptional items and tax from continuing operations		(12,893.98)	(14,006.09)
Share of profit/(loss) of an associate and a joint venture	34	(0.61)	(0.50)
Profit/(loss) before exceptional items and tax from continuing operations		(12,894.59)	(14,006.59)
Exceptional items	33	-	-
Profit/(loss) before tax from continuing operations		(12,894.59)	(14,006.59)
(1) Current tax		278.03	318.05
(2) Deferred tax		(18.42)	(3.50)
(3) Adjustment of tax relating to earlier periods		-	(15.76)
	35	259.61	298.79
Profit for the year from continuing operations		(13,154.20)	(14,305.38)
DISCONTINUED OPERATIONS			
Profit/(loss) before tax for the year from discontinued operations	36	-	-
Tax Income/ (expense) of discontinued operations		-	-
Profit/(loss) from discontinued operations		-	-
Profit/(loss) for the year		(13,154.20)	(14,305.38)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		270.31	(280.01)
Income tax effect - (Credit)/debit		(7.06)	1.49

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2026

(Rs. in lakhs)			
Particulars	Notes	Year Ended 31-Mar-26	Year Ended 31-Mar-25
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		277.37	(281.50)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(12,876.83)	(14,586.88)
Profit/(loss) for the year			
Attributable to:			
Equity holders		(13,154.20)	(14,305.38)
Non-controlling interests		-	-
Other Comprehensive Income			
Attributable to:			
Equity holders		277.37	(281.50)
Non-controlling interests		-	-
Total comprehensive income for the year			
Attributable to:			
Equity holders		(12,876.83)	(14,586.88)
Non-controlling interests		-	-
Earnings per share for continuing operations	47		
i) Basic, profit from continuing operations attributable to equity holders		(3.70)	(4.02)
ii) Diluted, profit from continuing operations attributable to equity holders		(3.70)	(4.02)
Earnings per share for discontinued operations			
i) Basic, profit from discontinued operations attributable to equity holders		-	-
ii) Diluted, profit from discontinued operations attributable to equity holders		-	-
Earnings per share from continuing and discontinued operations			
i) Basic, profit for the year attributable to equity holders		(3.70)	(4.02)
ii) Diluted, profit for the year attributable to equity holders		(3.70)	(4.02)

Material Accounting Policies and Notes forming part of Accounts

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

For GRSM & Associates

Chartered Accountants

F.R.N : 000863S

Ramesh Kumar N

Chairman and Managing Director

(Addl. Charge)

DIN 11630127

Sameena Kohli

Director, Finance

(Addl. Charge)

DIN 10663362

(Gopalkrishna Hegde)

Partner

Membership No : 208063

Kishor Kumar Shankar

Company Secretary

Aparna R

Chief Financial Officer

Place : Bangalore

Date : July 27th 2026

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

	(Rs. in lakhs)	
Particulars	Year Ended 31-Mar-26	Year Ended 31-Mar-25
Operating activities		
Profit/(loss) before tax from continuing operations	(12,894.59)	(14,006.59)
Profit/(loss) before tax from discontinued operations	-	-
Profit before tax	(12,894.59)	(14,006.59)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	637.90	706.36
Depreciation of investment properties	38.23	39.33
Gain on disposal of property, plant and equipment	(51.62)	(17.30)
Finance income (including fair value change in financial instruments)	(1,513.94)	(1,585.09)
Finance costs (including fair value change in financial instruments)	6,875.03	6,967.24
Share of (profit)/ loss of an associate and a joint venture	0.61	0.50
Working capital adjustments:		
Movements in provisions	1,223.89	(343.49)
Increase in trade and other receivables and prepayments	1,452.62	1,173.93
Decrease in inventories	917.59	1,770.71
Increase in trade and other payables	7,981.38	1,088.75
	4,667.10	(4,205.65)
Income tax (paid)/reversed	(271.95)	(428.69)
Net cash flows from operating activities	4,395.15	(4,634.34)
Investing activities		
Proceeds from sale of property, plant and equipment	51.68	17.33
Purchase of property, plant and equipment	(50.36)	(220.94)
Deposits with Banks	(1,477.77)	1,612.28
Interest received	1,473.55	1,584.89
Net cash flows used in investing activities	(2.90)	2,993.56

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

	(Rs. in lakhs)	
Particulars	Year Ended 31-Mar-26	Year Ended 31-Mar-25
Financing activities		
Interest Paid	(701.06)	(724.99)
Proceeds from borrowings (net)	416.43	-
Repayment of borrowings(net)	-	(20.65)
Net cash flows from/(used in) financing activities	(284.63)	(745.64)
Net increase in cash and cash equivalents	4,107.62	(2,386.42)
Net foreign exchange difference		
Opening balance of Cash and cash equivalents(Refer Note 7)	497.54	2,883.96
Closing balance of Cash and cash equivalents (Refer Note.7)	4,605.16	497.54
Material Accounting Policies and Notes forming part of Accounts		

Note:

- 1) The above statement has been prepared under the indirect method as set out in Ind AS 7
- 2) Bank deposits placed during the year Rs.13086.50 lakhs and matured during the year Rs.11608.73 lakhs.
- 3) Previous year's have been regrouped/reclassified wherever applicable.

As per our Report of even date attached

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

For GRSM & Associates

Chartered Accountants

F.R.N : 000863S

Ramesh Kumar N

Chairman and Managing Director

(Addl. Charge)

DIN 11630127

Sameena Kohli

Director, Finance

(Addl. Charge)

DIN 10663362

(Gopalkrishna Hegde)

Partner

Membership No : 208063

Kishor Kumar Shankar

Company Secretary

Aparna R

Chief Financial Officer

Place : Bangalore

Date : July 27th 2026

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

As at 31st March 2026

(Rs. In lakhs)

Balance as at 1st April 2025	Changes in Equity Share Capital during the year	Balance as at 31st March 2026
35,560.16	-	35,560.16

As at 31st March 2025

(Rs. In lakhs)

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

B. Other Equity

As at 31st March 2026

(Rs.in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income	Total equity
	Capital reserve	Retained earnings	General Reserve		
Balance as of 1st April 2025	2,270.82	(2,36,841.29)	16,518.37	(7,297.87)	(2,25,349.97)
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as of 1st April 2025	2,270.82	(2,36,841.29)	16,518.37	(7,297.87)	(2,25,349.97)
Total Comprehensive Income for the year	-	(13,154.20)	-	277.37	(12,876.83)
At 31 March 2026	2,270.82	(2,49,995.49)	16,518.37	(7,020.50)	(2,38,226.80)

As at 31st March 2025

Particulars	Reserves and Surplus			Other Comprehensive Income	Total equity
	Capital reserve	Retained earnings	General Reserve		
Balance as of 1st April 2024	2,270.82	(2,22,535.91)	16,518.37	(7,016.37)	(2,10,763.09)
Changes in accounting policy or prior period errors	-	-	-	-	-
Balance as of 1st April 2024	2,270.82	(2,22,535.91)	16,518.37	(7,016.37)	(2,10,763.09)
Total Comprehensive Income for the year	-	(14,305.38)	-	(281.50)	(14,586.88)
At 31 March 2025	2,270.82	(2,36,841.29)	16,518.37	(7,297.87)	(2,25,349.97)

Material Accounting Policies and Notes forming part of Accounts

As per our Report of even date attached

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

For GRSM & Associates

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(Gopalkrishna Hegde)

Partner

Membership No : 208063

Kishor Kumar Shankar

Company Secretary

Aparna R

Chief Financial Officer

Place : Bangalore

Date : July 27th 2026

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

3A. PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

Particulars	Land & Land Development	Buildings	Plant and Machinery	Furniture, Fittings & Office Appliances	Special Tools	Transport Vehicles	Land-Leasehold	Total
Gross carrying value								
As at 1 April 2024	101.36	3,228.38	39,050.06	1,146.71	2,603.33	103.53	17.09	46,250.46
Additions	-	20.34	134.53	2.25	185.41	-	-	342.53
Transfer to Investment Property (Refer Note 3B (ii) (c))	0.00	(694.77)	-	-	-	-	-	(694.77)
Disposals	-	-	(91.77)	0.30	-	(5.36)	-	(96.83)
At 31 March 2025	101.36	2,553.95	39,092.82	1,149.26	2,788.74	98.17	17.09	45,801.39
Additions	-	-	7.54	0.10	42.72	-	-	50.36
Disposals/Adjust	-	-	(495.10)	(23.72)	-	-0.80	-	(519.62)
At 31 March 2026	101.36	2,553.95	38,605.26	1,125.64	2,831.46	97.37	17.09	45,332.13
Accumulated Depreciation								
As at 1 April 2024	-	2,573.52	36,889.59	1,123.30	2,146.52	103.53	10.60	42,847.06
Depreciation charge for the year	-	93.20	438.00	7.28	179.17	-	0.13	717.78
Depreciation relates to IP transferred for the year 2024-25 (Refer Note 3B(ii) (c))	-	(11.42)	-	-	-	-	-	(11.42)
Disposals/Adjust	-	0.00	(91.77)	0.33	-	-5.36	-	(96.80)
Transfer to Investment Property accumulated depreciation as on 1.4.2025 (Refer Note 3B(ii) (c))	-	-281.19	-	-	-	-	-	(281.19)
At 31 March 2025	-	2,374.11	37,235.82	1,130.91	2,325.69	98.17	10.73	43,175.43
Depreciation charge for the year	-	62.09	405.77	5.05	164.86	-	0.13	637.90
Disposals/Adjust	-	0.00	(495.11)	(23.65)	-	-0.80	-	(519.56)
At 31 March 2026	-	2,436.20	37,146.48	1,112.31	2,490.55	97.37	10.86	43,293.77
Net carrying value								
At 31 March 2026	101.36	117.75	1,458.78	13.33	340.91	-	6.23	2,038.36
At 31 March 2025	101.36	179.84	1,857.00	18.35	463.05	-	6.36	2,625.96
Net carrying value								
Property, Plant and Equipment	2,038.36							
Capital work in progress - Opening	209.70							
Additions	-							
Disposals/Adjust	0.00							
Capital work in progress - Closing	209.70							

Additional Information:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Additional Information

Land includes:

- i) HMT MTL land located at Bangalore, Kalamassery & Hyderabad gifted by the respective State Governments measuring 177.75 Acres, 166.00 Acres and 227.30 Acres respectively, nominally valued at Rs. 1 each.
- ii) land measuring 0.50 acres purahcsed at Bangalore
- (iii) The leasehold land measuring 29.84 acres located at Aurangabad includes 4.94 acres of land which has been encroached upon. Further, legal action is being pursued for restoration of the encroached land.
- iv) 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 since in the mutation it is recorded as Industrial Land. Execution of lease deed for land measuring 170 acres is pending.
Out of the above, In Khasra No.6767(2.17 Bighas / 0.87 acres of land) has not been transferred in the name of HMT MTL since 1976. Vacant possession of this land has not been given so far by the Government of Rajasthan. Though the compensation for land has been paid to land owner but the compensation for built-up Pakka / Khaccha houses situated in this land has not been paid till the amount of compensation is finalised by the Government of Rajasthan, as per the agreement.
- v) Land measuring 195 acres and 33 guntas land handed over to HMT-Machine Tools Ltd (HMT-MTL) (PTH) by the Govt. of Andhra Pradesh. HMT-MTL has filed Writ Petition No. 20012 of 2003 on the file of Hon'ble High Court of A.P. against the Govt. of A.P. and others wherein HMT-MTL has sought directions for demarking 195.82 acres of land for handing over the same to HMT-MTL. As per the survey conducted during the year 2004-05 by the Officials of Survey and Settlement Department, Ranga Reddy Dist. in view of Supreme Court directives, it has come to the notice that 28 acres and 2 guntas of land is under encroachment, but HMT-MTL has paid for the entire 195.82 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 3000 sq. yds available at kavadiguda, Secunderabad without any compensation. HMT-MTL had protested for this and raised a demand for compensation for land proposed to be taken over by them for road widening programme at prevailing market rate which is pending.
- vi) Land measuring 0.57 acres at Kavadiguda, Hyderabad (PTH) has been attached by EPFO towards non payment of dues.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

In respect of HMT-MTL

- 1) During 2020-21, Govt. of Karnataka had filled an Interlocutory Application (IA) before Supreme Court for permitting denotification of HMT owned (including HMT Watches Ltd and Land Sold by HMT earlier) and possessed land (Since 1960s) located in Peenya Plantation area Bengaluru (Total 443 Acres granted / gifted / acquired by HMT) with a present balance of 266 Acres owned and possessed by HMT in the said area. Out of 266 Acre, 172.34 Acre relates to HMT, MBX, Bengaluru. During the year 2024-25, Government of Karnataka has filed an application (IA) before the Hon'ble Supreme Court of India where the Company has sought denotification or such other directions by the Court. The future course of action in respect the said assets will be determined upon final outcome of the proceedings before the Hon'ble 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.

Others:

- (1) The carrying amount of temporarily idle property, Plant and Equipment : - NIL
- (2) The Holding Company Gross carrying amount of any fully depreciated property, Plant and equipment that is still in use Rs.11209.90 lakhs.
- (3) Fixed assets have been transferred from the HMT Limited (Holding Company) to HMT Machine Tools Ltd, (Subsidiary) at gross value of Rs.202.10 Crores. Reserve for Depreciation of Rs.151.46 Cr. and net value of Rs.50.64 Cr., as on 1.4.2000 in line with the Scheme of arrangement approved by the Department of Company Affairs.
- (4) Fixed assets include immovable properties, vested under the scheme of arrangement approved by the Government of India. However, the mutation of Title Deeds is yet to be done in the name of HMT Machine Tools Ltd. in Revenue records to that effect. Fresh Lease Deed in respect of Lease hold land are pending to be executed.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

3A. PROPERTY, PLANT AND EQUIPMENT

Agewise details as at the end of current Financial year

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years	
CNC Horizontal Machining Centre					-
CNC Cylindrical Grinding Machine					-
Construction of New Hanger		-	-		-
Diesel Generator	-				-
Projects in progress	-	-		209.70	209.70
	-	-	-	209.70	209.70

Agewise details as at the end of previous Financial year

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years	
CNC Horizontal Machining Centre					-
CNC Cylindrical Grinding Machine					-
Construction of New Hanger		-	-	-	-
Diesel Generator	-				-
Projects in progress	-	-		209.70	209.70
	-	-	-	209.70	209.70

Details of CWIP completion schedule as at the end of current financial year:

For Capital Work in Progress, where completion is overdue or has exceeded its cost compared to its original plan

CWIP	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Plant and Machinery				
HMT CNC Horizontal Machining Centre-HMC 1000	170.00			
HMT CNC Lathe Stallion 200 UL	38.98			
Rexroth Make External Gear Pump	0.72			-
	209.70	-	-	-

Details of CWIP completion schedule as at the end of previous financial year:

For Capital Work in Progress, where completion is overdue or has exceeded its cost compared to its original plan

CWIP	To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Plant and Machinery		-		
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 CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	Land & Land Development	Buildings	Total
3B. INVESTMENT PROPERTY			
Gross carrying value			
Opening balance at 1 April 2024	176.30	2,067.82	2,244.12
Additions	-	-	-
Transfer from PPE (Refer Note (ii) (c) below	-	694.77	694.77
Closing balance at 31 March 2025	176.30	2,762.59	2,938.89
Additions	-	-	-
Closing balance at 31 March 2026	176.30	2,762.59	2,938.89
Depreciation and impairment			
Opening balance at 1 April 2024	-	1,615.16	1,615.16
Depreciation	-	27.91	27.91
Depreciation transferred from PPE (for the year 2023-24) (Refer Note (ii) (c) below	-	11.42	11.42
Transfer from PPE(accumulated depreciation as on 1.4.2023) (Refer Note (ii) (c) below	-	281.19	281.19
Closing balance at 31 March 2025	-	1,935.68	1,935.68
Depreciation	-	38.23	38.23
Closing balance at 31 March 2026	-	1,973.91	1,973.91
Net carrying value			
at 31 March 2026	176.30	788.68	964.98
at 31 March 2025	176.30	826.91	1,003.21

Additional Information:

- The Company has not obtained any fair valuation of the investment property from a Registered Valuer. However, based on the guidance value, determined by the department of Stamps and Registrar of the respective State Government, the fair value of the investment property as at March 31, 2026 is Rs.5,63,512.28 lakhs (previous year Rs. 5,59,514.29 Lakhs)
- Land include:**
 - Land located at Pinjore, Kalamassery and Hyderabad gifted by the respective State Governments admeasuring 382.54 acres, 209.85 acres and 660.75 acres respectively, nominally valued at Rs.1/- each. It also include Land admeasuring 14.55 acres purchased at Pinjore, Mohali and Land admeasuring 2.89 acreS purchased at Bangalore.
 - In respect of land at Hyderabad, out of 660.75 acres of land an area admeasuring 28.40 acres was leased to various Government Departments. Pending registration of transfer, the Company has agreed to release 14.20 acres of land in exchange for 14.20 acres of land under an exchange agreement with a State Public Sector Undertaking. No finality has been reached on the proposal for surrender of 300 acres of land owned by the Company at Hyderabad, to the Government of Telangana (formerly called as Government of Andhra Pradesh), in lieu of payment of part sale consideration and issue of marketable title for the balance land. The State Govt has not given appointment till date even after several requests and follow ups for discussion and amicable settlement of dispute as per directions of Hon'ble High Court.
 - During the year, the Company has reclassified certain Land & Building included in Property, Plant and Equipment(PPE) to Investment Property,amounting to Rs.2.21(Net Block value) as at 31st March,2025. This reclassification has been made upon review of the nature and use of the asset in accordance with the relevant provisions of IND AS. Consequently, the comparative figures as at March 31, 2025, have been restated to reflect this change. The impact of the reclassification is as follows:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As Previously Reported	(Rs. in lakhs)	
		Adjustment	As Restated
a) PPE - Gross Block	46,496.16	(694.77)	45,801.38
b) PPE - Depreciation	43,468.04	(292.61)	43,175.43
c) PPE - Net Block (a-b)	3,028.12	(402.16)	2,625.95
a) Investment Property - Gross Block	2,244.12	694.77	2,938.89
b) Investment Property - Depreciation	1,643.07	292.61	1,935.68
c) Investment Property - Net Block(a-b)	601.05	402.16	1,003.21

Additional Information:

Information regarding income and expenditure of Investment property	(Rs. in lakhs)	
	31-Mar-26	31-Mar-25
Rental income derived from investment properties	1,883.35	1,602.34
Direct operating expenses (including repairs and maintenance) generating rental income	(441.11)	(368.59)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(2.85)	(2.59)
Profit arising from investment properties before depreciation and indirect expenses	1,439.39	1,231.16
Less – Depreciation	(26.25)	(27.36)
Profit arising from investment properties before indirect expenses	1,413.14	1,203.80

3C. INTANGIBLE ASSET	31-03-2026	31-03-2025
Intangible Asset under development	147.26	123.38
Less: Government Grant adjusted	147.26	123.38
Closing balance	-	-
Net carrying value	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

3D Non Current Assets Held for Sale

Particulars	31-Mar-26	31-Mar-25
Land and Land Development	24.13	24.13
Buildings	272.02	272.02
Total	296.15	296.15

Additional Information:

HMT Ltd

- The "Assets Held for Sale" comprise land measuring 5.80 acres situated at Bangalore. The matter is currently under adjudication before the Hon'ble Supreme Court of India, where the Company has sought denotification or such other directions by the Court. An Interlocutory Application (IA) in respect of the said land has been filed by the Company during 2024-25. The future course of action in respect of this asset will be determined upon final outcome of the proceedings before the Hon'ble Supreme Court.
- In line with the approval of Government of India, the Immovable Assets of HMT Watches Ltd (closed) have been transferred to HMT Limited at the book value of Rs.296.06 lakhs (included above) during the year 2022-23, the rights of transfer of immovable assets have been assumed by the Government and HMT Limited is the custodian of these properties till their disposal and ensure the transfer of the sale proceeds to the Government of India after deduction of applicable expenses and taxes.
- Gift land (included above) located at Bangalore admeasuring 89.70 acres. The matter is currently under adjudication (for 87.85 acres) before the Hon'ble Supreme Court of India, where the Company has sought denotification or such other directions by the Court. An Interlocutory Application (IA) in respect of the said land has been filed by the Company during 2024-25. Out of which 7.0 acres of land has been encroached upon and the matter has been taken up with the Government of Karnataka to shift the un-authorised occupants
- The land at Tumkur, measuring 6.22 acres carrying value of Rs. 18.73 lakhs (included above) is occupied by Ancillary units. While disposing the Writ Petition filed by the Ancillary units claiming ownership, the Hon'ble High Court of Karnataka, directed Department of Heavy Industries and Public Enterprises, Government of India to enquire into the matter and examine the claims of Ancillary Units and it is under process.
- The Company has allowed possession of land measuring 45.622 acres located at Ranibagh and has received entire sale consideration of Rs.7202.10 lakhs during 2022-23 and is pending for registration (refer Note No.38(a)(2). The sale proceeds is required to be transferred to Government of India after incurring applicable taxes.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Financial assets		
4. Investments		
Investments In Equity Instruments		
Investments at fair value through Other Comprehensive Income (FVTOCI)		
Unquoted equity shares (fully paid)		
30,00,000 (Previous year: 30,00,000) Equity Shares of 1 Naira each fully paid up in Nigeria Machine Tools Ltd, Nigeria - 15% of Shareholding (Refer Note 57)	-	-
Total FVTOCI investments	-	-
Investment in Equity Instruments of Associates and Joint Venture		
Investments in Joint Venture		
1,50,000 (Previous year: 1,50,000) Equity shares of Rs.10 each fully paid up in Sudmo HMT Process Engineers (India) Ltd., Bangalore - 50% of Shareholding (Refer Note 55)	17.10	17.71
Investments in Associates		
20,84,050 (Previous year: 20,84,050) Equity Shares of Rs.1 each fully paid up in Gujarat State Machine Tools Corporation Ltd., Bhavnagar - 39.86% of Shareholding (Refer Note 56)	-	-
Total Investment in Equity instruments in Associate and Joint Venture	17.10	17.71
Total Investments	17.10	17.71
Current	-	-
Non Current	17.10	17.71
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	17.10	17.71
Aggregate amount of impairment in value of investments	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. in lakhs)	
Particulars	As at 31-Mar-26	As at 31-Mar-25
5. Inventories		
Raw Materials and Components	2,966.45	3,068.73
Material and Components in Transit	5.61	26.76
Work-in-Progress	3,349.49	4,240.31
Finished Goods	2,406.33	2,247.35
Stock in Trade	24.41	56.99
Goods in Transit	266.13	253.94
Stores and Spares	1,413.67	1,286.31
Tools and Instruments	93.91	274.94
Scrap	68.43	56.69
	10,594.43	11,512.02
Less: Provision for Non-moving Inventories	1,933.47	1,851.65
	8,660.96	9,660.37

6. Trade Receivables

Secured, considered good	-	-
Unsecured - considered good	9,323.94	12,402.05
Unsecured - considered doubtful *	18,798.10	17,412.92
	28,122.04	29,814.97
Allowance for doubtful debts		
Unsecured, considered doubtful *	18,798.10	17,412.92
	9,323.94	12,402.05

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

* Write off against allowances for doubtful debts

Particulars	31-Mar-26	31-Mar-25
Unsecured considered doubtful - opening balance	17,412.92	17,101.78
Add: Provision made during the year	1,525.85	763.81
Less : Write-off against provision	140.67	452.67
Unsecured considered doubtful - closing balance	18,798.10	17,412.92
Allowance for doubtful debts - Doubtful - Opening balance	(17,412.92)	(17,101.78)
Less: Provision made during the year	1,525.85	763.81
Add: Write-off against provision	140.67	452.67
Allowance for doubtful debts - Doubtful - Closing balance	(18,798.10)	(17,412.92)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

6A Trade Receivables Agewise details

As at the end of current financial year. (Rs. in lakhs)

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - Considered good	2,752.61	887.48	466.18	1,288.34	3,929.33	9,323.94
Undisputed - Considered doubtful	-	24.09	10.31	4.73	11,618.64	11,657.77
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	7,140.33	7,140.33
	2,752.61	911.57	476.49	1,293.07	22,688.30	28,122.04

As at the end of previous financial year.

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - Considered good	4,497.91	582.18	2,215.48	1,182.91	3,923.57	12,402.05
Undisputed - Considered doubtful	24.09	10.31	5.99	137.24	10,091.21	10,268.84
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	7,144.08	7,144.08
	4,522.00	592.49	2,221.47	1,320.15	21,158.86	29,814.97

(Rs. in lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
-------------	-----------------	-----------------

7. Cash and Cash equivalents

Current accounts	605.67	483.72
Deposits with maturity three months or less	3,997.19	10.60
Cash and Cheques on hand	2.30	3.22
	4,605.16	497.54

8. Banks balances other than Cash and Cash equivalents

Current Account (Surge)	1.22	9.43
Escrow Accounts	56.66	56.66
Deposits with maturity more than three months but less than twelve months	19,555.64	18,827.16
Deposits having remaining maturity less than twelve months	1,978.65	1,185.69
	21,592.17	20,078.94

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)		
Particulars	As at 31-Mar-26	As at 31-Mar-25
9. Other Financial Assets		
Non-Current		
Secured - Considered Good		
Deposits with Banks exceeding twelve months of maturity	187.90	223.36
Margin Money with Banks	233.36	264.16
Interest accrued & due	3.23	17.96
	424.49	505.48
Current		
Secured - Considered Good		
Interest accrued & due on Bank Deposits	489.30	434.18
	489.30	434.18
10. Current Tax Assets (net)		
Advance tax/TDS receivables*	1,800.20	1,321.64
Less: Current Tax provision	854.08	389.08
	946.12	932.56
* Primarily consists of TDS receivables		
11. Other Assets		
Non-Current		
Unsecured -Considered Good		
Security Deposits with Government Authorities & others	385.12	381.22
Capital Advances	1.97	1.97
Less: Allowance for Doubtful Advances	1.97	1.97
Total Non Current Assets	385.12	381.22
Current		
Advances and other receivables		
Unsecured -Considered Good		
Advances #	3,361.94	3,302.66
Deposits	248.01	240.11
	3,609.95	3,542.77

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)		
Particulars	As at 31-Mar-26	As at 31-Mar-25
Unsecured -Considered Doubtful		
Advances *	1,356.81	1,156.78
Interest on Trade Receivable	8,217.64	8,217.64
	9,574.45	9,374.42
Less: Allowance for Doubtful Advances *	1,356.81	1,156.78
Allowances for Interest on Trade Receivable	8,217.64	8,217.64
	9,574.45	9,374.42
	-	-

Additional Information:

#includes

- (a) 446.02 acres of land at Pinjore, Haryana has been transferred to HSIIDC (412.69 acres) and Indian Railways (33.33 acres) during the year 2019-20 and as on 31.3.2026 an amount of Rs.4.99 lakhs (Rs.4.99 lakhs Previous year) is due from HSIIDC.
- (b) Advances to Joint Ventures Rs.2.87 lakhs (Rs.3.23 lakhs Previous year)

* Write off against Allowances for Doubtful Advances

Particulars	31-Mar-26	31-Mar-25
Advances considered Doubtful - opening balance	1,156.78	1,124.99
Add: Provision made during the year	202.03	53.17
Less : Write-off against provision	2.00	21.38
Advances considered Doubtful - Closing balance	1,356.81	1,156.78
Allowance for doubtful advances - Doubtful - Opening balance	(1,156.78)	(1,124.99)
Less: Provision made during the year	202.03	53.17
Add: Write-off against provision	2.00	21.38
Allowance for doubtful advances - Doubtful - Closing balance	(1,356.81)	(1,156.78)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

12 Equity Share Capital (Rs. In lakhs)

Particulars	As at 31-Mar-26		As at 31-Mar-25	
	No	Amount	No	Amount
Authorised Share Capital:				
<i>Equity shares of Rs.10 each</i>	1,23,00,00,000	1,23,000.00	1,23,00,00,000	1,23,000.00
	1,23,00,00,000	1,23,000.00	1,23,00,00,000.00	1,23,000.00
Issued, Subscribed & Paid up:				
<i>Equity shares of Rs.10 each</i>				
At the beginning of the year	35,56,01,640	35,560.16	35,56,01,640	35,560.16
Issued during the year	-	-	-	-
Reduction during the year	-	-	-	-
At the end of the year	35,56,01,640	35,560.16	35,56,01,640	35,560.16

Additional Information:

1 Equity Shares:

The Company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

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

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

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

3 Shares held by the promoters' at the end of the year

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

4 Information regarding issue of shares in last 5 years

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. In Lakhs)		
Particulars	As at 31-Mar-26	As at 31-Mar-25
13 Other Equity:		
i) Capital Reserve:	2,270.82	2,270.82
ii) General Reserve:	16,518.37	16,518.37
iii) Retained Earnings:	(2,49,995.49)	(2,36,841.29)
iv) Other Comprehensive Income (OCI)	(7,020.50)	(7,297.87)
Total	(2,38,226.80)	(2,25,349.97)

Additional Information:

Nature and Purpose of Reserves

- (a) **Capital Reserve:** Capital Reserve is towards difference in the face value of Equity Shares held by Governor of Andhra Pradesh and Government of India in Praga Tools Ltd, which has been merged with HMT Machine Tools Ltd and the consideration of Re.1 to be paid to each of them as per the Scheme of Merger sanctioned by BIFR.
- (b) **General Reserve:** This represents accumulation of profits retained by the Company to meet the further (known/unknown) obligations.
- (c) **Retained earnings:** Retained earnings are profits that the Company earned till date, less transfer to General Reserve and other distribution to shareholders.
- (d) **OCI :** It represents the changes in the remeasurements of employee defined benefit plans.

(Rs. In Lakhs)		
Particulars	As at 31-Mar-26	As at 31-Mar-25
Current Secured		
Term loan from Bank (refer foot note No.1 below)	-	57.81
Cash Credit (refer foot note No.2 below)	4,308.73	3,834.49
	4,308.73	3,892.30
Unsecured		
Loan from Govt. of India (Defaulted) #	99,010.80	99,010.80
Interest free Loan from Governemnt of India (Defaulted) (refer foot note No.3 below)	13.74	13.74
	99,024.54	99,024.54
Total Current borrowings	1,03,333.27	1,02,916.84
Aggregate Secured loans	4,308.73	3,892.30
Aggregate Unsecured loans	99,024.54	99,024.54

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note:

1 . Secured loan

Type of borrowing and Limit	Name of the lender	Nature of Security	Repayment terms	Default in repayment
Cash Credit Rs.3842 lakhs	UCO Bank	Hypothication of Inventories & Trade Receivables	Working Capital facilities, Interest @ 16.95% p.a.	None
Cash Credit Rs.1175 lakhs	PNB	Hypothication of Inventories & Trade Receivables	Working Capital facilities, Interest @ 16.75% p.a.	None
Cash Credit Rs.565 lakhs	SBI	Hypothication of Inventories & Trade Receivables	Working Capital facilities, Interest @ 17.70% p.a.	None
Cash Credit Rs.100 lakhs	Union Bank	Hypothication of Inventories & Trade Receivables	Working Capital facilities, Interest @ 16.65% p.a.	None

- Cash Credits as referred to above, are repayable on demand and are secured by hypothecation of entire current assets of the Company including inventories and Trade Receivables, by first charge and collateral security by way of equitable mortgage by deposit of title deed of the immovable property of the Company ranking pari passu inter-se the participating banks.
- During the FY 2018-19 the Company has received Rs.13.74 lakhs towards reimbursement of consultancy charges paid to IIM, Bangalore for Financial & Strategic Review of consolidation & restructuring plan of the Company. However, the Company is in process of obtaining clarification from Department of Heavy Industry whether the same is grant or loan. Based on the clarification the same will be treated as income or borrowing in the year of confirmation from department of Heavy Industries.

Period and amount of default (Ref. Note No.67)

(Rs. in lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
15. Non Current Financial Liability		
16. Provision for employee benefits		
Non Current		
Gratuity*	1,858.30	2,178.69
Earned Leave Encashment	885.33	1,087.62
Settlement Allowance	191.69	233.89
Provident Fund	42.25	54.23
	2,977.57	3,554.43
Current		
Gratuity	552.70	619.71
Earned Leave Encashment	310.47	239.78
Settlement Allowance	31.23	35.98
Wage and Salary Revision arrears (1992-1995)	924.05	1,005.70
	1,818.45	1,901.17

*includes Rs.19.28 lakhs towards Fixed Term Employees based on the New Labour Code announced by Government of India w.e.f. 21.11.2025 as per actuarial valuation.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	As at 31-Mar-26	As at 31-Mar-25
17. Deferred Tax Liability(Net)		
Deferred Tax Liability	83.76	107.54
Deferred Tax Asset	105.25	109.38
	(21.49)	(1.84)

18. Trade payables

Total outstanding dues to Micro & Small Enterprises	850.63	786.37
Total outstanding dues of creditors other than Micro and Small Enterprises	11,070.86	7,666.58
Total	11,921.49	8,452.95

18A Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	(Rs. in lakhs)	
	31-Mar-26	31-Mar-25
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	850.63	786.37
- Interest	210.66	143.84
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006.	-	-
Amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.		
The amount of interest accrued and remaining unpaid at the end of each accounting year.	210.66	143.84
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purposes of disallowance of a deductible expenditure under Section 23 of MSMED Act, 2006.		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

18B TradePayable 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	497.97	157.22	84.80	110.64	850.63
Others	5,968.38	712.13	652.51	3,737.84	11,070.86
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	6,466.35	869.35	737.31	3,848.48	11,921.49

As at the end of previous financial year:

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years	
MSME	509.13	97.28	36.44	143.52	786.37
Others	3,049.81	801.42	646.24	3,169.11	7,666.58
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	3,558.94	898.70	682.68	3,312.63	8,452.95

(Rs. in lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
19. Other Financial Liabilities		
3.5% Preference Share Capital (Defaulted)	3,686.00	3,686.00
Interest accrued and due on borrowings:		
Loans from Government of India	65,956.05	59,779.03
Term Loan from Bank	-	3.05
Total	69,642.05	63,468.08

3.5% Preference Share Capital

Each Redeemable Preference Shares has a par value of Rs.100/- per share and is redeemable after 3 years. The preference shares carry a dividend of 3.5% per annum and conversion of cumulative dividend into equity shares on accrual. The dividend rights are cumulative. The preference shares rank ahead of the equity shares in the event of a liquidation.

In accordance with the CCEA approval and DHI's directions thereon during January 2016, 3.5% Redeemable Preference Shares of 4,06,14,000 no's (Rs.40,614.00 lakhs) out of 4,43,00,000 no's of Rs.100/- each (Rs.44,300.00 lakhs) will be extinguished and set off against the Loans and advances to subsidiaries companies provided by the Company to HMT Watches Limited, HMT Chinar Watches Limited and HMT Bearings Limited.

For the remaining 3.5% Redeemable Preference Shares the revival Plan sanctioned to the Company vide sanction No F.No.5.1(1)/2005.PE.X dated 29 March 2007 has specified for redemption of Preference Share Capital out of sale proceeds of the identified surplus assets of HMT Machine Tools Ltd. Since the sale of identified assets has not taken place which is pre-condition for redemption, remaining 3.5% Redeemable Preference Share Capital is not redeemed .

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)		
Particulars	As at 31-Mar-26	As at 31-Mar-25
20. Other Liabilities		
Non Current		
Advance received against land sale	9,979.59	9,979.59
Grant from Government of India	1.40	25.28
Grant in Aid	22.80	22.80
	10,003.79	10,027.67
Current		
Dues to subsidiary companies	-	-
HMT Machine Tools Ltd	-	-
HMT (International) Ltd	-	-
HMT Limited	-	-
Revenue received in advance	5,254.48	4,848.91
Accrued expenses	872.30	853.70
Other liabilities (Employee related liabilities, OSL for expenses, EMD , Statutory dues etc.,)	50,037.17	45,924.62
Total	56,163.95	51,627.23
21. Current Tax Liabilities		
Current Tax provision	88.03	318.05
Less: Advance tax/TDS Receivables	39.55	283.38
Total	48.48	34.67

22. Provisions - others

Particulars	Warranty Claims	Provision for Indirect Taxes and salary revision arrears	Others	Total
At 1 April 2025	118.14	1.25	277.06	396.45
Arising during the year	19.09	-	-	19.09
Utilised	(36.63)	-	-	(36.63)
Unused amounts reversed	(36.33)	-	-	(36.33)
At 31 March 2026	64.27	1.25	277.06	342.58
Current	64.27	1.25	277.06	342.58
At 1 April 2024	92.02	1.25	277.06	370.33
Arising during the year	106.73	-	-	106.73
Utilised	(75.46)	-	-	(75.46)
Unused amounts reversed	(5.15)	-	-	(5.15)
At 31 March 2025	118.14	1.25	277.06	396.45
Current	118.14	1.25	277.06	396.45

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. in lakhs)	
Particulars	Year ended 31-Mar-26	Year ended 31-Mar-25
23. Revenue from operations		
Sale of Products		
Food Processing Machinery	804.61	1,032.43
Watches	1,687.05	1,475.04
Spares and Accessories	93.66	103.90
	2,585.32	2,611.37
Sale of Services		
Sundry Jobs and Miscellaneous Sales	10.47	5.94
	10.47	5.94
Total	2,595.79	2,617.31
Machine Tools		
Sale of Products	5,399.00	7,977.79
Accessories	871.49	1,484.52
	6,270.49	9,462.31
Sale of Services		
Sale of Services	516.65	317.89
Sundry Jobs and Miscellaneous Sales	227.61	264.06
Packing / Forwarding charges	10.93	33.82
	755.19	615.77
Total	7,025.68	10,078.08
Exports		
Sales & Commission	72.97	1,393.87
Technical Services	-	10.67
Project Sales & Services	4,570.09	129.91
Export Assistance	0.43	0.73
	4,643.49	1,535.18
Revenue from Operations	14,264.96	14,230.57
24. Other income		
Interest Income		
Interest income on Bank Deposits	1,506.22	1,577.37
Interest from Dealers/Others	7.72	7.72
	1,513.94	1,585.09

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(Rs. in lakhs)	
Particulars	Year ended 31-Mar-26	Year ended 31-Mar-25
Other Income		
Recoveries from Staff/Others	195.35	147.21
Rent Income	2,962.06	2,661.64
Profit on Sale of Property, Plant and Equipment	51.62	17.30
Deferred Government Grant	0.64	-
Provisions Withdrawn	215.55	581.85
Bad debts recoverd	140.67	66.81
Reversal of Surge expenses of earliers	-	102.29
Other non operating Income	764.98	806.73
	4,330.87	4,383.83
Total Other Income	5,844.81	5,968.92
25 Cost of Materials Consumed		
Raw materials and Components		
Inventory at the beginning of the year	3,068.72	3,173.54
Add: Purchases	2,970.97	4,590.63
	6,039.69	7,764.17
Less: inventory at the end of the year	2,966.45	3,068.72
Cost of raw material and components consumed	3,073.24	4,695.45
Consumption of Stores, Spares, Tools & Packing Materials	785.74	1,332.40
Total raw materials and components consumed	3,858.98	6,027.85
Particulars of Materials Consumed		
Steel	351.94	496.68
Non-ferrous Metals	4.17	6.58
Ferrous Castings	399.00	613.27
Non-ferrous Castings	9.36	14.75
Forgings	33.25	52.42
Standard parts & components	2,079.59	3,221.04
Others	195.93	290.71
Total	3,073.24	4,695.45
26. Purchase of Stock in Trade		
Purchases of Stock in Trade	4,410.92	351.07
	4,410.92	351.07

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	Year ended 31-Mar-26	Year ended 31-Mar-25
27. Changes in Inventory		
Finished Goods		
Inventory at the beginning of the year	2,247.35	3,462.34
Less: inventory at the end of the year	2,406.33	2,247.35
Changes in Inventory	(158.98)	1,214.99
Work in Progress		
Inventory at the beginning of the year	4,240.31	4,797.86
Less: inventory at the end of the year	3,349.49	4,240.31
Changes in Inventory	890.82	557.55
Stock in Trade		
Inventory at the beginning of the year	56.99	44.04
Less: inventory at the end of the year	24.41	56.99
Changes in Inventory	32.58	(12.95)
Goods in Transit		
Inventory at the beginning of the year	253.94	-
Less: inventory at the end of the year	266.13	253.94
Changes in Inventory	(12.19)	(253.94)
Scrap		
Inventory at the beginning of the year	56.69	65.05
Less: inventory at the end of the year	68.43	56.69
Changes in Inventory	(11.74)	8.36
Total	740.49	1,514.01
28. Employee benefits expense		
Salaries,Wages and Bonus	3,922.34	4,496.56
House Rent Allowance	81.62	89.24
Gratuity	328.93	345.04
Contribution to PF & FPS	439.02	488.31
Deposit Linked Insurance	30.60	32.83
Contribution to ESI	2.61	3.40
Welfare Expenses	836.56	776.67
	5,641.68	6,232.05
29. Depreciation and amortization		
Depreciation of Tangible Assets	637.90	706.36
Depreciation on Investment Properties	38.23	39.33
	676.13	745.69

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	Year ended 31-Mar-26	Year ended 31-Mar-25
30. Finance costs		
Interest Expense		
Government of India Loans	6,177.02	6,239.19
Cash Credit loans from Banks	690.08	648.58
Term Loan from Bank	1.76	78.25
Other Borrowing Cost		
Discounting Charges	6.17	1.22
Total finance costs	6,875.03	6,967.24
31. Other expenses		
Manufacturing Expenses		
Power and Fuel	746.85	821.90
Repairs to machinery	14.28	20.08
Provision for Non Moving Inventories	88.99	320.43
Selling & Distribution Expenses		
Advertisement and Publicity	17.32	16.93
Carriage outwards	83.57	114.64
Establishment Expenses		
Rent	33.21	33.39
Rates and Taxes*	1,868.99	3,980.85
Insurance	44.53	41.64
Water and Electricity	315.91	231.39
Repairs to building	27.25	41.27
Printing and Stationery	35.00	40.45
Auditors Remuneration #	10.06	9.50
Provision for Doubtful Debts, Loans and Advances	1,727.88	790.99
Warranty claims	63.50	108.78
Loss on sale of property, Plant and Equipment	0.09	-
Loss sustained by PF Trust	1,217.11	898.91
Travelling Expenses	158.28	177.44
Repairs & Maintenance - General	516.07	483.07
Security Charges	563.12	576.79
Casual Labour charges	1,797.50	2,143.09
Corporate Social Responsibility***	34.21	47.15
Difference in exchange	2.62	0.24
Reversal of deferred income-Govt. Grant of earlier years**	-	101.10

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	Year ended 31-Mar-26	Year ended 31-Mar-25
Training expenses - Skill Development	0.82	5.50
Other Expenses	1,476.08	1,547.55
	10,843.24	12,553.08

*includes Rs.1999.84 lakhs (previous year) property tax arrears paid to BBMP, Bangalore under OTS.

includes

As auditor	6.30	6.24
For taxation matters	1.69	1.69
Previous year audit fee	0.05	0.10
Cost audit fee & expenses	1.47	1.47
For other services	0.55	-
	10.06	9.50

*** Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

i) Amount required to spend during the year	34.21	47.15
ii) Shortfall amount from the previous year	45.36	28.62
	79.57	75.77

iii) Amount spent during the year

- on the project in Health and Nutrition Sector- supply of		
> Supply of Blazer / Jackets to Girl Students in Karnataka Public School, Bangalore	-	2.48
> Supply of Ambulance to Government Medical College, Aurangabad	-	21.75
> Menstrual	-	0.75
> Supply of CBNAAT machine to Govt. Dist. TB Centre, Mandya	23.56	-
> Supply of Electro therapy with Lazer and Ultrasound to Shri Guruji Seva Nyas	3.34	-
> Supply of Medical Instrument to Mandya Institute of Medical science	12.96	-
> Supply of educational related items to BLESS Society of Rural and Urban Development, Bangalore	1.77	-
- On the completed project		
> Supply of Digital Hearing Aid and Inplant Accessories, Mandya	12.08	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(Rs. in lakhs)	
	Year ended 31-Mar-26	Year ended 31-Mar-25
- Administrative expenses	0.26	-
- Transfer to PM National Relief Fund	3.59	5.43
- Unspent amount to be transferred to Central Govt. Fund	1.13	-
Total amount spent during the year	58.69	30.41
iv) CSR Reserve (amount c/f i.e. shortfall at the end of the year {inclusive of administrative expenses)	20.88	45.36

Reasons for Shortfall: The Company has identified certain CSR ongoing activities

in the areas of Health care, Education, Rural Development & National Heritage etc as referred below:

- Construction of Toilet Facilities at M/s MK Anand Alwar Govt. Aided High School, Mahadevapura
- Restoration/Repair of Historical Mechanical Clock at Dufferin Clock Tower (1886), Mysuru

32. Jobs Done for Internal Use

Shop manufactured Special Tools

	(42.72)	(185.41)
	(42.72)	(185.41)
	-	-

33. Exceptional Items

34. Interest in joint venture

The Company has a 50% interest in SUDMO- HMT Process Engineers (India) Limited, a joint venture involved in marketing of Food Processing Machines. The Company's interest in SUDMO- HMT Process Engineers (India) Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind-AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below

	(Rs. in lakhs)	
	31-Mar-26	31-Mar-25
Current assets, including cash and cash equivalents	37.26	38.75
Current liabilities, including tax payable	(3.07)	(3.34)
Equity	34.19	35.41
Proportion of the Company's ownership	0.50	0.50
Carrying amount of the investment	17.10	17.71

Summarised statement of profit and loss of the SUDMO- HMT Process Engineers (India) Limited:

Revenue	2.63	2.86
Finance cost	-	-
Other expense	(3.85)	(3.85)
Profit before tax	(1.22)	(0.99)
Income tax expense	-	-
Profit for the year (continuing operations)	(1.22)	(0.99)
Total comprehensive income for the year (continuing operations)	(1.22)	(0.99)
Company's share of profit for the year	(0.61)	(0.50)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(Rs. in lakhs)	
	Particulars	Year ended 31-Mar-26	Year ended 31-Mar-25
35. Income Tax			
	The major components of income tax expense for the years ended 31 March 2026 and 31 March 2025 are:		
	Continuing Operations		
	<u>Statement of profit and loss</u>		
	Profit or loss section		
	Current income tax:		
	Current income tax charge	278.03	318.05
	Deferred tax:		
	Relating to origination and reversal of temporary differences	(18.42)	(3.50)
	Adjustment of Tax :		
	Relating to earlier years	-	(15.76)
	Income tax expense reported in the statement of profit and loss	259.61	298.79
	OCI section		
	Deferred tax related to items recognised in OCI during in the year		
	Discontinued Operations		
	Current income Tax	-	-
	Adjustment of Tax relating to earlier years	-	-
		-	-
	OCI section		
	Deferred tax related to items recognised in OCI during in the year		
	Net loss/(gain) on remeasurements of defined benefit plans	(7.06)	1.49
	Income tax charged to OCI	(7.06)	1.49

Additional Information:

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Reconciliation of tax expense has not furnished by the subsidiary companies. Accordingly same has not been furnished.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

36. Discontinued Operations

- a) As per the CCEA Approval in FY 2015-16 it was decided that HMT Chinar Watches Ltd, HMT Bearings Ltd and HMT Watches Ltd operations were closed. Consequently, dissolution order have been passed for HMT Chinar Watches Ltd, HMT Bearings Ltd and HMT Watches Ltd vide orders dated 10th March, 2022, 20th April, 2022 and 2nd March 2026 respectively. Accordingly, the results are nil as on 31.3.2026

The results of Discontinued Operations for the year are presented below: (Rs in lakhs)

Particulars	Year ended 31-Mar-26	Year ended 31-Mar-25
Revenue		
Other income	-	-
Expenses		
Other Expenses	-	-
Profit/(loss) before exceptional items and tax from a discontinued operation	-	-
Exceptional items		
Write back of GOI Liabilities	-	-
Grant received from GoI	-	-
Profit/(loss) before tax from a discontinued operation	-	-
Tax (expenses)/income:		
Related to current pre-tax profit/(loss)	-	-
Related to measurement to fair value less costs of disposal (deferred tax)	-	-
Profit/(loss) for the year from a discontinued operation	-	-
The classification of Non Current Assets of Discontinued Operations are as follows		
Total Non Current Assets	-	-
The net cash flows incurred as follows:		
Operating	-	-
Investing	-	-
Financing	-	-
Net cash (outflow)/inflow	-	-
Earnings per share:		
Basic, profit/(loss) for the year from discontinued operation	-	-
Diluted, profit/(loss) for the year from discontinued operation	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
37. Contingent Liabilities		
1) Claims against the company not acknowledged as debt;		
Details		
a) Tax related claims pending in appeal		
i) Sales Tax	213.55	213.55
ii) Property Tax	4,666.66	3,933.66
iii) Income Tax	37.92	37.92
b) Non receipt of related Forms against levy of concessional Sales Tax	54.40	54.40
c) Employee related claims relating to Lockouts, Back wages, Incentive & Annual bonus, etc., pending adjudication, to the extent ascertainable	1,818.87	1,815.50
d) Various cases relating to defective product, accident causing injuries to third parties, claims relating to supply of materials etc.	19,263.49	16,487.42
e) Various legal cases relating to employees and other contingent liabilities pertaining to HMT Watches Ltd (Ref Note No. 60)	9,855.75	9,855.75
f) Guarantees and Counter Guarantees and LCs issued [(including Rs.7002 Lakhs and Rs.8063 lakhs (previous year) against Corporate Guarantee of Rs.12272 lakhs issued to HMT Machine Tools Ltd)]	10,259.63	9,606.71
g) Disputed Lease Rental in respect of premises occupied by the Company up to April, 2010 at Jeevan Tara Building belongs to LIC of India, New Delhi.	311.77	311.77
h) Income tax deducted at source demand under the traces software for short and non remittances of tax deduction at source – matter under examination.	79.12	79.09
i) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
j) Stock Exchanges have levied penalties to Company for the certain Non-Compliances under the SEBI (LODR) Regulations, 2015 like Composition of Board of Directors, Committees, delay in submission of accounts etc. As per the circulars of Stock Exchanges, listed entities are required to comply with the provisions of the Exchange circular before filing the waiver applications to the Exchange. Accordingly, in some of the cases, Company has got waiver of penalties from stock exchanges. The Company has again requested for waiver of penalties from Stock Exchanges. Total penalty amount (approx.):	278.18	643.37
k) Based on an inspection, BESCOM on 18-8-2020 raised a demand for Rs.122 lakhs for use of electricity for commercial purposes in the township area (while the connection had been obtained for industrial purposes), which included application of revised tariff, interest and penalty with effect from a past date. HMT Limited paid Rs. 61 lakhs as a deposit and filed an appeal against the demand notice with the appropriate authorities. The appellate authority partially allowed the appeal [vide Order dated 6-5-2025], directing BESCOM that a revised notice is to be issued by applying a single rate without any penalty after deducting the demand amount already levied under the industrial tariff. The amount payable is not yet ascertained and will be decided only after getting a fresh demand from BESCOM.		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)		
Particulars	As at 31-Mar-26	As at 31-Mar-25
38. Other Disclosures		
Other Liabilities (Non Current) Includes:		
(a) The Company's efforts to complete the sale of two properties remain pending, resulting in advances received towards these transactions, which is classified under 'Other non-current liabilities' and cost of the properties classified under "Non Current Assets held for Sale" : (1) Rs.926.64 lakhs received from Raman Research Institute (RRI) and an agreement to sell was executed and possession has been transferred, registration could not be completed due to pending approval from the Concerned Authorities and		
(2) Rs.7,202.10 lakhs (including TDS) received from the Government of Uttarakhand (GOUK), sale of property to the GOUK through auction and negotiations by the Department of Investment and Public Asset Management (DIPAM), the registration has been delayed due to the Company has not been able to obtain vacant possession from the ex-employees currently occupying the said property. Since both transactions remain incomplete, the Company has not recognised the sales in its books. Accordingly, any capital gains tax liability will be accounted for in the financial year in which the income on sale of the assets is recognised.		
39. Preference Share Capital		
The Government of India while approving the Revival Plan of HMT Machine Tools Ltd (HMT-MTL), a Subsidiary Company, during March 2007, had accorded sanction for cash infusion of Rs. 44300 lakhs in the form of 3.5% Preference Share Capital which was routed through the Company for investment in the Preference Share Capital in the Subsidiary, to be redeemed after 3 years i.e. 31.3.2010 out of sale of surplus immovable Properties of HMT-MTL.		
However, as per the CCEA approval 40614000 No. of Shares will be extinguished out of 44300000 Nos. of Rs.100/- each, leaving a balance shares of 36,86,000 of Rs.100/- each which is proposed to be redeemed upon sale of immovable property.		
Arrears of fixed cumulative dividends on preference shares (including tax thereon) payable to Government of India	5,607.63	5,607.63
40. Inventories include		
usable slow/non moving and surplus stores and materials/work in progress and Finished goods	373.47	213.06
41. Trade Receivables include		
Dues towards erection and commissioning for a period exceeding one year	160.23	194.13
Amounts withheld towards liquidated damages and interest on advances claimed/if claimed on delayed supplies.	-	-
Dues from parties against whom cases have been filed before various Courts which are pending.	-	-
No provision has been made towards outstandings for more than three years, which are not supported by specific confirmations from customers in respect of HMT (I) Ltd	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
42. Advances include		
Amounts recoverable from employees advances, bonus etc pending adjudication / negotiations	2.54	2.54
Adhoc payments to employees towards Wage/Salary, DA arrears, if any, pending adjustment & provision to this extent has been made in the accounts	2.94	28.37
EMD amount received towards sale of Land at Bangalore and the matter is pending adjudication before Hon'ble Supreme Court where the Company has sought denotification and such other directions by the Court. An Interlocutory Application (IA) has been filed by the Company during the FY 2024-25.		
43. Contingent Asset		
Debts written off in the past, but action of recovery proceedings is being continued before the courts	120.43	120.43

44. Related Party Transactions & Disclosure u/s 186 of Companies Act 2013

Name of the Related Party	Relationship
Mr. N. Ramesh Kumar (w.e.f. 25.03.2026)	Key Managerial Persons (KMP)
Mr. Rajesh Kohli (w.e.f. 05.04.2024 upto 24.03.2026)	
Mr. Asit Gopal (w.e.f. 10.02.2026 upto 26.04.2026)	
Ms. Arti Bhatnagar (w.e.f. 14.02.2023 upto 30.09.2025)	
Mr. Prem Chandra Mourya (w.e.f. 17.07.2025)	
Dr. Renuka Mishra (w.e.f. 23.07.2024 upto 16.07.2025)	
Ms. Sameena Kohli (w.e.f. 10.06.2024)	
Mr. Datania Dineshbhai Ramjibhai (w.e.f. 15.07.2025)	
Dr. Kartik Chandulal Bhadra (w.e.f. 01.04.2025 upto 27.03.2026)	
Mr. S. Kishor Kumar	
Ms. Aparna R	

Transactions with Key Managerial Personnel

Compensation of key management personnel of the Company

Mr. S. Kishor Kumar	19.17	16.91
Ms. Aparna R	16.37	15.35
	35.54	32.26

Directors sitting fees

Mr. Datania Dineshbhai Ramjibhai	1.28	-
Dr. Kartik Chandulal Bhadra	1.50	-
	2.78	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31-Mar-26	As at 31-Mar-25
Related Party Transactions with Subsidiaries		
Transactions and balance with its own subsidiaries are eliminated in consolidation.		
Related Party Transactions with Joint Venture		
Sudmo HMT Process Engineers (India) Ltd		
Advance (Dr/Cr)		
Opening Balance	3.23	3.40
Advance given (Net)	2.92	3.23
Advance taken (Net)	-	-
Transfers	(3.28)	(3.40)
Closing Balance	2.87	3.23

45. Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values

(Rs. in lakhs)

	Carrying amount		Fair value	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Financial assets				
FVTOCI financial investments	-	-	-	-
Total	-	-	-	-
Financial liabilities				
3.5% Preference Share Capital	3,686.00	3,686.00	Not obtained	
Borrowings	39,161.53	38,745.10	Not obtained	
Interest Free Government of India Loan	64,171.74	64,171.74	Not obtained	
Total	1,07,019.27	1,06,602.84		

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management also assessed that the government of India loan excluding Interest Free Government of India Loan approximate their carrying amounts as transaction costs are not levied.

46. Fair value Hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2026 and 31 March 2025 is as shown below:

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2026

Fair value measurement using					(Rs. In lakhs)
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Date of valuation	Valuation technique				
Assets measured at fair value:					
FVTOCI financial investments:					
Unquoted equity shares					
		Nil			Nil
Assets for which fair values are disclosed					
<u>Investment properties</u>					
Land *	31-Mar-26	Circle rate	5,63,512.28		5,63,512.28

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2025

Fair value measurement using				
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
FVTOCI financial investments:				
Unquoted equity shares				
Nigeria Machine Tools Limited		Nil		Nil
Assets for which fair values are disclosed				
<u>Investment properties</u>				
Land *	31-Mar-25	Circle rate	5,59,514.29	5,59,514.29

* Based on guidance value not restated in the financial statements since Investment property

A) Nigeria Machine Tools Ltd is a company incorporated outside India, and as per its latest audited balance sheet dated 31-12-2020 net worth is completely eroded and hence the fair value at Rs. NIL is considered.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Rs. In lakhs)

47. Earnings per share (EPS)

	31-Mar-26	31-Mar-25
Profit attributable to equity holders:		
Continuing operations	(13,154.20)	(14,305.38)
Discontinued operation	-	0.00
Profit attributable to equity holders for basic earnings	(13,154.20)	(14,305.38)
Profit attributable to equity holders adjusted for the effect of dilution	(13,154.20)	(14,305.38)
Weighted average number of Equity shares for basic EPS	35,56,01,640	35,56,01,640
Effect of dilution:		
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution *	35,56,01,640	35,56,01,640
Earnings per share for continuing operations		
i) Basic, profit from continuing operations attributable to equity holders	(3.70)	(4.02)
ii) Diluted, profit from continuing operations attributable to equity holders	(3.70)	(4.02)
Earnings per share for discontinuing operations		
i) Basic, profit from discontinuing operations attributable to equity holders	-	-
ii) Diluted, profit from discontinuing operations attributable to equity holders	-	-
* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

48. As per Indian Accounting Standard-19 "Employee Benefits". the disclosures as defined are given below

i) Defined Contribution Plan :

(Rs. in Lakhs)

Particulars	Year Ended 31 March 2026	Year Ended 31 March 2025
Employer's Contribution to Pension Fund	65.96	88.81

ii) Defined Benefit Plans :

The Company contributes to Provident Fund trust, Gratuity and settlement allowance to the employees which are defined benefit plans.

The Company [(HMTL) and HMT(I)] has obtained the actuarial valuation report from the independent actuary for Provident Fund.

a) The principal assumptions used in determining defined benefit obligation of the Company's plan is shown below

	31-Mar-26	31-Mar-25
	%	%
Discount rate:		
Gratuity plan	7.66	6.95
Settlement Allowance	7.66	6.95
Future salary increases:		
Gratuity plan	10.00	10.00
Settlement Allowance	10.00	10.00

Summary of Demographic Assumptions	Gratuity Plan		Settlement Allowance	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Mortality Rate (as % of IALM (2012-14) (Mod.) Ult. Mortality Table) {Previous Year IALM(2012-14) Ult. Mortality Table}	100%	100%	100%	100%
Disability Rate (as % of above mortality rate)	0%	0%	0%	0%
Withdrawal Rate	1% to 3%	1% to 3%	1% to 3%	1% to 3%
Attrition Rate				
Normal Retirement Age*				
Average Future Service	18.54	19.04	19.04	19.04

*Note : Age 60 years in case of HMT Limited and HMT(I) Limited.

Age 58 years in case of HMT Machine Tools Limited.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

48 A. Employee Benefit Obligations

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

A. Gratuities

31 March 2026 changes in the defined benefit obligation and fair value of plan assets

Particulars	01-Apr-25	Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income							Contributions by employer	31-Mar-26
		Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Re measurement due to asset ceiling (excluding interest income)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust ments	Sub-total included in OCI		
Defined benefit obligation	(4,315.57)	(137.51)	(273.73)	(411.24)	581.06	(2.57)	-	-	99.33	108.14	204.90	-	(3,940.85)
Fair value of plan assets	1,517.17	-	101.03	101.03	(587.55)	4.14	-	-	-	-	4.14	514.34	1,549.13
Benefit liability	(2,798.40)			(310.21)	(6.49)						209.04	514.34	(2,391.72)

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

Particulars	01-Apr-24	Gratuity cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contributions by employer	31-Mar-25	
		Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Re measurement due to asset ceiling (excluding interest income)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust ments			Sub-total included in OCI
Defined benefit obligation	(4,445.41)	(161.90)	(286.17)	(448.07)	842.34	(0.09)	0.00	0.00	(59.32)	(205.02)	(264.43)	0.00	(4,315.57)
Fair value of plan assets	1,540.64	0.00	107.58	107.58	(835.86)	46.16	0.00	0.00	0.00	0.00	46.16	658.65	1,517.17
Benefit liability	(2,904.77)			(340.49)	6.48						(218.27)	658.65	(2,798.40)

The Company and its subsidiary has different plan assets. Holding Company has funded excess amount. However, there is a liability in respect of subsidiary company which cannot be set off against each other and disclosed separately in financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

B. Settlement Allowance

31 March 2026 changes in the defined benefit obligation and fair value of plan assets

Particulars	01-Apr-25	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income							Contributions by employer	31-Mar-26	
		Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Re measurement due to asset ceiling (excluding interest income)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust ments	Sub-total included in OCI			
Defined benefit obligation	(269.87)	(33.29)	(17.40)	(50.69)	29.83	0.00	0.00	0.00	0.00	14.70	53.12	67.82	0.00	(222.91)
Fair value of plan assets	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Benefit liability	(269.87)			(50.69)	29.83							67.82	0.00	(222.91)

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	
		Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Re measurement due to asset ceiling (excluding interest income)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments			Sub-total included in OCI
Defined benefit obligation	(211.80)	(25.60)	(13.43)	(39.03)	47.26	0.00	0.00	0.00	(8.71)	(57.59)	(66.30)	0.00	(269.87)
Fair value of plan assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Benefit liability	(211.80)			(39.03)	47.26						(66.30)	0.00	(269.87)

C. Provident Fund (Interest shortfall)

The Company's Contribution paid / payable to Provident Fund and the liability / obligation is recognised on accrual basis. The Company's Provident Fund Trust is exempted u/s section 17 of the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The condition for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trust vis-a-vis Statutory rate. The Company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the fund and return on investment.

The Company (Standalone) has recognised the obligation on the basis of Actuarial Valuation carried out as on 31st March 2026, that there is a present value of obligation due to difference between the expected interest rate to be earned by the Trust and expected future EPFO interest rate, being the interest shortfall of Rs.42.25 lakhs as on 31.3.2026 and Rs.54.23 lakhs as on 31.3.2025.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

48B. Employee Benefits (Contd.):

B Sensitivity analysis:

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and fully salary escalation rate. The following table summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the assumptions by 100 basis points:

(i) Gratuity (Rs. In lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	191.93	171.44	211.09	189.21
Change in rate of salary increase	156.59	164.14	178.67	187.05
Change in withdrawal rates	9.02	7.77	2.94	2.76

(ii) Settlement Allowance

(Rs. In lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	26.49	23.60	32.49	28.86
Change in rate of salary increase	23.97	28.25	29.04	34.49
Change in withdrawal rates	24.85	25.54	29.61	31.04

C. The expected contributions for gratuity for the next financial year will be Rs.1,146.66 lakhs and Settlement allowance NIL.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

49. Segment reporting

Year ended 31 March 2026

						(Rs. in Lakhs)
I. Revenue						
Particulars	Food Processing Unit	Machine Tools	Projects	Others	Adjustment/ Intersegment Elimination	Total
Revenue	891.65	7054.91	4643.49	1704.14	(29.23)	14,264.96
Interest Income	14.49	169.03	215.02	3,540.57	(2,425.17)	1,513.94
Total	906.14	7,223.94	4,858.51	5,244.71	(2,454.40)	15,778.90
Less:						
Interest expense	6.17	9,292.27	0.00	1.76	(2,425.17)	6,875.03
Depreciation and Amortisation expense	12.72	554.52	12.30	96.59	-	676.13
Segment result	887.25	(2,622.85)	4,846.21	5,146.36	(29.23)	8,227.74
Add: Unallocable income	-	-	-	-	-	4,330.26
Less: Unallocable expenses	-	-	-	-	-	25,452.59
Total Profit / Loss before tax	-	-	-	-	-	(12,894.59)
Less: Income Tax expense	-	-	-	-	-	259.61
Profit/Loss for the Year						(13,154.20)

II. Assets and Liabilities

Particulars	Food Processing Unit	Machine Tools	Projects	Others	Total Segments	Adjustment/ Elimination	Total
Total assets	1,508.34	23,117.43	9,893.19	20,827.83	55,346.79	(1,783.29)	53,563.50
Total liabilities	813.15	60,266.45	5,846.52	18,115.04	85,041.16	1,71,188.98	2,56,230.14

Year ended 31 March 2025

I. Revenue						
Particulars	Food Processing Unit	Machine Tools	Projects	Others	Adjustment/ Intersegment Elimination	Total
Revenue from Operations	1133.94	11077.27	1535.18	1483.37	(999.19)	14,230.57
Interest income	11.23	124.55	218.58	3,509.37	(2,272.27)	1,591.46
Total	1,145.17	11,201.82	1,753.76	4,992.74	(3,271.46)	15,822.03
Less:						
Interest expense	1.21	9,160.04	-	78.26	(2,272.27)	6,967.24
Depreciation and Amortisation expense	13.31	586.41	13.81	132.16	-	745.69
Segment result	1,130.65	1,455.37	1,739.95	4,782.32	(999.19)	8,109.10
Add: Unallocable income	-	-	-	-	-	4,376.96
Less: Unallocable expenses	-	-	-	-	-	26,492.65
Total Profit / Loss before tax	-	-	-	-	-	(14,006.59)
Less: Income Tax expense	-	-	-	-	-	298.79
Profit/Loss for the year						(14,305.38)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

II. Assets and Liabilities

Particulars	Food Processing Unit	Machine Tools	Projects	Others	Total Segments	Adjustment/ Elimination	Total
Total assets	2,009.33	26,385.85	5,887.32	20,599.44	54,881.94	(2,294.10)	52,587.84
Total liabilities	1,409.16	57,702.60	1,881.09	17,691.81	78,684.66	1,63,692.99	2,42,377.65

Reconciliations to amounts reflected in the financial statements

(Rs. In lakhs)

Reconciliation of Profit/Loss	31-Mar-26	31-Mar-25
Segment result	8,227.74	8,109.10
Add: Unallocable income	4,330.26	4,376.96
Less: Unallocable expenses	25,452.59	26,492.65
Profit / Loss of Continuing Operations before tax	(12,894.59)	(14,006.59)
Add/Less: Profit or Loss from Discontinued Operations	-	-
Total Profit / Loss before tax	(12,894.59)	(14,006.59)
Less: Tax Expense	(259.61)	(298.79)
Profit/Loss for the year	(13,154.20)	(14,305.38)

Reconciliation of assets	31-Mar-26	31-Mar-24
Segment operating assets	55,346.79	54,881.94
Inter-segment (elimination)	(1,783.29)	(2,294.10)
Total assets	53,563.50	52,587.84

Reconciliation of liabilities		
Segment operating liabilities	85,041.16	78,684.66
Liabilities of Discontinued Operations	-	-
Inter-segment (elimination)	(1,783.29)	(2,294.10)
Deferred tax liabilities	(21.49)	(1.84)
Borrowings	1,72,993.76	1,65,988.93
Total liabilities	2,56,230.14	2,42,377.65

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Capital expenditure consists of additions of property, plant and equipment.

Inter-segment income and expenses, assets and liabilities are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.

The Company has classified an operating segment as a discontinued operation in 2016. Ind-AS 108 does not provide guidance as to whether segment disclosures apply to discontinued operations. Although the disposed segment is material, the Company has not disclosed the results within the segment disclosures under Ind-AS 108. Ind-AS 105 states that the requirements of other standards do not apply to discontinued operations, unless they specify disclosures applicable to them. Since Ind-AS 108 does not refer to discontinued operations, entities are not required to include them as a reportable segment. The Assets and Liabilities of Discontinued Operations is reported in the 'adjustments and elimination' column.

	(Rs. In lakhs)	
Major Customer- Details of Revenue from Customers exceeding 10% of revenue from operations	31-Mar-26	31-Mar-25
A) India		
Food Processing Unit	-	114.21
Machine Tools	2,509.22	4,092.64
Total	2,509.22	4,206.85
B) Outside India	-	-
Total (A +B)	2,509.22	4,206.85

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

50 Ratio Analysis

Ratio	Numerator	Denominator	FY 2025- 26	FY 2024- 25	% Variance	Reason for Variance for more than 25%
1 Current Ratio	Current Assets	Current Liabilities	0.20	0.21	-2.63%	-
2 Debt-Equity Ratio	Total Debt	Shareholder's Equity	-	-	-	-
3 Debt Service Coverage Ratio	Earnings available for debt service(EBITDA)	Debt service (Interest + Principal)	-0.05	-0.06	-14.76%	-
4 Return on Equity Ratio	Net Profit after taxes	Average Shareholder's equity	-	-	-	-
5 Inventory turnover ratio	Sales	Average Inventory	1.56	1.34	16.33%	-
6 Trade Receivables turnover ratio	Credit Sales	Average Trade receivables	1.31	1.10	19.38%	-
7 Trade payables turnover ratio	Net Credit Purchases/ Services	Average Trade Payables	0.80	0.67	19.72%	-
8 Net capital turnover ratio	Net Sales	Average Working Capital	-0.08	-0.08	0.00%	-
9 Net profit ratio	Net Profit After tax	Revenue	-92.21%	-100.53%	-8.27%	-
10 Return on Capital employed	Earnings before interest and taxes	Capital Employed = Tangible Networth + Total Debt	-	-	-	-
11 Return on Investment	-	-	-	-	-	No Return on Investments, hence ratio is not determined

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- 51** The Group has an Investment in Gujarat State Machine Tools Corporation Limited being an Associate Company, the Group had not accounted the same as associate due to non availability of information. Accordingly on implementation of IND AS the company has accounted as per IND AS 28.
- 52** The networth of the Group has been completely eroded. Considering the realisable value of the non current assets held for sale, support from the Government of India and other business plans, the Company has prepared financial statements of the Group on the basis that it is a going concern and that no adjustments are considered necessary to the carrying value of assets and liabilities.

53 Deferred Tax

Provision for income taxes has been made in terms of IndAS 12 -Income Taxes.

Particulars	as on 31.3.2026	as on 31.3.2025
Net deferred Tax asset/liability at the beginning of the year	(1.84)	0.17
Add: (deferred Tax benefits) / charges for the year	(19.65)	(2.01)
Net deferred Tax asset/liability at the end of of the year	(21.49)	(1.84)

The net Deferred Tax Asset/(Liability) comprises the tax impact arising from the timing differences on account of:

Particulars	as on 31.3.2026	as on 31.3.2025
Depreciation	(80.14)	(106.50)
Provision for employee benefits	101.63	108.34

The Holding Company has not recognised deferred tax asset on unused tax losses in the absence of reasonable certainty of future business profits

- 54** A charge by ID 80046855 is still open in the Index of charge on the Website of Ministry of Corporate Affairs pertains to State Bank of India. The Company has already discharged the debt of State Bank of India and efforts are being made in co-ordination with State Bank of India for obtaining the necessary documents for satisfaction of charge .
- 55** The Company has invested Rs.15 lakhs (50% of Equity Shares) comprising 1,50,000 equity shares of Rs.10/- each fully paid up in Sudmo HMT Process Engineers (India) Ltd, Bangalore (M/s Submo-HMT). M/s Sudmo-HMT has no operations. The Board of HMT Ltd has approved (February 2020) for closure of the defunct Joint Venture Company and submitted the closure proposal to Ministry of Heavy Industries, Government of India (July 2021) for approval.
- 56** The Company has invested Rs.20.84 lakhs (39.86% of Equity Shares) comprising 20,84,050 equity shares of Rs.1/- each fully paid up in Gujarat State Machine Tools Corporation, Bhavanagar (M/s. GSMTC). The Board of HMT Ltd gave (March 2021) in principle approval for liquidation of M/s GSMTC, and issued a consent letter to Gujarat Industrial Investment Corporation Ltd (GIIC). GIIC approved (Sept. 2021) liquidation of M/s.GSMTC subject to approval from Government of Gujarat Industries and Mines Department. The company is awaiting approval from Ministry of Heavy Industries, Government of India to initiate liquidation under the Insolvency & Bankruptcy Code, 2016 for further action.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- 57** The Company has invested 30,00,000 equity shares of 1 Naira each fully paid up in Nigeria Machine Tools Ltd, Nigeria (M/s NMTL). The Board of HMT Ltd approved (February 2020) for disinvestment of stake in M/s NMTL and sought approval from Administrative Ministry. Awaiting further communication from the Ministry of Heavy Industries, Govt. of India.
- 58** The Group has not advanced or loaned or invested any funds (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 59** The Group has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 60** The Company has no transactions with struck off Companies under section 248 of the Companies Act, 2013.
- 61** BESCO has added Rs.122 lakhs in Electricity bill of MBX. ABD has already paid Rs.61 lakhs and had gone to court against the penalty/claim of BESCO. ABD is looking after the legal case and as the Estate is under its control. Any financial implication related to this will be taken by ABD.
- 62** The Auxiliary Business Division (ABD), Bangalore of HMT Limited (Holding Company) has been recognizing rental income from land and buildings belonging to its wholly owned subsidiary, HMT Machine Tools Limited (HMTMTL), and incurs related estate maintenance and administrative expenses for their upkeep and management.
- Under the Government-approved Scheme of Arrangement implemented in 2000, the land and building assets were transferred to HMTMTL and are therefore not recorded in ABD's books. However, mutation of title deeds in favour of HMTMTL and execution of fresh lease deeds are still pending.
- The Common Services Division (CSD) was originally established to provide estate management and other common services to Bangalore-based HMT Group units. The division was restructured as the Auxiliary Business Division (ABD) w.e.f 1st September 2019, vide Board approval, to function as an independent business centre and generate revenue through activities such as licensing of non-performing assets and sale of watches, thereby offsetting increasing estate maintenance costs. As ABD continues to manage these properties and provide estate-related services to HMT Group companies including HMTMTL (located at Bangalore), it records the associated rental income and related maintenance expenses.
- 63** MBX has leased out land to GAIL. Due to unsettled legal issues the unit is not billing any income from GAIL. Rs.1.4 Crores was received as Security Deposit from GAIL.
- 64** The amendments in Indian Accounting Standards which are applicable to the Company are not expected to have any significant impact on the Company's Financial Statements
- 65** Balances under Trade "Receivables", 'Loans & Advances', 'Trade payables' and Other Current Liabilities' are subject to confirmation, although confirmation has been sought in most of the cases.
- 66** The figures of previous year have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.
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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

67. Period and amount of Default are as follows:

HMT Limited

Nature of Borrowing	Name of the lender	Amount of installment and period of default	No of Days Delay or Unpaid
Government of India Loan [Interest Free] dated 21.01.2017 Rs.30368 lakhs	Government of India	1) Rs.6,073.60 Lakhs due since 21.01.2018.	2990
		2) Rs.6,073.60 Lakhs due since 21.01.2019.	2625
		3) Rs.6,073.60 Lakhs due since 21.01.2020.	2260
		4) Rs.6,073.60 Lakhs due since 21.01.2021.	1894
		5) Rs.6,073.60 Lakhs due since 21.01.2022.	1529
Government of India Loan [Interest Free] dated 16.02.2017 Rs.24000 lakhs	Government of India	1) Rs.4,800 Lakhs due since 16.02.2018.	2964
		2) Rs.4,800 Lakhs due since 16.02.2019.	2599
		3) Rs.4,800 Lakhs due since 16.02.2020.	2234
		4) Rs.4,800 Lakhs due since 16.02.2021.	1868
		5) Rs.4,800 Lakhs due since 16.02.2022.	1503
Government of India Loan [Interest Free] dated 29.04.2017 Rs.9790 lakhs	Government of India	1) Rs.1,958 Lakhs due since 29.04.2018.	2892
		2) Rs.1,958 Lakhs due since 29.04.2019.	2527
		3) Rs.1,958 Lakhs due since 29.04.2020.	2161
		4) Rs.1,958 Lakhs due since 29.04.2021.	1796
		5) Rs.1,958 Lakhs due since 29.04.2022.	1431
HMT Machine Tools Ltd			
CAPEX Loan @15.50% interest dated 30.03.2006 Rs.395 lakhs	Government of India	1) Rs.79 Lakhs due since 02.04.2007	6937
		2) Rs.79 Lakhs due since 02.04.2008	6571
		3) Rs.79 Lakhs due since 02.04.2009	6206
		4) Rs.79 Lakhs due since 02.04.2010	5841
		5) Rs.79 Lakhs due since 02.04.2011	5476
VRS Loan @ 3.5@ interest dated 01.11.2007 Rs.2784.76 lakhs	Government of India	1) Rs.556.95 Lakhs due since 27.12.2008	6302
		2) Rs.556.95 Lakhs due since 27.12.2009	5937
		3) Rs.556.95 Lakhs due since 27.12.2010	5572
		4) Rs.556.95 Lakhs due since 27.12.2011	5207
		5) Rs.556.96 Lakhs due since 27.12.2012	4841
For payment of Statutory Dues @15.50% interest dated 29.03.2007 Rs.782 lakhs	Government of India	1) Rs.156.40 Lakhs due since 30.03.2008	6574
		2) Rs.156.40 Lakhs due since 30.03.2009	6209
		3) Rs.156.40 Lakhs due since 30.03.2010	5844
		4) Rs.156.40 Lakhs due since 30.03.2011	5479
		5) Rs.156.40 Lakhs due since 30.03.2012	5113

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

VRS Loan @ 3.5@ interest dated 31.12.2008 Rs.1216.43 lakhs	Government of India	1)	Rs.243.29 Lakhs due since 15.01.2010	5918
		2)	Rs.243.29 Lakhs due since 15.01.2011	5553
		3)	Rs.243.29 Lakhs due since 15.01.2012	5188
		4)	Rs.243.29 Lakhs due since 15.01.2013	4822
		5)	Rs.243.27 Lakhs due since 15.01.2014	4457
For payment of Statutory Dues @13.50% interest dated 24.07.2012 Rs.4442.61 lakhs	Government of India	1)	Rs.888.52 Lakhs due since 01.08.2013	4624
		2)	Rs.888.52 Lakhs due since 01.08.2014	4259
		3)	Rs.888.52 Lakhs due since 01.08.2015	3894
		4)	Rs.888.52 Lakhs due since 01.08.2016	3528
		5)	Rs.888.53 Lakhs due since 01.08.2017	3163
For payment of Statutory Dues @13.50% interest dated 18.03.2014 Rs.1960 lakhs	Government of India	1)	Rs.392 Lakhs due since 21.03.2015	4027
		2)	Rs.392 Lakhs due since 21.03.2016	3661
		3)	Rs.392 Lakhs due since 21.03.2017	3296
		4)	Rs.392 Lakhs due since 21.03.2018	2931
		5)	Rs.392 Lakhs due since 21.03.2019	2566
For payment of Statutory Dues @13.50% interest dated 23.09.2014 Rs.2400 lakhs	Government of India	1)	Rs.480 Lakhs due since 04.10.2015	3830
		2)	Rs.480 Lakhs due since 04.10.2016	3464
		3)	Rs.480 Lakhs due since 04.10.2017	3099
		4)	Rs.480 Lakhs due since 04.10.2018	2734
		5)	Rs.480 Lakhs due since 04.10.2019	2369
Working Capital Loan @13.50 % interest dated 23.09.2014 Rs.2500 lakhs	Government of India	1)	Rs.500 Lakhs due since 04.10.2015	3830
		2)	Rs.500 Lakhs due since 04.10.2016	3464
		3)	Rs.500 Lakhs due since 04.10.2017	3099
		4)	Rs.500 Lakhs due since 04.10.2018	2734
		5)	Rs.500 Lakhs due since 04.10.2019	2369
For payment of Statutory Dues @13.50% interest dated 09.10.2014 Rs.1891 lakhs	Government of India	1)	Rs.378.20 Lakhs due since 11.10.2015	3823
		2)	Rs.378.20 Lakhs due since 11.10.2016	3457
		3)	Rs.378.20 Lakhs due since 11.10.2017	3092
		4)	Rs.378.20 Lakhs due since 11.10.2018	2727
		5)	Rs.378.20 Lakhs due since 11.10.2019	2362
For payment of Salaries & Wages @13.50% interest dated 09.10.2014 Rs.2743 lakhs	Government of India	1)	Rs.548.60 Lakhs due since 11.10.2015	3823
		2)	Rs.548.60 Lakhs due since 11.10.2016	3457
		3)	Rs.548.60 Lakhs due since 11.10.2017	3092
		4)	Rs.548.60 Lakhs due since 11.10.2018	2727
		5)	Rs.548.60 Lakhs due since 11.10.2019	2362

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

For implementation of 1997 pay revision @7.00% interest dated 06.02.2015 Rs.2934 lakhs	Government of India	1)	Rs.586.80 Lakhs due since 10.02.2016	3701
		2)	Rs.586.80 Lakhs due since 10.02.2017	3335
		3)	Rs.586.80 Lakhs due since 10.02.2018	2970
		4)	Rs.586.80 Lakhs due since 10.02.2019	2605
		5)	Rs.586.80 Lakhs due since 10.02.2020	2240
Working Capital Loan @13.50 % interest dated 06.02.2015 Rs.5000 lakhs	Government of India	1)	Rs.1000 Lakhs due since 10.02.2016	3701
		2)	Rs.1000 Lakhs due since 10.02.2017	3335
		3)	Rs.1000 Lakhs due since 10.02.2018	2970
		4)	Rs.1000 Lakhs due since 10.02.2019	2605
		5)	Rs.1000 Lakhs due since 10.02.2020	2240
For payment of Statutory Dues @13.50% interest dated 31.03.2015 Rs.2634 lakhs	Government of India	1)	Rs.526.80 Lakhs due since 31.03.2016	3651
		2)	Rs.526.80 Lakhs due since 31.03.2017	3286
		3)	Rs.526.80 Lakhs due since 31.03. 018	2921
		4)	Rs.526.80 Lakhs due since 31.03.2019	2556
		5)	Rs.526.80 Lakhs due since 31..03.2020	2190
For implementation of 1997 pay revision @7.00% interest dated 30.09.2015 Rs.3170 lakhs	Government of India	1)	Rs.634 Lakhs due since 03.10.2016	3465
		2)	Rs.634 Lakhs due since 03.10.2017	3100
		3)	Rs.634 Lakhs due since 03.10. 018	2735
		4)	Rs.634 Lakhs due since 03.10.2019	2370
		5)	Rs.634 Lakhs due since 03..10.2020	2004

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

68 Statutory Group Information

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	Rs. in lakhs	As % of consolidated net Profit/Loss	Rs. in lakhs	As % of consolidated net Other Comprehensive income	Rs. in lakhs	As % of consolidated net Total Comprehensive assets	Rs. in lakhs
HMT Ltd								
Balance as at 31 March, 2026	31.81%	-64,463.81	-12.68%	1,668.53	2.21%	6.12	-13.01%	1,674.65
Balance as at 31 March, 2025	33.95%	-64,425.46	-11.26%	1,610.32	-1.58%	4.44	-11.07%	1,614.76
Subsidiaries								
1 HMT Machine Tools Ltd								
Balance as at 31 March, 2026	70.20%	-1,42,266.60	112.86%	-14,845.96	91.81%	254.65	113.31%	-14,591.31
Balance as at 31 March, 2025	68.17%	-1,29,388.29	112.54%	-16,099.30	116.01%	-326.58	112.61%	-16,425.88
2 HMT International Ltd								
Balance as at 31 March, 2026	-2.00%	4,046.67	-0.18%	23.84	5.98%	16.60	-0.31%	40.44
Balance as at 31 March, 2025	-2.11%	4,006.23	-1.29%	184.10	-14.44%	40.64	-1.54%	224.74
3 HMT Watches Ltd								
Balance as at 31 March, 2026	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March, 2025	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interests in all subsidiaries								
Balance as at 31 March, 2026	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March, 2025	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates (investment as per the equity method)								
Balance as at 31 March, 2026	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Balance as at 31 March, 2025	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Joint ventures (investment as per the equity method)								
SUDMO-HMT Process Engineers (India) Ltd								
Balance as at 31 March, 2026	-0.01%	17.10	0.00%	-0.61	0.00%	-	0.00%	-0.61
Balance as at 31 March, 2025	-0.01%	17.71	0.00%	-0.50	0.00%	-	0.00%	-0.50
Total								
Balance as at 31 March, 2026	100.00%	-2,02,666.64	100.00%	-13,154.20	100.00%	277.37	100.00%	-12,876.83
Balance as at 31 March, 2025	100.00%	-1,89,789.81	100.00%	-14,305.38	100.00%	-281.50	100.00%	-14,586.88

Note: Previous year's figures have been regrouped/reclassified wherever necessary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts Rs in Lakhs)

Sl. No.	Particulars	Details		
		1	2	3
1	CIN	U02922KA1999GOI025572	U33309KA1974GOI002707	U33301KA1999GOI025573
2.	Name of the subsidiary	HMT Machine Tools Limited	HMT (International) Limited	HMT Watches Limited
3.	The date since when subsidiary was acquired	09-08-1999	13-12-1974	09-08-1999
4	Provisions pursuant to which the Company has become a subsidiary	under Section 2(87)(ii) of the Companies Act, 2013.		
5	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
6	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA	NA
7	Share capital	27659.91	72	Nil
8	Reserves & surplus (Accumulated Profit/ (Losses)	(255879.77)#	3974.67	Nil
9	Total assets	23117.42	10024.23	-
10	Total Liabilities	251337.26	5977.55	-
11	Investments	-	-	-
12	Turnover	7054.91	4643.49	-
13	Profit before taxation	(14,845.96)	113.98	-
14	Provision for taxation	-	90.14	-
15	Profit after taxation	(14,845.96)	23.84	-
16	Proposed Dividend	NIL	NIL	NIL
17	Extent of shareholding (in percentage)	100%	100%	NA

#Includes Capital Reserve of Rs.2270.82 Lakhs

1 Names of subsidiaries which are yet to commence operations - NIL

2. Names of subsidiaries which have been liquidated or sold during the year—HMT Watches Ltd

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Venture

(Rs in Lakhs)

Sl. No.	Particulars	Details	
1		Name of Associate Gujarat State Machine Tools Corporation Ltd	(Name of Joint Ventures) SUDMO-HMT Process Engineers (India) Limited
2	Latest Audited Balance Sheet Date	31.03.2024	31.03.2026
3	Date on which the Associate or Joint Venture was associated or acquired	15-02-1975	05-09-1994
4	Shares of Associate held by the company on the year end		
A	Nos.	2084050 of Rs. 1/- each	150000 of Rs. 10/- each
B	Amount of Investment in Associates / Joint Venture	20.84	15
C	Extent of Holding %	39.86%	50%
5	Description of how there is significant influence	Investment in the equity to the extent of 39.86% paid up capital	Investment in the equity to the extent of 50% paid up capital
6	Reason why the associate / joint venture is not Consolidated	N.A	N.A
7	Networth attributable to Shareholding as per latest audited Balance Sheet	Accounts of GSMTC as on 31.3.2026 are not yet finalized	17.10
8	Profit / Loss for the year		
A	Considered in Consolidation	NIL	-0.61
B	Not Considered in Consolidation	Accounts of GSMTC as on 31.3.2026 are not yet finalized	N.A

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



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