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HMT LIMITED

(CIN No: L29230KA1953PLC000748)

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

Ph: 080 – 23330333, Fax: 23339111, e-mail:cosey@hmtindia.com

Website:www.hmtindia.com

POSTAL BALLOT NOTICE

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 (“THE ACT”) READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 (“THE RULES”), OTHER APPLICABLE PROVISIONS, IF ANY, OF THE ACT (INCLUDING ANY STATUTORY MODIFICATION OR RE-ENACTMENT THEREOF FOR THE TIME BEING IN FORCE) AND REGULATION 44 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND

DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (SEBI LODR REGULATIONS)

The Resolutions and Explanatory Statement setting out the material facts pertaining to the said Resolutions (pursuant to Section 102 of the Act and the Rules made thereunder) and applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and SEBI LODR Regulations is annexed hereto along with the Postal Ballot Form (the “Form”) for your consideration.

The Board of Directors of the Company (“the Board”) has appointed Mr D Venkateswarlu (Membership No. FCS 8554), Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot (including remote e-voting) in a fair and transparent manner.

You are requested to peruse the proposed Resolutions alongwith the Explanatory Statement and read carefully the instructions forming part of this Notice and return the Form duly filled and signed (at the marked places in the Form) alongwith Assent (FOR) or Dissent (AGAINST) for the said Resolutions, in the attached self-addressed, business reply envelope, so as to reach the Scrutinizer before the close of working hours (06.00 p.m IST) on Wednesday, 28th December 2016. Please note that any Form(s) received after the said date and time will be strictly treated as if no reply has been received.

Members having shares in demat form and in physical form may vote either by way of Postal Ballot or by way of remote e-voting (“e-voting”). For this purpose, the Company has engaged the services of M/s Karvy Computershare Private Limited. In case a Member has voted through e-voting facility, he/she is not required to send the physical Form. In case a Member votes through e-voting facility as well as sends his/her vote through physical form, the vote cast through e-voting shall only be considered and the voting through physical form shall not be considered by the Scrutinizer.

The e-voting facility is available at the link www.evotingindia.com. Please refer the instructions for e-voting given after the Proposed Resolutions for the process and the manner in which e-voting is to be carried out.

SPECIAL BUSINESS:

Resolution No. 1:- Closure / Winding up of the Subsidiary Companies:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the Government Order No. I-050II/6/2014-PE-X dated 13th January 2016 issued by the Government of India (GOI), Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry (DHI) and as per the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, (“the Act”) and the relevant Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the enabling provisions as contained in the Objects Clause of the Memorandum of Association and provisions contained in the Articles of Association of the Company, the shareholders hereby accord their consent for the Closure/Winding up of the Subsidiary Companies viz., HMT Watches Limited, HMT Chinar Watches Limited and HMT Bearings Limited, (together hereafter referred to as “the Subsidiaries”) after due compliance of the applicable provisions of the Act, read with the relevant Rules in this regard as applicable and in force under the Act.”

“ALSO RESOLVED THAT the shareholders do hereby accord their consent to sell, transfer or otherwise dispose of the entire movable assets and utilize the proceedings along with other receivables and funds available with the companies for settlement of other immediate liabilities of the three companies and providing protection to the land and buildings upon closure.

“RESOLVED FURTHER THAT the shareholders do hereby accord their consent for DHI/GOI to assume the right to transfer all immovable assets of these three Subsidiaries, situated in different locations/ Units in India, to the Central Ministries/Departments/Autonomous bodies under Central Government/ CPSEs/PSBs in consultation with the respective State Government (s) and the funds received there from to be transferred to the designated account of Government of India (GoI) in lieu of the cash/ non-cash assistance provided to the Subsidiaries by the GoI.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to comply with all the directions issued in terms of Order No. I-050II/6/2014-PE-X dated 13th January 2016 by the GoI through the Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry and that they are also authorized to do all such other acts, deeds and things as may be necessary from time to time, including giving necessary directions/instructions to the Subsidiaries in this regard, in order to carry out and give effect to the aforesaid directions of GoI and the above resolution.”

Resolution No. 2:- Closure of Operation of the Tractor Division of the Company located at Pinjore, Mohali and Hyderabad:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Letter No.1-0501/8/2016-PE.X dated November 4, 2016 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry

conveying the approval of Cabinet dated 27.10.2016 and as per the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and the relevant Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the enabling provisions as contained in the Objects Clause of the Memorandum of Association and the provisions contained in the Articles of Association of the Company, the shareholders hereby accord their consent for the Closure of Operation of the Tractor Division of the Company located at Pinjore, Mohali and Hyderabad, including its Marketing Offices situated across the Country and Capital restructuring of HMT Ltd. by reduction of paid-up capital against write-off of accumulated losses of HMTL against GOI equity shareholding subject to such terms and conditions as may be contained in the directions issued by the Government of India (GoI) from time to time and such other terms /conditions as may be stipulated by the Statutory authorities in this regard.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and are authorized to comply with all such directions as may be issued in letter No.1-0501/8/2016-PE.X dated November 4, 2016 by the GoI, through the Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry and that they are further authorized to do all such other acts, deeds and things as may be necessary, in order to carry out and give effect to the aforesaid directions/instructions issued by the GoI and the above resolution.”

“FURTHER RESOLVED THAT the Board of Directors of HMT Limited are hereby authorized to do all such acts, deeds and things including appointment of intermediaries/consultants/Bankers as the case may be, with powers to expend such amounts as may be necessary, in order to carry out and give effect to the above resolution.”

For and on behalf of the Board

(S. Girish Kumar)
Chairman & Managing Director

Place: Bangalore

Date: 24th November 2016

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred to as the "Act"):

ITEM NO. 1

Pursuant to Letter No. I-050II/6/2014-PE-X dated 13th January 2016 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry cabinet accorded their consent for the Closure / Winding up of the Subsidiary Companies viz., HMT Watches Limited, HMT Chinar Watches Limited and HMT Bearings Limited.

Pursuant to the provisions of Section 180(1)(a) read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the relevant Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force, the company is required to pass special resolution for the closure of the subsidiary companies by means of postal ballot.

None of the Directors, Key managerial personnel and their relatives are concerned or interested in the resolution set out at item no. 1

The Board recommends the resolution for approval of the Shareholders as Special Resolution.

ITEM NO.2

Pursuant to letter No. 1-0501/8/2015-PE.X dated 4th November 2016 issued by the Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry the cabinet accorded their consent for the closure of the operations of HMT Tractor Unit at Pinjore, Mohali and Hyderabad.

Pursuant to the provisions of Section 180(1)(a) read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the relevant Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force, the company is required to pass special resolution for the closure of the Tractor Unit by means of postal ballot.

None of the Directors, Key managerial personnel and their relatives are concerned or interested in the resolution set out at item no. 2

The Board recommends the resolution for approval of the Shareholders as Special Resolution.

For and on behalf of the Board

(S. Girish Kumar)
Chairman & Managing Director

Place: Bangalore

Date: 24th November 2016

HMT LIMITED
(CIN No: L29230KA1953PLC000748)
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Website:www.hmtindia.com

POSTAL BALLOT FORM

(Please read carefully the instructions printed overleaf before exercising your vote)

1. Name and Registered Address of the Sole/First Named Member :
2. Name(s) of the Joint Holder(s), if any :
3. Registered Folio No. / *DP ID No. & Client ID No.
 (* Applicable to members holding shares in dematerialised form) :
4. Number of Equity Shares held :

I / We hereby exercise my/our vote in respect of the Resolutions to be passed through Postal Ballot/remote e-voting (“e-voting”) for the business stated in the Notice dated 24th November 2016 of the Company by conveying my/our assent or dissent to the said resolutions by placing a tick (√) mark in the appropriate box below:

S No.	Description	No. of Equity shares held	I/we assent to the resolution (For)	I/we dissent to the resolution (Against)
1	Closure/Winding up of the Subsidiary Companies			
2	Closure of Operation of the Tractor Division of the Company located at Pinjore, Mohali and Hyderabad			

Place :

Date :

(Signature of the Member)

Last date for receipt of Postal Ballot Form by the Scrutinizer: 28th December 2016 (06.00 p.m. IST)

Electronic Voting Particulars

EVEN (ELECTRONIC VOTING EVENT NUMBER)	USER ID	PASSWORD / PIN

Note: Please read carefully before exercising your vote.

INSTRUCTIONS

I. FOR MEMBERS OPTING FOR E-VOTING

The Company is providing e-voting facility for its members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form ("Form"). For the procedure to be followed for e-voting, kindly refer to Note No. 11 of the Postal Ballot Notice dated 24th November 2016.

(a) In case of Shareholders' receiving e-mail from Karvy:

- (i) Open your e-mail. The login credentials (i.e., user-id & password) will be mentioned in the mail. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following <https://evoting.karvy.com>
- (iii) Put user ID and password as initial password noted in step (i) above. Click Login.
- iv) Members holding shares in Demat/ Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc, on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) You need to log in again with the new credentials
- (vi) On successful login system will prompt to select the evoting event number of HMT LIMITED.
- (vii) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" And casted your vote earlier for any company, then your existing login id and password are to be used.
- (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (ix) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (x) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail: scrutiniserhmt@gmail.com with a copy marked to evoting@karvy.com

(b) In case of Shareholders' receiving Postal Ballot Form by Post:

(i) Initial password is provided in the Postal Ballot Form

Please follow all steps from Sl. No. (ii) to Sl. No. (ix) above, to cast vote.

(ii) please contact toll free No. 1-800-34-54-001 for any further clarifications.

(iii) If you are already registered with Karvy Computershare Private Limited for e-voting then you can use your existing user ID and password for casting your vote

8. Shareholders whose email id is registered with depositories are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from www.hmtindia.com or seek duplicate Postal Ballot Form from M/s Karvy Computershare Pvt Ltd., Registrar & Transfer Agent, unit: HMT LIMITED, Karvy Selenium Tower B, Plot No. 31 & 32 Financial District, Nanakramguda, Hyderabad : 500 032 , fill in the details and send the same to the Scrutinizer.
9. Kindly note that the Shareholders can opt only one mode of voting, i.e., either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Shareholders cast their vote by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by postal ballot will be treated as invalid.
10. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted.
11. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on closing hours of 18th November 2016.
12. The e-voting period commences from 29th November 2016 (10.00 am) and ends on 28th December 2016 (6.00 pm). The e-voting module shall be disabled by Karvy for voting thereafter.