

HMT LIMITED

Good Morning everybody, I am Kishor Kumar, Company Secretary, HMT Limited.

I heartily welcome you all to the 67th Annual General Meeting of HMT Limited being held through Video Conference and Other Audio Video Mode (OAVM) from the Registered Office of the Company at Bengaluru.

This AGM is convened through virtual mode in terms of the directives issued by the Ministry of Corporate Affairs (MCA) as well as SEBI. In line with the said directives, the soft copies of the AGM Notice and Annual Report have been sent through email, to all the members whose email ID are registered with Depositories and the Registrar and Share Transfer Agent (RTA). Access to those members, who have not provided their email ids, has been provided by placing the same on the websites of the Company/ Stock Exchanges NSE and BSE and also on KFIN Technologies Pvt Ltd, the E-voting Agency.

Members are requested to take note of the following for smooth conduct of this AGM

1. The Facility of attending this AGM is on First Come First Basis. All the Members who have joined the Meeting have been placed in mute by default

2. The Question & Answer session shall be held on completion of the proceedings. Once the Question & Answer session starts, we shall announce the names of the speaker shareholders who have registered themselves to speak at the meeting

3. The Speaker shareholders shall ensure that the Audio and the Video are switched-on in the system before proceeding to speak when their name is announced.

4. Since there is no physical attendance of members, there is no requirement of appointment of proxy

The requisite quorum is present; I request our Hon'ble Chairman & Managing Director, Shri. S. Girish Kumar to chair the Meeting and preside over the Meeting.

Now, I request CMD to take over the session

Chairman & Managing Director (CMD):

Good morning to you all. Hearty welcome to all the Shareholders and other Stakeholders of HMT Limited to the 67th Annual General Meeting of your Company

I would like to take this opportunity to wish you all and you family a good time in this pandemic situation.

I will now introduce my colleagues on the Board.

On my right, Shri. Vishweshwar Bhat, Independent Director appointed by President of India is present with me on dais.

On my left, Company Secretary, Mr Kishor Kumar

Additional Secretary and Financial Advisor, Shri. Shashank Priya, Govt. Nominee Director will join in a couple of minutes

Smt. Sujata Sharma, Senior Economic Advisor, Govt. Nominee Director will be joining soon.

Smt. Neera Tomar, is already there, Chairman of Audit Committee and Independent Director is attending this Meeting from Faridabad.

Shri. Ramji Lal, Independent Director on the Board of HMT Limited is attending this Meeting from Mainpuri.

Shri. Amit Varadan, Joint Secretary, Department of Heavy Industry, the Presidential Nominee

representing all the shares held by the President of India is attending this Meeting from New Delhi.
Shri. K. Balaji, Chartered Accountant, Partner, SSB & Associates, Statutory Auditors of the company appointed by CAG

Shri S. Viswanathan, Practicing Company Secretary, Secretarial Auditor & Scrutinizer for the remote e-voting & e-voting at the AGM are also participating in this AGM

Since the requisite quorum is present, as such the Meeting is in order.

I further state that all efforts, feasible under the circumstance have been made by the Company to enable all the shareholders to participate and vote on the Items being considered in the Meeting.

Register of Directors and KMP and Register of Contract & Arrangement are available in electronic mode for inspection at the Meeting.

Members who have registered themselves as speaker can raise queries relating to the Items of the Notice. However, the company reserves the right to restrict the number of questions and number of the speakers, depending upon the availability of time and facilities for smooth functioning of AGM.

However, we will answering all the queries through mail.

With the permission of the Members present, the Notice convening the meeting, Directors Report, Annual Financial Statements for the FY19-20, Auditor's report and Secretarial Audit Report are taken as read, as the same has been already sent to members along with the observations and management reply thereon.

I shall now proceed to brief you on the happenings of the past year.

Chairman's Speech

Dear Shareholders, Ladies and Gentlemen. It gives me pleasure to extend warm welcome to each one of you and on behalf of the Board of the Directors as well as my personal behalf to the 67th Annual General Meeting of your company. I take this opportunity to convey my best wishes to all person here and those participating virtually as well as those who are not able to participate. I thank all the person who are associated with the organization.....

The Notice convening AGM, the report of the Directors, Auditors and the audited accounts for the year ended 31st March 2020 has already been provided to all the shareholders of the Company and with your permission, I take them as read.

Global Outlook

After collapsing in the first half of the year, the economic output recovered following the easing of measures deployed to contain the COVID-19 pandemic and the initial re-opening of businesses. Policymakers reacted rapidly and massively to buffer the initial blow to incomes and jobs and to restore confidence so that economies can recover. The unprecedented policy support by governments needs to become more targeted and be flexible enough to adapt to changing conditions so that increased consumer and business confidence can boost jobs and demand. Growth momentum has started picking up in international markets with easing of restrictions in many countries. However, for some businesses, the Covid-19 has also presented multiple new opportunities.

Indian Economy

In India, growth is estimated to have slowed to 4.2% in FY 2019-20 and output is projected to contract by 9.6% in 2020-21 in view of impact of COVID-19 which would keep private spending and investment lower for longer period. Urban India continues to fight the growing menace of the pandemic, both on the health and the economic front. While addressing issues around Covid-19, along with the containment strategy, the Government took various measures for fiscal stimulus to open up economic activity, such as relief under MNREGA Scheme, Direct Transfer of Cash, Minimum Support Price, Emergency Working Capital to Farmers, Collateral-free automatic loans to MSMEs along with setting up liquidity facilities and partial credit guarantees to NBFCs etc. Also, additional thrust has been placed on corporate social responsibility measures for mitigation of the repercussions of the pandemic. With these, Government aims to achieve progress, prosperity and quantum jump in development.

Manufacturing and impact on Future of Indian Economy

The Government of India has identified manufacturing as critical to the future of the economy. The world after COVID-19 will be different with structural changes in production, consumption and work patterns. A lesson learnt from the Covid-19 crisis is that manufacturers need to be agile in an ever-changing environment to regain their footing amidst continued volatility in costs and policy decisions. While uncertainty may continue in the foreseeable future, the capability of manufacturers to increase resilience in their operations based on their core competencies would yield prosperity to the stakeholders.

Major structural reforms launched by the Government – in agriculture markets, labour laws and definition of MSMEs – provide unparalleled opportunity for this resilient sector to grow and prosper now and thereby contribute to job creation in the primary and secondary sectors. The modified definition of MSMEs facilitates expansion and growth of these enterprises, without fearing the loss of government incentives, thereby avoiding the phenomenon of dwarfs among MSMEs. The resulting economies of scale can enhance productivity without the MSMEs losing out on several government incentives including interest subvention, collateral-free loans, market support, export promotion, preferential procurement in the public sector and enabling of IT ecosystems.

To support this, thrust has been provided to digitisation across areas like the supply chain, communication, marketing, sales etc and for mobilizing partnerships within ecosystems to drive targeted business goals.

HMT's contribution to mitigate Covid pandemic

Your Company also took up the opportunity to address the pandemic with collaborated efforts and developed a UV Disinfection Tunnel in collaboration with Sri Chitra Tirunal Institute, which will help disinfect various touch points of the passengers / people and installed it in various centres including Kochi Airport, Kannur Airport etc. as well as development of Isolation Pods for testing of Covid-19 patients. Your Company has also tied-up with Indian Institute of Technology, Hyderabad for developing 3 Variants of Ventilators which are under trials and testing.

During the Covid-19 period, health and safety of employees, customers and stakeholders has been accorded top priority along with the mission of serving the customers' needs. Your Company

re-started the manufacturing operations at the Units as per the guidelines of National Disaster Management Authority during May 2020 and established standard operating procedures for work under the Covid-19 scenario.

Performance & Business accomplishments

During the year 2019-20, your Company's main business portfolio of Food Processing Machinery business recorded a growth of 23.39% in production (Rs.20.99 Crore in 2019-20 as against Rs.17.01 Crore in the previous year), and 34.59% in Sales (Rs.22.02 Crore in 2019-20 as against Rs. 16.36 Crore in the previous year). The total turnover of the Company for the year 2019-20 stands at Rs. 26.13 Crore as against Rs. 19.60 Crore during 2018-19. The Profit Before Tax during 2019-20 is Rs. 28.04 Crore as against Rs. 25.66 Crore in the previous year. HMT Group of Companies achieved an aggregate Production of Rs.234.41 Crore and Rs. 260.30 Crore of revenue from operations.

The growth of dairy industry is fuelling the demand for equipment in the sector. The Company is bringing out new products and equipments to capture the emerging demand.

Initiatives at the Subsidiaries

The Subsidiaries of your Company undertook several initiatives during the year 2019-20.

Machine Tools Business

HMT Machine Tools Limited achieved Sales of Rs. 176.23 Crore and Production of Rs.213.42 Crore during the period as compared with Rs. 217.41 Crore and Rs. 238.83 Crore respectively during the previous year. The Company' net loss registered at Rs. 98.72 Crore as against Rs. 63.83 Crore in the previous year. The Company procured orders valued Rs.164.96 Crore against Rs. 253.33 Crore in the previous year. The reduction in production and sales as well as increase in loss was mainly due to the effect of Covid-19 as the Company could not complete several finishing and despatch activities in the last quarter due to non-receipt of imported material, inability of customers to come for pre-despatch inspection as well as travel restrictions to send engineers for erection and commissioning.

During the year, the Company entered into tie-ups for development of UV Disinfection Tunnel, Isolation Pods and Ventilators. The Company has provided Industrial Training and Internship to students. The Company also successfully designed, developed and supplied Flow Forming Machine, Directing Gear of Variants like Alpha P7, Talwar, CNC Twin Spindle Cylindrical Grinding Machine and CNC Vertical Facing Mill with 200 Ton Rotary table under "Make in India" Initiative of the Government. Several Technology Tie-ups for technology enhancement and product upgradation are on the anvil.

During the year, the Company has also initiated activities related to plant modernisation at its manufacturing Units and investments have been planned to modernise the plants in a phased manner.

Exports

The other operative subsidiary, HMT (International) Limited has also performed well to achieve

its highest turnover of Rs.67.15 Crore since inception as against Rs. 57.07 Crore recorded in the previous year. The Company has recorded a Net Profit before Tax of Rs.3.88 Crore as against Rs.2.02 Crore previous year.

New orders valued Rs.42.26 Crore have been procured during the year. Agreements have been signed for execution of various projects and supplies abroad and completed certain projects abroad. Several machines have already been supplied under this Agreement and it is expected that the project would be completed during the current year.

Action on directions from Government for Closure of subsidiaries and Tractor Division

As per decision of the Government, the operations of HMT Watches Limited, HMT Chinar Watches Limited, HMT Bearings Limited and HMT Tractor Division have been closed and all the employees have been relieved.

HMT Chinar Watches Ltd has been approved for voluntary liquidation under the provisions of Insolvency and Bankruptcy code 2016 and the Insolvency Professional appointed to finalise the voluntary liquidation of the Company has filed the petition with NCLT.

HMT Bearings Limited has been taken up for closure under section 271 and 272 of Companies Act, 2013 and Consultant appointed for preparation of documents and Petition for Voluntary Winding up has been filed for the same before the NCLT, Hyderabad.

Closure related activities in HMT Watches Limited are under progress, while the Tractor Division has been closed and the plant and township is now part of the Auxiliary Business Division (erstwhile Common Services Division) of the Company.

FUTURE OUTLOOK:

Food Processing Machinery

The growth of food processing industry is fueling the demand for equipment in the sector. HMT Food Processing Machinery Unit at Aurangabad has planned modernization of its Plant and Machinery and is also developing and supplying upgraded / new versions of its products like Homogenizers, Continuous Butter Making Machines, Chillers, etc.

Machine Tools

The machine tool market depends on Capex Plans and investments of its customers. The economic slowdown during 2019-20 is likely to continue during 2020-21 in view of the economic consequences of Covid-19 crisis which would affect the Capex plans of the customers. However, the Company envisages increased revenues, by focusing on sectors and customers for customized hi-tech machines with the inherent capability of in-house R&D, Technology Tie-ups, Joint Working Arrangements, etc.

In view of thrust given by the Government for the Make in India program and monetary stimulus with the aim for ease of doing business increased demand is expected for machine tools by the fourth quarter of 2020-21. The pending Orders for Machine Tools is over Rs.300 Crore as on 30.9.2020.

Your Company is pursuing indigenization and technology absorption through In-house Research

& Development, Technology tie-ups and Joint Working Arrangements and new product development to meet the needs of Defence, Power, Aerospace, Railways, Nuclear sectors, etc and reduction in import content in Machine Tools Sector. Further, the Company plans to setup Vocational Training Centres for Machine Tools in Capital Goods Sector as well as Skill Development Centres, R&D Centres, Common Facility Centres and Incubation Centres. In this direction, the Company has plans to develop Technology Portal viz., “HMT TechPort” to promote collaboration and sharing of knowledge, expertise and experience amongst Industries, R&Ds, Academia, MSMEs, Start-ups, Professionals, Students etc. along with the policy makers in the Machine Tool Sector.

Exports Business

The Company is gearing up to increase its revenues in the coming years by taking up HMT’s products and other Engineering Goods to newer destinations and to take up more turnkey projects in under-developed and developing countries. HMT(I)’s orders pending stands at Rs.53.40 Crore as on 30.9.2020.

Your Company will continue to strive for a consistent growth rate to match the expectations of its stakeholders. While your 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.

The performance of the Company is measured in terms of the economic, environmental and societal parameters augurs will to reinforce the image of HMT as a socially responsible Corporate Entity. Sustainability in HMT is the continuing commitment to behave ethically and contribute towards economic development while improving the quality of life of its employees, their families and the local community and society at large. The philosophy of greening the environment will continue in the near future.

Corporate Governance

Your 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.

Acknowledgement

I take this opportunity to express my sincere gratitude for the immense support received by your Company from the Hon’ble Minister for Heavy Industries & Public Enterprises, the Secretary (Heavy Industry), the Joint Secretary and other Officers in the Department of Heavy Industry as well as the Department of Public Enterprises in the Ministry of Heavy Industries & Public Enterprises as well as Ministry of External Affairs. I am also grateful to the officers in the Ministry of Finance, the Comptroller & Auditor General of India and the Statutory Auditors etc., for all their support for smooth operations of the Company. I sincerely thank the State Governments concerned, Joint Venture Partners, Suppliers, Banks and Financial Institutions for their valuable assistance and support. The valued customers of the Company both in India and abroad deserve

special mention for their continued patronage.

I would also like to express my sincere thanks and appreciation to my esteemed colleagues on the Board and to all HMTians, and their families, for unswerving commitment, continued co-operation and for maintaining cordial relations during the year.

I also thank all the other stakeholders for their valuable support, cooperation 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, your Company will deliver its responsibilities and enhance value to its stakeholders.

I thank you once again for your continued faith in HMT and its management. I wish you and your family members all the best!

CS will now brief you on the Business Items as mentioned in the notice, for consideration and approval of members and also give a brief of the instapoll process.

CS: There are 8 business items for your consideration and approval, comprising 3 Ordinary Business items and 5 Special Business items, as proposed in the notice of AGM. Item Nos. 1 to 7 are proposed as Ordinary Resolutions and Item No.8 is proposed as a Special Resolution.

Ordinary Business Items and resolutions proposed are

Item No.1: To receive, consider and adopt:

- a. The Audited Standalone Financial Statements for the financial year ended March 31, 2020 and the reports of the Directors' and Auditors' thereon;
- b. The Audited Consolidated Financial Statements for the financial year ended March 31, 2020 and the report of Auditors' thereon;

“RESOLVED THAT the Annual Standalone Financial Statements for the financial year ended March 31, 2020 and the report of Directors' and Auditors' thereon and the Annual Consolidated Financial Statements for the financial year ended March 31, 2020 and report of Auditors' thereon; along with the comments of C&AG be and are hereby received, considered and adopted.”

Item No. 2: To appoint a Director in place of Shri. S. Girish Kumar (DIN. 03385073), who retires by rotation and being eligible has offered himself for re-appointment.

“RESOLVED THAT Shri. S. Girish Kumar (DIN. 03385073), who retires by rotation and being eligible has offered himself for re-appointment be and is hereby appointed as Director of the Company.”

Item No. 3: To authorize the Board of Directors to fix the remuneration of the Independent Auditors' appointed by C&AG of India for the year 2020-2021.

“RESOLVED THAT pursuant to Section 142 and other applicable provision of the Companies Act,2013, the Board of Directors be and are hereby authorized to fix the remuneration of Statutory

and Branch Auditors' appointed by the Comptroller and Auditor General of India for the Financial year 2020-21."

Special Business Items and resolutions proposed are:

Item No. 4: To appoint Shri. Shashank Priya (DIN: 08538400), as Director of the Company.

"RESOLVED THAT Shri. Shashank Priya (DIN: 08538400), who was appointed as Part time Official Director pursuant to Article 67 of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013 w.e.f. 01.10.2019 to hold office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation."

Item No. 5: To appoint Ms. Sujata Sharma (DIN: 08863845), as Director of the Company.

"RESOLVED THAT Ms. Sujata Sharma (DIN: 08863845) who was appointed as Part time Official Director pursuant to Article 67 of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013 w.e.f. 30.09.2020 to hold office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation."

Item No. 6: To appoint Shri. R. Vishweshwar Bhat (DIN No. 07271510), as Director of the Company.

"RESOLVED THAT Shri. R. Vishweshwar Bhat (DIN No. 07271510), who was appointed as Non-Official Independent Director pursuant to Article 67 of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013 w.e.f. 27.01.2020 to hold office upto the date of this Annual General Meeting be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation."

Item No. 7: To appoint Shri. Ramji Lal (DIN No.08690278), as Director of the Company.

"RESOLVED THAT Shri. Ramji Lal (DIN No.08690278), who was appointed as Non-Official Independent Director pursuant to Article 67 of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013 w.e.f. 05.02.2020 to hold office upto the date of this Annual General Meeting be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation."

Next item is the Special Resolution

Item No. 8: To consider and, if thought fit, to pass with or without modifications the following as a Special Resolution:

"RESOLVED THAT in reconfirmation of the resolution passed at the Extra-Ordinary General

Meeting of the Company held on 21st July, 2004, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) and other applicable provisions if any, of the Companies Act, 2013 & Articles of Association of the Company, to the Board of Director of the Company to borrow from time to time any sum or sums of money together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; provided that the total amount of moneys borrowed by the Company shall not at any time exceed the limit of Rs.1100,00,00,000/- (Rupees One Thousand One hundred Crores only)"

Further, in line with the provisions of the Companies Act 2013, the Company has provided remote evoting facility to the members for casting their votes on these resolutions. Such Remote evoting was made available to the members from 17th November, 2020 at 9.00 a.m. to 19th November, 2020 till 5.00 pm.

In addition, the Company has arranged for Instapoll for all the resolution items to be passed at the Meeting. The Facility of Instapoll is made available on the Video conference screen; same will be activated once the instapoll period is announced at the close of the Meeting. Members who have not cast vote during evoting period may cast their vote through instapoll after announcement at the Meeting.

Shri. S. Viswanathan, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinizing the remote e-voting & e-voting instapoll at the AGM.

On receipt of scrutinizers report, the combined results of remote e-voting & Instapoll at the AGM would be announced within the statutory period to the stock exchanges, and also it will be uploaded on the website of the Company and the M/s KFin Technologies Private Limited.

Now I request the Hon'ble CMD to explain the objective and implication of the resolutions before they are put to vote at the Meeting

Chairman and Managing Director:

Resolution No. 1 to 3 pertains to Ordinary Business items which include:

Item No.1: Annual Financial Statement i.e. Audit Standalone and Consolidation for the FY2019-20.

Item No. 2: Since I am interested in the proposed resolution, I request Shri. R. Vishweshwar Bhat, Independent Director to chair the Meeting and conduct the proceedings.

Shri. R. Vishweshwar Bhat: Thank you Sir, Item No. 2 pertains to appointment of a Director in place of Shri. S.Girish Kumar, who retires by rotation and being eligible, has offered himself for

re-appointment.

I request the Hon'ble CMD to resume the chair & conduct further proceedings.

Item No. 3 - Fixation of Remuneration of Auditors appointed by C&AG for FY2020-21.

Resolutions No. 4 to 8 pertain to Special Business, which include appointment of Shri. Shashank Priya, Ms. Sujata Sharma, Shri. R. Vishweshwar Bhat and Shri. Ramji Lal as Directors, who were appointed as Additional Directors since last AGM.

Resolution No. 8 is pertaining to grant of borrowing powers to the Board of Directors upto a limit of Rs.1100 crores under the provisions of Section 180(1)(c) of the Companies Act, 2013.

Explanatory statement for the special businesses is available in the Notice of AGM.

Now we invite registered speakers to give their comments, suggestions, queries one after another. We will listen to the speakers queries, comments and respond. Members are requested to take not more than 2-3 minutes for raising their queries or suggestions. Kindly make queries be specific and business item or make the query be very brief as possible. We need more members to participate.

Questions & Answers:

Speaker 1:

Mr. Santhosh Kumar Saraf: (Spoke in local language/Translated)

Namaskar, Respected Chairman, (inaudible) and my shareholders brothers and sisters. My name is Santosh Kumar Saraf and I am talking from Kolkata (inaudible) Sir, I am speaking in Hindi, hope you don't have any problem. Sir I hope all our directors and employees and stakeholders are safe and healthy (inaudible) Sir, I have written and sent a letter in English. If you have any issues please refer to it sir. I will only tell few points; rest are written in the letter. First is please let us know what steps are taken for cost cutting in COVID-19 pandemic uncertainty situation in companies, what steps are taken by management for minimum impact and effect on business and Activities of Company across business, Board of directors could think about cut in their remunerations, director's sitting fees, Commissions etc. by 30% in this COVID-19 pandemic period when business suffering in a very tough time to survive. Sir, I want to clarify one thing. I am attending the meeting for the first time and it is possible because of the video conference or else it would not have happened. What are reasons that management failed to run company properly and closed other sectors like famous watches and bearing and tractor divisions when all other companies like Titan watches, Timken bearing, Swaraj and Escort Tractors are running smoothly and growing day by day and making good income and paying dividend but such a big company like HMT is closing other sectors and if this continues next may be other HMT divisions like Food processing division and Machine Tools. I still remember the olden days when we had HMT watches and was world famous for brands like Janata and (inaudible). We are not able to see

those watches. In the same way, we used to see HMT Tractors but they are not to be seen now. (Inaudible) Sir kindly let me know the steps taken by the management under Atmanirbhar Bharat to stop further decrease in employment which is decreasing since 2008 year after year and decreased by 96%, now stands only 91 total employees as on 31st March 2020. Being a Government company, we have to increase the employment and what is your plan to increase numbers by creating new jobs. Nothing much, I request for the success of the company. HMT was a world famous company and we are proud of it but we feel sad now. I also request you to continue this video conference meeting as it is very good and less expensive and Directors need not go outside and less risky as they need not worry about rain, etc. Even we people living in rural places spread all over India can talk freely. Otherwise people from Bangalore can only attend the meeting. I request you to continue this Video conference meeting (Inaudible) and please see the future. Future is very good for India because of Atmanirbhar Bharat and people are inclining more towards Indian products and I would like to see the Watch company and other sectors to reopen again and I wish the Company and the Board of Directors and all employees of company and related persons stay safe and healthy and a great success and prosperity in the coming future & forget Covid. Jai Hind, Jai Bharat, Jai Sri Ram, Namaskar

CMD: Thank you very much Mr. Santhosh Kumar Saraf. I will be answering after hearing all the questions.

Speaker 2:

Mr. Abhishek.J:

This is Abhishek Shareholder of the company my DPID is IN301637 and client ID is 41359155. I have around 30 shareholders in my family and all our favour the board for all the resolutions. I wish all the best for you and your family in the challenging situation our company deserves much more respect in the current market after completing more than a decade of successful operations, profitability and becoming one of the strongest brands in the respective industry segment. So, we are disappointed that the management is not able to declare any dividend to the minority investor fraternity who have work stayed with the company since a very long time and each and every year, I personally come to Bangalore from all the way from Chennai to attend the annual general body meeting of HMT Limited and each and every year we are having given a lot of suggestions and ideas and to the management for the best performance of the company in coming future. But we are not able to see any much results from the output from the company that I would like to know from the management any salary cut is being done by the management taken by the management any salary cut is being done for the employees as well and any employees are sacked, hired, salary cut, I would like to know from you sir and what is the view of the management going forward sustainment of the profit earning growth will remain challenging in the coming quarters and so, then the inspection document is to be made available like register of members, register of KMP and register of contracts if any with the KFin portal where the shareholders get access, but we cannot see the documents are made available there. So, I would request the management to kindly make it available for the inspection of the shareholders and every year of management has been giving good hospitality to the shareholders. So, I would request the

management this year even though during them due to the pandemic, we are meeting virtually, I would request the management to please continue the hospitality and it should be provided to the shareholders as it is being provided year on year and nothing much to ask I hope that the company will be giving a good dividend to the investor fraternity in the upcoming years. Nothing much was I wish the company and the Board of Directors a great success and prosperity in the coming future. Thank you for giving me opportunity sir.

Speaker 3:

Mr.Abhishek :

..(inaudible) when is management going to declare dividend to the investors fraternity when can we expected dividends from the investor point of view because our competitors are performing very well and doing good and I would like to know when dividend will be declared to investors fraternity. Where do you see the light in the end of the tunnel and what will be the broad diversity in the first half and second half it will be that kindly give us the capacity utilization in percentage for the month of April May June 2020 during the pandemic corona virus and subsequent lockdowns have virtually no industry until after the COVID. How many employees we have sacked, hired on salary cuts, I would like to know what is the cost cutting initiatives done by the management and what are the management efforts to improve of working capital, sales capital ROC, EBITDA and interest coverage ratio and we are being requested for the factory visit to the management for the past several years. Every year you are promised that it will definitely be done, but it is not done so far...(inaudible) and this not the right time for the management to conduct factory visit. I would request the management to please arrange for factory visit as soon as the pandemic ends what are the management efforts to improve our company administration exercise like con call and quarterly presentation to the global investors. I would request the management to provides the details of the current and non-current liabilities. If it is there in the Annual report, you can help me out with the page number because since it is e-report, it is quite difficult...(inaudible) easy for us to refer the pages and what are the steps taken by the company to reduce the contingent liability and it would be better if the CS can arrange a video call with the Legal head to know the perspective in our and what are the efforts to reduce other expenses, legal professionals charges...(inaudible) and audit duty. What are the suggestions, new and existing directors are bringing on the table to take the company to the next phase of growth or to guide the new generation and whether there was an appointment is being done...(inaudible) what is our policy related to dividend in our company...(inaudible) Nothing much to ask, on the hospitality, I request the management to please continue with the good hospitality. This time, due to pandemic I request the management for the better hospitality to the shareholders till the pandemic ends. Nothing much to ask, I wish the company and the Board of Directors the great success and prosperity in the coming years. I would the request the management to kindly provide the appointment...(inaudible)when we are in Bangalore. Nothing much to ask. Thank you very much.

Answers :

So, thank you very much to all the shareholders and with the queries raised by three of our valued

shareholders, I'm answering in Toto. what happen know even HMT you may be knowing that last three years HMT holding companies is making profit last year also we made a profit better than previous year and in the case of HMT International also, highest turnover since inception from 1974 this is the highest Turnover. In case of HMT Machine Tools also in the year 2018-19, we could achieve an operational profit of around 11 crores and last year 2019-20 march, this pandemic situation started in March first week. So, almost if you see in the past also every year, March is a month when actually HMT Machine Tools can could dispatch maximum that means around 30% of the sales turnover could be done only in march, all these years actually, we were doing that way and this year also, we thought we never expected that this pandemic situation will spoil our total working atmosphere and even we were not able to get this imported items which were lying in Bombay port, we were not able to clear it and we will not able to assemble the machine. Moreover, the machines which were assembled during March nobody none of the customer can depute their people for inspecting the machine and even production facility was totally hampered from 19th of March onwards and All the employees of the company will be working 24 hours from 15th of March to 31st of march to complete all the missions which we were not able to do. Because of that situation HMT Machine Tools was not able to achieve operational profit, which has really affected our cash flow, I can say that in fact our working capital system is also reduced even we were not able to pay salaries to employees also for next April May and Sundry Debtors collection during actually when we are dispatching this 30% of the total sales in March, we will be getting 70% of the payment during April, May which was not possible in this year. So first quarter was very bad. In fact, somebody was asking about capacity utilization. Capacity utilization for April is zero May is zero only 27% in June, and now it is improved. In the second quarter we started picking up even if you look into the figures of HMT Machine Tools or even the HMT Holding company also it's picking up and HMT Machine Tools is not picking up the way it was supposed to and even now also the customers are not deputing their people to inspect the machines. what we have designed is in July we have designed a virtual inspection of all the machines and our people will be inspecting the machines and as customers can vouch it, and even the all the readings everything they can see it visit virtually and based on that, we are making the components parts also we are doing and these people will be giving clearance for dispatchment. Even though we got the clearance for dispatching the machines, the machines were dispatched and were not able to depute our people to erect and commission the machine. In fact, almost all machines were supplied to defense and defense is also not giving a clearance for deputing the people for erection & commissioning. Recently, I think actually August onwards they have given clearance and people should test their COVID-19 test, then actually they have to first quarantine for 7 days then they are providing accommodation in their guest house like that way we are deputing our people to Ordinance Factory, Ambajhari, HVF all these places and all they are doing the erection commissioning September October it is going on and you are asking about how many people were sacked and how much salary cut. Probably all the stake holders may be knowing that HMT Machine Tools is in 97 scale and HMT International and HMT Holding company is in 2007 scale which is not very lacerative scales compared to other public sectors. But However the efforts taken by all of our employees is much more than those who are getting 2017 scales because I tell you the number of employees required for running all five or six Machine Tools factories is around 2800. we are all left with only 959 employees as far as we are concerned. even last year also almost 200 employees were retired. Usually, we have a manpower

study, in the manpower study the employees in force and actually employees really required for running the organization as per our plan, it is a huge difference is there, if you see that your requirement and the actually employees is only 30% So, we have in a phased manner we have started recruiting people, you can see the impact of recruitment of people in the year 2018-19. we have recruited in two phases. We have recruited MTech engineers maybe around 73 people of which many people have left also but because of their support, we could achieve operational profit in the year 2018-19. So, employee because all this HMT Machine Tools is coming under a capital goods sector and human labour is much more than any other work you can see without the manpower we are not able to assemble the machines and all even the manufacturing and assembly needs skilled manpower. So, we thought Actually, we wanted to have an edge over other machine tools builders in India, we want to have technical people as far as our army strengthening is concerned, their output as per our honorable Prime Ministers Atmanirbhar Bharat and Make in India program we have developed so many Machines in the last two years, if you see them, we have supplied machines to ISRO which was used for our manufacture of Chandrayan 2 and we have developed a machine, which is the first time in India that has been given to OF Ambajhari, there is a flow forming machine as for the honorable Ministers of our prime ministers make in India programme we have developed and in fact HMT Kalamassery also we have developed even directing gears of various types, which in worldwide only two suppliers are there. all these things we could achieve only because of the induction of or even an infusion of MTech employees, because they youngster and all we are giving them trainees and they will be developing these new designs and all which is used for developing new machines, even that and that will pay a way for India to become self-sufficient in Machine Tools Industry also. Definity HMT is looking for supporting government of India as generally, HMT machine tools is in particular, Machine Tools sector we wanted to see that we are all free from imports and all of we wanted to see the zero imports should be there. Somebody was mentioning about dividends, in fact, the last year also I told, last three years, maybe 2017-18,18-19,19-20 only HMT holding company could make profit. Even this year, really I wanted to pay dividend because even though we have profit this year, because of the pandemic situation, we have to support our fully owned subsidiary of HMT Machine Tools, where actually we were not able to pay for retired employees arrears and even salary is also a problem, even MSME sector we have to support them even all the stakeholders we are supporting them at least within the country. Otherwise, I would have declared a dividend this year probably I am sure that next year even now also HMT holding company picked up, first half is good compared to previous first half of last year. So I'm sure that this year also we will achieve more profit than last year. So this year 2020-21 i will definitely paying dividends, you can just make a note of that and I am not telling that how much percentage. At least I will try to pay dividend in the year 2020-21. Next is you're talking about hospitality, actually, nobody's able to do any hospitality in this pandemic situation, travels are totally blocked, erection commission people are not getting deputed and even we are not paying even to our board members also, board members remuneration is very nominal compared to all other Public sectors HMT is paying very, very minimal. I can say that compared to all other Schedule A companies of Maharatna, Mini Ratna companies we are paying 20 to 25% of that remuneration only. And even, but, because of this Pandemic situation there is a blessing in disguise, because we are not spending any money for any board meeting, we have 5 companies 5 subsidiaries are there, we don't have any expenditure towards that, only virtual board meeting and they are very

cooperative and virtual meeting also they are spending time with us and they are giving valuable suggestions for the improvement of the company and the salary cut and other things cost reduction activities and if you see that HMT has started doing so many cost reduction activities one is even our machines also, our one team is development, Corporate team to do Value Engineering of all our products. So that basically their aim is to cut 30% of cost of production and they're on the job and second thing is even our contract workers and other workers we have reduced by 50% and we are not taking any contract and all we are assigning a small work only they have to complete the work in 3 months that way we have reframed them, so that these people can complete the work in one month or two months which is not a problem and four things in fact that zero defects we have implemented in our companies factories, if one component is rejected, we have to make a suitable component as an NC component, So that there is no defect, practically, if you see that previously 3-5% registered rate was there which is now practically aiming for NIL atleast now we will be reaching 1% only in the foundry area it is having some impact and hospitality is not there we are not doing anything for even no dairy no calendar nothing we are not giving any gift to any of the people and that way we are doing a good job. And as far as our colony is concerned, we are in fact street light are cut in the night 10'clock and we have ensured that all our employees staying in the quarters, they are maintaining maximum discipline and minimum expenditure towards electricity and water and for which they are also paying we are not giving any extra wages to any of our employees and voluntarily our union people those who are working with the company they have agreed to work overtime. Actually, we have really lost around three months, I can say that many of our factories were under lockdown because of this pandemic situation and all it is coming under difficult source and in that situation we were forced to close this company factory for 1 or 2 weeks and voluntarily our unions and employees have agreed to work on Saturday Sundays and overtime how much they loss is compensate lost in time that is another thing and that I have to appreciate their voluntarily taking up by our employees and how many employees recruitment. In fact, as I told you, we are working with 30% employees only. Recruitment in a phased manner, we have already notified about this phase work with minimum cost only, I'm not telling that we have to recruit at least a 40% or 50% of the people to be there as against the retired force and we are advertised but we are delaying the process even though we are conducting the interview and all. What we are thinking is that we will be taking only in the year 2021-22, by that situation will be improved So that without even the retirement is also as I told you last year 200, this year also 230 people will be retiring and all. So HMT will be with only few people handful people without engineers technical people and all, even Management team also required to run the company because that is the great protection for the company to grow in the future with our honorable prime ministers vision, HMT has to play a vital role in the future to see that India is a self-reliant country compared to other because we are also in the process of making new development for the means of going to the older traditional way and then factory visit as somebody was mentioning about factories visit a definitely it is not a big issue for us to give you an opportunity for visit the factories and all, actually I'll tell you one thing February 7 is HMT Foundation Day and I don't know whether by that time pandemic situation will be over. if it is possible, I can allow the stakeholders if they can come and see any of the factories we have factories all over India, I can say that in Kerala there is a factory at Ernakulum, Bangalore, Karnataka there is a factory and Hyderabad in Telangana we have a Factory and Rajasthan, Ajmer we have a factory and Pinjore we have a factory and Aurangabad, Maharashtra also we

have a factory. If any of the people, those who are nearby they want visit, we can arrange it please be Feel free to talk to our company secretary it would be organized if otherwise the situation it becomes normal definitely will be arranged it's not an issue for us also you can also see because you are the stakeholders you can definitely see the factories and then Purchase Committee and you are telling that we have to. See what you know, when we are purchasing we have to see government is also supporting the MSME sector because that they are the backbone of industries and we have to pay make payment within 45 days and 60 days which is mandatory, but HMT in this difficult situation we are not able to meet the requirements are above and we have already discussed with the many of the banks and they have come forward as per our finance ministers this things and some moratorium also there, which we are utilizing, we are addressing the issues one by one definitely I think situation is only a temporary phase of the company as well as in the India also we will come out of that, probably we are all anticipating 2022-23 and onwards it's a boom is coming and even though we are telling a meltdown in the last quarter, there is small dip in the GDP. All this will be over by 2022-23 and all. So 2022-23 will be a boom for HMT as well as the world also. We will see that. And you're talking about ROC Register keeping already my company secretary is telling that you can visit there it is already there. if you have a real problem in visiting that site please talk to our company secretary we will be arrange and the appointment as I told you this and I think we have already talked about conducting AGM expenditure, AGM expenditure compared to last year I can say that 8,70,000 in the year 2019 this year just 4.93 lakhs and 4.93 lakhs also we have to arrange this the virtual Conference through Karvy. That is that payment only otherwise there is no expenditure towards travel or any even our Independent Director, Mr Vishweshwar Bhat has come on his own car So there is no expenditure we are not being given any gifts also. But somebody was mentioned Mr. Abhishek was mentioning we have to give something for this. In this Pandemic situation, kindly bear with us, we are not giving anything to any of the people including our own you are the owner so you can decide that. But if the situation improves, we can do something. I can't say this but we will do something and I am not telling that, but we will compensate this loss in the year 2021. I think hope I addressed all the issues. if anything is there, you can write to our company secretary we will send them mail separately and thank you very much for At least querying us to improve our performance also. Also, we are very much happy for you because I think anything criticizes very good for correcting us also our support. Because we feel that you're really taking forward the company to great heights. Thank you

CS: Now I request Shri. R. Vishweshwar Bhat Sir, Independent Director to propose the vote of thanks.

Vote of thanks from ID:

Respected Chairman & Managing Director, Shri Girish Kumar Ji, My other colleagues in the Board of Directors of HMT Ltd, Shri. Amit Varadan, Joint Secretary, DHI, Presidential Nominee for all the shares held by the President of India, Shareholders & other delegates

Ladies and Gentlemen,

I consider it a great privilege to propose a vote of thanks on this 67th AGM convened through virtual mode.

I thank Shri Girish Kumar, Chairman & Managing Director of our Company for Chairing and Presiding over the meeting. My thanks to all the Board Members who have been a guiding force in managing the affairs of the Company.

I thank Shri. Amit Varadan, Joint Secretary, Department of Heavy Industry, Government of India and Nominee of President of India for his presence in today's meeting.

My special thanks to our esteemed Shareholders for their active participation in this virtual meeting.

I also convey my thanks to the Auditor & Secretarial Auditor for their wholehearted cooperation in conducting the Annual General Meeting successfully.

I also convey my thanks to the Officials of the Department of Heavy Industry and Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises and Ministry of External Affairs and also Ministry of Finance who have extended wholehearted support in the managing the affairs of the Company.

I also convey my thanks to M/s. KFIN Technologies Pvt Ltd for assisting in the smooth conduct of the related activities in this Annual General Meeting convened through virtual mode.

I also convey my thanks to our Administration, Security and other personnel for the services rendered in making all the arrangements for the Annual General Meeting and successful completion.

I thank you all, once again. All the Best

C & MD:

I thank Shri. Vishweshwar Bhat, for proposing the vote of thanks

The Instapoll evoting facility will be open for the next 15 minutes for those who have not cast their votes through remote evoting and thereafter meeting will be closed.

Thank you very much for being us and sharing your valued time. Thank you very much

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