

## **68<sup>TH</sup> AGM OF HMT LIMITED**

**CS:** Good Morning everybody, I am Kishor Kumar, Company Secretary, HMT Limited. I heartily welcome you all to the 68<sup>th</sup> Annual General Meeting of HMT Limited being held through Video Conference and Other Audio-Visual 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 for attending this AGM is on First Come First Served Basis. All the Members who have joined the Meeting have been placed on 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. The facility of e-voting at the AGM (instapoll e-voting) for members who have not cast their votes through remote e-voting is available till conclusion of the meeting
5. 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. A K Jain to chair the Meeting and preside over the Meeting.

Now, I request CMD to take over the session

### **CMD:**

Very Good Morning to all, I welcome all the Shareholders and Stakeholders to the 68<sup>th</sup> Annual General Meeting of your Company.

I would like to introduce my Directors on the Board.

Sitting with me on the right side, **Smt. Neera Tomar**, Independent Director& Chairman of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee.

**Shri. Jeetendra Singh, Joint Secretary, Ministry of Heavy Industry**, Govt. Nominee Director & the Presidential Nominee representing all the shares held by the President of India is attending this Meeting from New Delhi through VC.

**Shri. Ramji Lal**, Independent Director is attending this Meeting from Mainpuri.

**Shri. K. Balaji**, Chartered Accountant, Partner, SSB & Associates, Statutory Auditors, **Shri S. Kedarnath** from S. Kedarnath & Associates, Secretarial Auditor & **Shri. D. Venkateswarlu**, Practicing Company Secretary, Scrutinizer for the remote e-voting & e-voting at the AGM are also participating in this AGM.

Since there is required, 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 members 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.

It is informed that Company has arranged instapoll e-voting at the AGM on all the 5 resolutions to be passed at the Meeting, same has been activated on commencement of the AGM.

The Notice convening the meeting, Directors Report, Annual Financial Statements for the FY20-21, Auditor's report and Secretarial Audit Report has been already sent to members, with the permission of members, same has been taken as read.

Company Secretary will now read the observations made in the reports of the Statutory Auditor & Secretarial Auditor.

**CS:** Observations of Statutory Auditor, M/s. SSB & Associates in their Audit Report are

**1. Food Processing Machinery Unit, Aurangabad**

*As per information and explanation given to us with regard to Inventory valuation as stated in Note No. 1.9 stock of raw material, it is valued by adopting Weighted Average Cost method. However, in the inventory statement provided for verification, correctness of rates of stock items could not be verified due to absence of sufficient and appropriate audit evidence. Owing to the nature of Company's records and in the absence of sufficient audit evidence, we are unable to ascertain any material departure from the Weighted Average Cost Method adopted by the company. Consequently, we are unable to ascertain its impact, if any, on the Standalone Ind AS financial statements.*

**2. Auxiliary Business Division, Bengaluru**

- a. *The inventory valuation as on 31.03.2021 include inventories valued as per Valuation report dated 30.03.2020 amounting to Rs.2,69,55,167/-. Consequently, we are unable to ascertain the impact due to deviation in Inventory valuation on the Standalone Ind AS Financial statements as on 31.03.2021.*
- b. *The unit has not carried out any assessment on Impairment of Fixed assets as required under Ind AS 36 Impairment of Assets. Consequently, the impact if any, on impairment of Fixed assets on the Standalone Ind AS Financial statements cannot be quantified*

**3. Corporate Head Office and Company as a whole**

- a. *Non-confirmation of balances of Trade Receivables, Loans and Advances, Trade Payables and other Current Liabilities and its consequential impact if any on the Standalone Ind AS financial statements cannot be quantified.*
- b. *The Company has not disclosed as required in Schedule III of Companies Act, 2013 in the following matters:*
  - i. *Total outstanding dues of Micro and small enterprises on the face of the Balance sheet and*

- ii. *Current tax Asset/Liability on the face of the Balance sheet.*
- c. *The Company has not provided status quo of Nigeria Machine Tools Ltd. and Gujarat State Machine Tools Corporation Ltd. in which company has invested. Consequently, we are unable to comment on the impact of the same on Standalone Ind AS financial statements.*

*Indian Accounting Standards*

- d. *Employer and Employee contribution towards Provident Fund is transferred and invested in Provident fund Trust which is a defined benefit plan. The company has not obtained Actuarial Valuation Report as per Ind-AS 19 and has not accounted for actuarial gain or loss.*
- e. *The company for Impairment on Financial Assets as per Ind-AS 109 has to apply expected credit loss (ECL) model for measurement and recognition of impairment loss. However, as per the information and explanation given to us no ECL matrix was prepared for the period under audit for creating provision for loss allowance. Hence, we are unable to ascertain its impact, if any, on the Standalone Ind AS financial statements.*

Replies by the management to the observation have been covered in the Directors' Report in page no. 35 to 37 of the Annual Report.

*C&AG has given the NIL Comment on the Financial Statements of the Company.*

Observations of M/s. Kedarnath & Associates, Secretarial Auditor in their report are

1. *The Company has not complied with the requirement that there shall be atleast one independent director of the listed entity on the board of unlisted material subsidiary as per the Regulation 24(1) of SEBI (LODR) Regulations 2015.*
2. *The Company being a listed company is required to have atleast 25% Public Shareholding (Other than Promoter) as per the regulation 38 of Rule 19 (2) of the Securities Contracts (Regulation) Rules, 1957. However, the public shareholding is 21.38%.*
3. *Payments delayed beyond 45 days to Small Scale Enterprises coming under Micro, Small and Medium Enterprises Development Act, 2006 in some cases.*

Replies by the management to the observation have been covered in the Directors' Report in page no. 42 of the Annual Report.

Further in the Corporate Governance Certificate issued by M/s. SSB & Associate, Chartered Accountant, it has been pointed out that:

*The company not complying with the provisions of SEBI Regulation 24(1) regarding compliance of at least one independent director of the listed entity as director on the Board of Directors of material subsidiary as defined in explanation to regulation 24(1).*

Replies by the management to the observation have been covered in the Directors' Report in page no. 28 & 29 of the Annual Report.

## **Over to CMD**

### **CMD:**

My dear shareholders,

It is my proud privilege and honour to lead the growth initiatives of HMT after taking over the responsibility on 1<sup>st</sup> August 2021. I take this opportunity to welcome you all on my and board of director's behalf. I convey my best wishes to you all and pray for your health and wellbeing. This year was most challenging in the history of HMT as the business was impacted due to onslaught of Covid. But now we are already witnessing early sign of recovery and hope to pick up the momentum and move fast. The big movement in vaccinations drive will make the situation better day by day.

The Notice convening AGM, the report of the Directors, Auditors and the audited accounts for the year ended 31st March 2021 has already been provided to all the shareholders of the Company and with your permission, I take them as read.

### **Global Outlook**

After witnessing the severe impact, growth momentum has started picking up in almost all markets. Restrictions are easing in many parts of the world which will enable supply chain to move strongly leading to overall growth. Global manufacturing is also showing signs of recovery as it witnessed around 2.4 % growth year on year in the fourth quarter of 2020.

### **Indian economy**

Growth Output is projected to grow by 9.4% for the year 2021-22 as the domestic economic activities have started normalising with the ending of second wave of the virus and phased reopening of economy. The announcement by government for a special economic and comprehensive package for Atmanirbhar Bharat including measures taken by RBI amounting to about Rs. 27.1 lakhs crore package to combat the impact of Covid 19 and to revive the economic growth. This type of strong impetus will definitely ensure revival and promote all-round industry. Further, strong push for vaccination will ensure safety and health of our people and enable the overall growth.

### **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. While the second wave is expected to upset economic growth, the overall impact is expected to be moderate as businesses and States have adjusted their businesses and cycles to the COVID situation prevalent.

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. 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**

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. Your company provided exclusive medical insurance for its employees and family members. Covid Care Centre was set up in a separate block in our existing hospital at Bengaluru to cater to the emergent medical needs during this pandemic.

### **Performance & Business accomplishments**

During the year 2020-21, your Company's main business portfolio of Food Processing Machinery recorded a decline of 26.68% in production (Rs. 15.39 Crore in 2020-21 as

against Rs. 20.99 Crore in the previous year), and 14.12% in Sales (Rs. 18.91 Crore in 2020-21 as against Rs. 22.02 Crore in the previous year). The total turnover of the Company for the year 2020-21 stands at Rs.23.46 Crore as against Rs. 26.13 Crore during 2019-20. The Profit Before Tax during 2020-21 is Rs. 31.58 Crore as against Rs. 28.04 Crore in the previous year. HMT Group of Companies achieved an aggregate Production of Rs. 176.59 Crore and Rs. 203.89 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 2020-21.

### **Machine Tools Business**

As you know, HMT Machine Tools Ltd contribute maximum to the revenue in the HMT Group of Companies. HMT Machine Tools Limited achieved Sales of Rs.166.19 Crore and Production of Rs. 161.20 Crore during the period as compared with Rs. 176.23 Crore and Rs. 213.42 Crore respectively during the previous year. The Company' net loss registered at Rs. 132.79 Crore as against Rs. 98.72 Crore in the previous year. The Company procured orders valued Rs.115.20 Crore against Rs.164.96 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. We all know, it impacted across the country and across the world. HMT also one of them. Technology Tie-ups for technology enhancement and product upgradation are on the anvil.

### **Exports**

The other operative subsidiary, HMT (International) Limited has achieved a turnover of Rs.19.83 Crore as against Rs. 67.15 Crore recorded in the previous year. The Company has recorded a Net Profit before Tax of Rs. 1.20 Crore as against Rs. 3.88 Crore previous year.

The subsidiary has signed orders of Rs. 41.59 Crore. 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. Company is working on many fronts in overseas market to enhance its business. HMTI was affected because there was

restriction on the people going abroad. This has affected mainly our business operation in HMT International Ltd.

### **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. NCLT Hyderabad has passed order for winding up of HMT Bearings Limited and has also appointed Insolvency professional (IP) to act as Company Liquidator for the purpose. The Insolvency professional has initiated the winding up proceeding.

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.

### **I MOVE ON TO FUTURE OUTLOOK FOR THE COMPANY:**

#### **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. The Company is aggressively working on taking turnkey projects for milk processing and milk powder area to enhance its business. This is the key area which we are trying so that our operations can scale as the complete project is involved major work in the milk processing & milk power plant. The Company has already started working in this area and hopeful to get good business in this segment.

## **Machine Tools**

The machine tool market depends on Capex Plans and investments of its customers. As the situation is improving, 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 during 2021-22. The pending Orders for Machine Tools is over Rs.285.40 Crore as on 31.07.2021.

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. Mostly machines were imported in this sector, we have taken up the challenge to develop this machines with our inhouse technology and R&D to get big market. 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. We all know there is big crux in the skill India movement and that will avail for the company to fetch good amount of business to set up the skill centre and that we are in all the areas of the skill development as for as manufacturing sector is concerned.

The Company is making many new product developments especially in railways, nuclear and defence sector to make strong foothold and enhance business outlook. Machine tools sector remains bullish as demand in Auto, Railway, Defence and other areas is increasing. Also, the focus on Skill Development will bring in many new projects which augur well for the company. Focus will be on enhancing the delivery and service performance and spares area along with the new development, Technology tie-ups and product upgradation.

In this direction, the Company has taken up development of Technology Portal viz., "SURGE" with assistance from DHI 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. We all know that Machine Tools business is going to be a major crux for the Company



basically for enhancement of our existing machine tools production, developing of new projects, skill development in the areas we are focusing to hence the business. Also, we are focusing on the sectors like Railways, Defence, Aerospace and Nuclear to make enrol in those areas.

### **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. 38.98 Crore as on 31.07.2021.

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 well 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.

### **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 and guidance received by your Company from the Hon'ble Minister for Heavy Industries, Hon'ble Minister of State for Heavy Industries, the Secretary (Heavy Industries), Additional Secretary & Financial Adviser, the Joint Secretary and other Officers in the Department of Heavy Industry 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 gratitude and appreciation to my esteemed colleagues on the Board and to all **HMTians**, for 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 continual support and patronage and assure them of our commitment to meet their expectations.

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 all for the continued faith in HMT and its management. As we move ahead and celebrate India's 75<sup>th</sup> year of Independence, I greet you and your family members and wish you 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 e-voting process.

**CS:**

There are 5 business items for your consideration and approval, comprising three Ordinary Business items and two Special Business items, as proposed in the notice of AGM. All are proposed as Ordinary Resolutions.

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 31,2021 and the reports of the Directors' and Auditors' thereon;
- b. The Audited Consolidated Financial Statements for the financial year ended March 31, 2021 and the report of Auditors' thereon;

*"RESOLVED THAT the Annual Standalone Financial Statements for the financial year ended March 31, 2021 and the report of Directors' and Auditors' thereon and the Annual Consolidated Financial Statements for the financial year ended March 31, 2021 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. Shashank Priya (DIN:08538400), who retires by rotation and being eligible has offered himself for re-appointment.

*“RESOLVED THAT Shri. Shashank Priya (DIN:08538400), 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 2021-2022.

*“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 2021-22.”*

Special Business Items and resolutions proposed are:

**Item No. 4:** To appoint Shri Jeetendra Singh (DIN:09207792), as Director of the Company.

*“RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder and in terms of Ministry of Heavy Industries order dated 15th June 2021, Shri Jeetendra Singh (DIN:09207792), be and is hereby appointed as Part time Official Director, liable to retire by rotation and in terms and conditions as may be stipulated by the Government of India”*

**Item No. 5:** To appoint Shri.A.K. Jain (DIN: 09262984), as Director of the Company.

*“RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder and in terms of Ministry of Heavy Industries order dated 30th July 2021, Shri A.K. Jain (DIN: 09262984), be and is hereby appointed as Chairman & Managing Director (Additional Charge), liable to retire by rotation and in terms and conditions as may be stipulated by the Government of India, from time to time”*

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 26th October, 2021 at 9.00 a.m. to 28th October, 2021 till 5.00 pm.

In addition, the Company has arranged for Instapoll e-voting during the AGM for all the resolution items to be passed at the Meeting. The Facility of Instapoll e-voting during the AGM is made available on the Video conference screen, same has been enabled on commencement of the AGM. Members who have not cast vote during remote evoting period may cast their vote through instapoll e-voting.

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

On receipt of scrutinizers report, the combined results of remote e-voting & Instapoll e-voting 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**

**CMD:**

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

**Item No.1:** Annual Financial Statement i.e., Audited Standalone and Consolidation for the FY2020-21.

**Item No. 2:** Appoint a director in place of Shri. Shashank Priya (DIN:08538400), who retires by rotation and being eligible has offered himself for re-appointment

**Item No. 3** - Fixation of Remuneration of Auditors appointed by C&AG for FY2021-22.

**Resolutions No.4 & 5** pertains to Special Business

**Item No.4:** Pertaining to appointment of Shri. Jeetendra Singh as Director, who was appointed as Additional Director since last AGM.

**Item No. 5:** Since I am interested in the proposed resolution, I request Smt. Neera Tomar, Independent Director to chair the Meeting and conduct the proceedings.

**Smt. Neera Tomar:**

Thank you, Sir, Item No. 5 is pertaining to appointment of Shri. A.K. Jain as Chairman & Managing Director (Additional Charge), who was appointed as Additional Director since last AGM.

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

**CMD:**

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

**Now, we invite the registered speakers to provide their comments/suggestion/queries one after another. We will listen to all the speaker's query/comments and respond at the end.**

Members are requested to take not more than 2-3 minutes for raising their queries/suggestions. Kindly make the query brief and specific to the business Items of the Meeting or make the query as brief as possible to enable more members to participate.

**CS:** Now I request the Moderator to invite the speakers one by one.

First Shareholder: Mr. Ajay Kumar Jain. (*Hindi Translated*)

Mr. Ajay Kumar Jain, a shareholder from Delhi. I am happy to join this AGM. I have received a copy of the Annual report via email and find that the financials and projections are quite clear and I would like to congratulate the Finance Department for a good job. Now, I have no questions to be asked about the company, as the presentation was very clear and all my existing questions were addressed. Your speech was quite exciting, and it reflects good corporate governance being followed in the company. I congratulate you. Our beloved Prime Minister has talked about Atmanirbhar Bharat and HMT had in the past played a good role and hope that it will continue to do so in the future as well. I have a request - HMT may consider giving HMT watches which are still proudly owned by many to its shareholders at concession rates. Under the leadership of CMD and Joint Secretary, the Presidential appointee the company has received good stewardship. I request that the CMD's speech could be shared with the shareholders via email. I would also like to congratulate the Company Secretary department for having regularly providing information about the company to the Stock Exchanges and updating the same. Under your leadership, I am sure the current management team shall do well. It's Deepavali time and as the lamps are lit the

darkness goes away, similarly under your leadership the company will also prosper, with this I would like conclude, Jia Hind.

Pls connect to Mr. Santosh Kumar Saraf

Second Shareholder: Mr. Santosh Kumar Saraf (*Hindi Translated*)

Mr Santosh Kumar Saraf: At the outset I would like to share my condolence message to the employees and their family members for loss of lives due to Covid. I thank you for the wonderful presentation. I want to know the percentage of contribution of Food processing in the total income of HMT. Why has HMT closed the Tractor Division and why we failed on that front? Had we continued, we could have been part of Atmanirbhar Bharat in this segment. What steps are being taken by the company in the direction of Renewable Energy? What steps the company for Rain Harvesting? What steps are being taken to reduce the use of Single use Plantia. Covid? - What did we learn from Covid and what are the future preparations if a similar epidemic hits the company? HMT has Land Banks at various locations - What are the plans for the same in future? When would HMT come back as a dividend paying company? For those who could not take Covid 2nd dose - what are the plans in such cases? Since the Company started using non-physical AGMs - How much funds has been saved by the company. I again want to reiterate that the company would do well under the leadership of the CMD. What are the plans to improve the ratio of female employees in the company? The percentage of female employees is small and even the government encourages that they can work in factories as well. Our Prime Minister also says that women power should be encouraged. What are your plans on this front? I would like to end by wishing all the very best, Happy Deepawali and Happy Bhai Dhuja. Jai Hind, Jai Bharat.

Moderator: Pl connect to Manjeet Singh

No response received.

Question and Answer session concluded

**CMD:**

First of all, I would like to thank all the speakers, honorable shareholders who have put in their time today and expressed their view. I would like to thank Mr. Ajay Kumar Jain for the words and feelings towards HMT and feel proud for the positive feedback given. We hope to strive forward to fulfill your aspirations. As you rightly told Atma Nirbhar Bharat of our Prime Minister is a good effort. As per the new guidelines from Government of India, if any company in India intends to purchase machine tools products of value less than Rs. 200 crores, then procurement has to be made in India and if not available, only then, they can be imported after Government approval. Due to this initiative, we are hopeful to get good businesses. As I told in the speech, there are four important sectors i.e., Defence, Railways, Aerospace and Nuclear which used to procure machineries in high value. We are in discussion with Company Officials in these sectors and making effort to develop the machines with less cost, indigenous technology and fulfill the mission of Atma Nirbhar Bharat of our Prime Minister and also export the machines to other countries. The whole team of HMT is working hard to make this possible. HMT Watches is called 'Desh ki Dadkan' and people feel proud to wear HMT watches even now and we have also launched new series of 'Amrut' watches on 15<sup>th</sup> August 2021 on the occasion of Amrut Mahotsav and prices of HMT Watches are very reasonable compared to others brands in the market. We have given 10% off on the launch price. We will try best possible concessional price that can be given to our shareholders for purchase of HMT Watches.

Next speaker was Mr. Santosh Kumar Saraf who also spoke good about the company. We will be taking up big projects in Food Processing Unit very soon. Dairy Industry is a very big industry in

India and our contribution is small compared to others, but we are motivating our unit to take up conceptual, commissioning and supply of all equipments and will get good revenue in this and contribute to HMT growth story. Presently, Food Processing business is in the range of Rs. 20 Crore and we will try to take it high. With regard to Tractor Division, this division was running under loss from several years, it was unsustainable and was difficult to continue operations, hence decision was taken to close. We have plans to utilize the tractor plants and machineries and in this direction, we have already released the publication through MSTC website to find the suitable tenant who can use these plant and machinery and provide us revenue. With regard to Renewable Energy and Rainwater Harvesting, we are planning how to install solar in our plant and on empty spaces. About learning from Covid, we have never seen Covid like drastic situation in the world, we have learnt how to work in every situation by following covid guidelines, our supply chain were blocked, work from home issues, offers were submitted by work from home etc. Covid has taught us how to move forward in these situations, to be self-sustained and to pre-plan our logistics to move ahead whatever the situation could be. Most of the employees are vaccinated and also installed camps in office and will make sure its 100% complete. Women employees are less in machine tools since its more of a blue-collar job but we are not having any recruitment as of now. As the recruitment starts, we will look into it strive towards women empowerment. All the women employees in our office work with determination. I hope I have given replies to all your questions. If there is anything else, you can contact directly for giving us ideas to move ahead and you don't have to wait for AGM. On behalf of HMTL and my behalf I wish everybody a Happy Diwali in advance and celebrate the festival with happiness. *(Hindi Translated)*

No more questions will be taken up now. We have replied to majority of the queries. If we have not replied to any questions, we will send it by email to respective members.

**CMD:** Now I request Smt. Neera Tomar, Independent Director to propose the vote of thanks.

**Vote of thanks from Smt. Neera Tomar, Independent Director, ID:**

Respected Chairman & Managing Director, Shri A.K. Jain, My other colleagues in the Board of Directors of HMT Ltd, Shareholders & other delegates, Ladies and Gentlemen,

I consider it a great privilege to propose a vote of thanks on this 68<sup>th</sup>AGM convened through virtual mode.

I thank Shri A.K.Jain, 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.

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

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

I also convey my thanks to the Officials of the Ministry of Heavy Industry 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.

**CMD:** I thank Smt. Neera Tomar, 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.

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