

REVISED INDEPENDENT AUDITOR'S REPORT

[Issued Consequent to Audit Enquiries vide letter dated 20.06.2022 by Office of the Director General of Commercial Audit, AG's Office Complex, Saifabad, Hyderabad and it supersedes our Independent Auditor's Report Dated 18.05.2022]

To The Members of HMT (INTERNATIONAL) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of HMT (International) Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of the Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We

are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read

the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- ❖ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal financial control relevant to the audit in order to design

audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to

evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) In our opinion, based on the Notification No. GSR 829(E) dated 21-10-2003 issued by the Department of Company Affairs, Government of India, the requirements under sub-section (2) of section 164 of the Companies Act, 2013 do not apply to the Company, being a Government Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
- (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) Omitted
- (e) Management has represented that
- a. To the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity (ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- b. To the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person (s) or entity (ies) including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever

- by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries; and
- c. Based on the audit procedure we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause i) and ii) contain any material misstatement.
- (f) The company has not declared or paid any dividend during the year in compliance with section 123 of the Companies Act, 2013.
- (g) The company has used such accounting software for maintaining its books of account which as a feature of recording audit trail (edit log) facility and the same has been operated through the year for all transaction recorded in the software and the audit trial feature has not been tampered with and the audit trial has been preserved by the company as per statutory requirements for record retention.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For G P S V & Co.,

Chartered Accountants

FRN - 013175S

UDIN: 22222219AMANVD8541

Patil Narahari Laxmanrao

Partner

M No - 222219

Place: Bengaluru

Date: 30-06-2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HMT (International) Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HMT (International) Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company and its joint operations companies incorporated in India (retain as applicable) based on our audit. We conducted

our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's

judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial

reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting,

including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G P S V & Co.,

Chartered Accountants

FRN - 013175S

UDIN: 22222219AMANVD8541

Patil Narahari Laxmanrao

Partner

M No : 222219

Place: Bengaluru

Date: 30-06-2022

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HMT (International) Limited of even date)

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. These fixed assets have been physically verified by the management at reasonable intervals as per the assets's verification program having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. The title deeds, comprising all the immovable properties are held in the name of the Company as at the balance sheet date.
- d. The Company has not revalued its fixed assets during the financial year and hence reporting under clause 3 (1) (iv) of the Order is not applicable to the Company.
- e. There are no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and hence reporting under clause 3 (1) (v) of the Order is not applicable to the Company.
2. a. Physical verification of inventory has been conducted at reasonable interval by the management. No material discrepancies has been noticed on such verification.
- b. The Company has not availed any working capital loan facility from banks or financial institutions and hence reporting under clause 3 (2) (ii) of the Order is not applicable to the Company.
3. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. According to information and explanations given to us, the Company has not granted any loans, made any investments, extended any guarantees and provided any security to or on behalf of the parties referred in section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits from the public.
6. According to the information and explanation given to us, for the activities carried out by the Company, the Central Government has not prescribed the maintenance of cost records, under Section 148 (1) of the Act.
7. According to information and explanations given to us in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
 - c. According to the information and explanations given to us and based on the examination of the records of the Company, there are no dues in respect of income tax or goods and service tax or sales tax or service tax or duty of customs or duty of excise or value added tax, which have not been deposited with the appropriate authorities on account of any dispute.
8. During the year the Company has not accounted, any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments

under the Income Tax Act, 1961 (43 of 1961), and hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government.
10. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
11. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officer or employees has been noticed or reported during the course of our audit.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
14. The Company have an internal audit system commensurate with the size and nature of its business. Further, we have considered the reports of the internal auditors for the period under audit.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors and persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
17. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the year and also in the immediately preceding financial year.
18. There is no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xiii) of the Order is not applicable.
19. According to the information and explanations given to us and based on our examination of the records of the Company, financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, there are no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. According to the information and explanations given to us and based on our examination of the records of the Company, Section 135 (5) of the Companies Act, is not applicable to the Company. Accordingly, paragraph 3 (xx) of the Order is not applicable.
21. There are no qualifications or adverse remarks by us in the Companies (Auditor's Report) Order (CARO) reports of the Company. Accordingly, paragraph 3 (xxi) of the Order is not applicable.

For G P S V & Co.,

Chartered Accountants

FRN - 013175S

UDIN: 22222219AMANVD8541

Patil Narahari Laxmanrao

Partner

M No : 222219

Place: Bengaluru

Date: 30-06-2022

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HMT INTERNATIONAL , BENGALURU FOR THE YEAR ENDED 31 MARCH 2022

The preparation of financial statements of HMT International Limited, Bengaluru for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India Section 139 (5) of Act are responsible for expressing opinion on the financial statements on Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 30 June 2022 which supersedes their earlier Audit Report dated 18 May 2022.

I, on behalf of the Comptroller and Auditor General of India , have conducted a supplementary audit of the financial statements of HMT (International) Limited for the year ended 31 March 2022 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

In view of the revision made in the Statutory Auditors Report to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the Statutory Auditors Report under Section 143 (6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

A handwritten signature in black ink, appearing to read 'M.S. Subrahmanyam'.

(M.S. Subrahmanyam)

Director General of Commercial Audit
Hyderabad

Place : Hyderabad
Date : 05 July 2022

NOTE - 2

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31st MAR 2022**BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis and in accordance with the provisions of Companies Act, 2013.

For all periods up to & including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

A. PROPERTY, PLANT AND EQUIPMENT-IND AS 16

Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation to date. Cost includes direct costs and financing costs related to borrowing attributable to acquisition that are capitalized until the assets are ready for use.

Assets at Foreign Branch acquired after 31.03.1991 are stated at the applicable rates of exchange on the date of acquisition.

B. INVENTORY - IND AS 2

Inventories are valued at lower of cost and net realizable value.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

C. FINANCIAL ASSET - TRADE AND OTHER RECEIVABLES - IND AS 32

- i) The provision is made for all Trade and Other Receivables considered doubtful of recovery having regard to the following considerations:
 - a) Time barred debts from the Government / Government Departments/Government companies are generally not treated as doubtful debts.

- b) Where debts are disputed in legal proceedings, provision is made if any decision is given against the company even if the same is taken up on appeal to higher authorities / courts.
- ii) Provision for bad and doubtful debts is generally made for debts outstanding for more than three years, excepting those which are contractually not due as per the terms of the contract or those which are considered realizable based on a case to case review.
- iii) The debts which are partially settled due to the disputes or court settlement or otherwise including from the Govt/Govt Department/Govt Companies are charged off to the Statement of Profit and Loss in the year of settlement.
- iv) The extent of provision required to be made in the books of accounts will be decided on a case to case basis based on the age of the debts after careful review of all related aspects covering the dues.

D. FOREIGN CURRENCY TRANSACTIONS-IND AS 21

Functional Currency : The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees.

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in

which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

E. DEPRECIATION - IND AS 16

Depreciation on Property, Plant and Equipment is provided on straight line basis over the useful life of the various assets as prescribed in Schedule II to the Companies Act, 2013, pro-rata with reference to the date of addition or deletion. As and when Property, Plant and Equipment gets fully depreciated, Rs. 1/- is retained as book value of the Property, Plant and Equipment. Property, Plant and Equipment costing less than Rs. 10,000/- shall be depreciated to Re.1/- in the year of purchase.

Each part of an item (also known as 'Component') of Property, Plant & Equipment (PPE) with a cost that is significant in relation to the total cost of the item and has different useful life from that of the PPE it shall be depreciated separately.

F. WARRANTIES - IND AS 37

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

With regard to turnkey projects implemented by the company, warranty provision at the rate of 2 percent of the purchase value is provided.

G. REVENUE RECOGNITION- IND AS 115

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

SALE OF GOODS

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company recognises the Sale of Goods based on:

- 1) Physical delivery of goods to the customer/ customer's carrier/common carrier, duly supported by invoice, excise duty paid challan, gate pass, delivery voucher and LR / GR, in case of ex-works contracts.
- 2) LR/GR obtained and endorsed in favour of customer (consignee 'self'), in case of FOR destination contracts.

Despatches to dealers/customers in respect of Machines & Tractors.

However, GST /sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Rendering of Services: Revenue from sale of services is recognised by reference to the stage of completion. Stage of completion is measured by services performed to date as a percentage of total services to be performed.

Extended Warranty :

When the company sells extended warranty, the revenue from sale of extended warranty is deferred and recognised over the period covered by the warranty. Where extended warranties are included in the price of the product and provide protection in excess of that provided by normal terms and conditions of sale for the relevant product, the company will separate and account for these two items separately.

H. EMPLOYEES BENEFITS - IND AS 19

Provident fund is provided for, under a defined benefit scheme. The Contributions are made to the Trust administered by the Company.

Leave encashment is provided for under a defined benefit scheme based on actuarial valuation.

Gratuity is provided for under a defined benefit scheme, to cover the eligible employees, liability being determined by actuarial valuation conducted by LIC of India and is remitted to the Approved Trust.

Settlement allowance is provided for, under a defined benefit scheme, to cover the eligible employees, liability being determined on actuarial valuation.

Pension is provided for under defined contributions scheme, contributions are made to the Pension Fund administered by the Government.

I. TAXES - IND AS 12

Current Taxes: Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to

compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax: Deferred income tax assets and liabilities are recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Where deferred tax asset is recognised against unabsorbed depreciation or carry forward of losses under tax laws, it is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

J. EARNINGS PER SHARE - IND AS 33

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Balance Sheet as at 31st March 2022

(Rs. In Lakhs)

	Note No.	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
ASSETS			
1			
Non-current assets			
(a) Property, Plant and Equipment	3	435.25	447.90
(b) Other non-current assets	4	35.00	76.19
Financial assets			
Other financial assets	9	259.58	235.91
		729.83	760.00
2			
Current assets			
(a) Inventories	5	3.75	132.76
(b) Financial assets			
(i) Trade receivables	6	1,147.46	1,615.12
(ii) Cash and Cash Equivalents	7	3,137.88	2,900.37
(iii) Bank Balances other than Cash and Cash Equivalents			
(iv) Loans	8	-	-
(v) Other Financial Assets	9	44.63	63.10
(c) Other current assets	10	461.18	457.77
		4,794.90	5,169.12
TOTAL ASSETS (A + B)		5,524.73	5,929.12
EQUITY AND LIABILITIES			
1			
Equity			
(a) Share Capital	11	72.00	72.00
(b) Other equity	12	3,606.37	3,645.18
Total equity		3,678.37	3,717.18
2			
Non-current liabilities			
(a) Provisions			
(i) Provision for Employee benefits	13	144.41	143.71
(b) Deferred tax liabilities (net)		42.97	46.27
Total Non-Current Liabilities		187.37	189.98

Balance Sheet as at 31st March 2022

(Rs. In Lakhs)

3	Current liabilities			
	(a) Financial liabilities			
	(i) Trade payables	14	651.47	911.43
4	Other Current Liabilities	15	957.27	1,042.20
5	Provisions			
	(i) Provision for Employee benefits	13	43.44	33.33
	(ii) Current Tax Liabilities (net)		6.80	35.00
	Total Current Liabilities		1,658.98	2,021.96
	Total liabilities		1,846.36	2,211.94
C	TOTAL EQUITY AND LABILITIES (A + B)		5,524.73	5,929.12
	Notes forming part of Financial Statements	1		
	Significant Accounting Policies	2		

For and on behalf of the Board

 As per our report of even date
 For GPSV & Co.,
 Chartered Accountants (FRN 013175 S)

A.K. JAIN
 Chairman & Managing Director
 DIN NO : 09262984

SRIKAR K REDDY
 Director
 DIN NO : 08822924

PATIL NARAHARI LAXMAN RAO
 Partner (M.No.222219)
 UDIN :22222219AJFPRN9951

Y.K. VAISH
 GENERAL MANAGER (O&M)

G. DURGA DEVI
 DEPUTY MANAGER (FINANCE)

Place : Bengaluru
 Date : 18.05.2022

Statement of Profit and Loss for the Year ended 31st March 2022

(Rs. In Lakhs)

	Note No.	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
CONTINUING OPERATIONS			
(a) Revenue from operations	16	1,091.24	1,983.48
(b) Other income	17	265.52	361.49
Total Income		1,356.76	2,344.96
EXPENSES			
(a) Cost of Goods Traded, Service and Works	18.a	756.46	1,602.50
(b) (Increase)/decrease in inventories of finished goods and stock in trade	18.b	129.01	181.85
(c) Employees' benefits expense	19	303.38	295.04
(d) Depreciation and amortization expense	20	12.66	13.80
(e) Finance Cost	21	-	-
(f) Other expenses	22	126.92	131.52
Total expense		1,328.43	2,224.70
Profit/(loss) before exceptional items and tax from continuing operations		28.33	120.26
Share of (profit)/loss of an associate and a joint venture		-	-
Profit/(loss) before exceptional items and tax from continuing operations		28.33	120.26
Exceptional items		-	-
Profit/(loss) before tax from continuing operations		28.33	120.26
(1) Current tax		6.80	35.00
(2) Adjustment of tax relating to earlier periods		3.58	-12.10
(3) Deferred tax		-3.30	0.42
Income tax expense		7.08	23.32
Profit for the year from continuing operations		21.25	96.94
DISCONTINUED OPERATIONS			
Profit/(loss) before tax for the year from discontinued operations		-	-
Tax Income/ (expense) of discontinued operations		-	-
Profit/(loss) from discontinued operations		-	-
Profit/(loss) for the year		21.25	96.94
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Re-measurement of the net defined benefit liability/asset		-	-
Equity instruments through other comprehensive income		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-

Statement of Profit and Loss for the Year ended 31st March 2022

(Rs. In Lakhs)

	Note No.	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans	22	-60.06	7.47
Income Tax effect		-	-2.06
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-60.06	5.41
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-38.81	102.35
Profit/(loss) for the year			
Attributable to:			
Equity holders of the parent		21.25	96.94
Total comprehensive income for the year			
Attributable to:			
Equity holders of the parent		-60.06	7.47
Earnings per share for continuing operations			
Basic, profit from continuing operations attributable to equity holders of the parent		2.95	13.46
Diluted, profit from continuing operations attributable to equity holders of the parent		2.95	13.46
Earnings per share for discontinued operations			
Basic, profit from discontinued operations attributable to equity holders of the parent		-	-
Diluted, profit from discontinued operations attributable to equity holders of the parent		-	-
Earnings per share from continuing and discontinued operations			
Basic, profit for the year attributable to equity holders of the parent		2.95	13.46
Diluted, profit for the year attributable to equity holders of the parent		2.95	13.46
Notes forming part of Financial Statements	1		
Significant Accounting Policies	2		

For and on behalf of the Board

 As per our report of even date
 For GPSV & Co.,
 Chartered Accountants (FRN 013175 S)

A.K. JAIN
 Chairman & Managing Director
 DIN NO : 09262984

SRIKAR K REDDY
 Director
 DIN NO : 08822924

PATIL NARAHARI LAXMAN RAO
 Partner (M.No. 222219)
 UDIN : 22222219AJFPRN9951

Y.K. VAISH
 GENERAL MANAGER (O&M)

G. DURGA DEVI
 DEPUTY MANAGER (FINANCE)

Place : Bengaluru
 Date : 18.05.2022

Statement of Cash Flows for the Year ended 31st March 2022

(Rs. In Lakhs)

	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
Operating activities		
Profit before tax from continuing operations	28.33	120.26
Profit/(loss) before tax from discontinued operations	-	-
Profit before tax	28.33	120.26
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	12.66	13.80
Profit on sale of assets	-	-0.06
Finance Income (Interest)	151.63	-176.26
Working capital adjustments:		
(Increase)/Decrease in Trade Receivables and other receivables	459.03	-169.62
(Increase)/Decrease in Inventories	129.01	181.85
Increase/(Decrease) in Trade and other payables	-344.89	-2,225.61
Increase/(Decrease) in Net Employee Defined Benefit Liabilities	-49.25	-4.59
	386.53	-2,260.25
Income tax paid	-38.58	-118.90
Net cash flows from operating activities	347.95	-2,379.15
Investing activities		
Purchase of property, plant and equipment		-3.97
Other Current Assets	41.19	-33.95
Interest received	-151.63	176.26
Net cash flows used in investing activities	-110.44	138.34
Financing activities		
Dividend paid	-	-18.00
Interest paid	-	-
Net cash flows from/(used in) financing activities	-	-18.00
Net increase in cash and cash equivalents	237.51	-2,258.81
Cash and cash equivalents at the beginning of the year	2,900.37	5,159.18
Cash and cash equivalents at year end	3,137.88	2,900.37

For and on behalf of the Board

As per our report of even date
For GPSV & Co.,
Chartered Accountants (FRN 013175 S)

A.K. JAIN
Chairman & Managing Director
DIN NO : 09262984

SRIKAR K REDDY
Director
DIN NO : 08822924

PATIL NARAHARI LAXMAN RAO
Partner (M.No.222219)
UDIN : 2222219AJFPRN9951

Place :
Date :

Y.K. VAISH
GENERAL MANAGER (O&M)

G. DURGA DEVI
DEPUTY MANAGER (FINANCE)

Notes forming part of Financial Statements

3. Property, Plant and Equipment

	Building	Interior Decoration	Factory Equipments	Furniture, Fixtures, Computers including Software Office Equipments and Measuring Instruments			Vehicles	Total
				INR Lakhs	INR Lakhs	INR Lakhs		
At 1 April 2020	676.75	41.61	0.61	105.58	15.67	840.22		
Additions	-	-	-	4.03	-	4.03		
Disposals	-	-	-	7.83	-	7.83		
Gross Block at 31st March 2021	676.75	41.61	0.61	101.78	15.67	836.42		
At 1 April 2021	676.75	41.61	0.61	101.78	15.67	836.42		
Additions	-	-	-	-	-	-		
Disposals	-	-	-	-	-	-		
Gross Block at 31st March 2022	676.75	41.61	0.61	101.78	15.67	836.42		
Depreciation and impairment								
At 1 April 2020	220.43	41.61	0.59	104.23	15.67	382.53		
Depreciation charge for the Year	11.27	-	0.02	2.51	-	13.80		
Disposals	-	-	-	7.83	-	7.83		
Depreciation Reserve at 31st March 2021	231.70	41.61	0.61	98.91	15.67	388.52		
At 1 April 2021	231.70	41.61	0.61	98.91	15.67	388.52		
Depreciation charge for the year	11.27	-	-	1.38	-	12.65		
Disposals	-	-	-	-	-	-		
Depreciation Reserve at 31st March 2022	242.97	41.61	0.61	100.30	15.67	401.17		
Net Book Value								
At 31st March 2022	433.78	-	-	1.48	-	435.25		
At 31 March 2021	445.05	-	-	2.87	-	447.90		

Notes forming part of Financial Statements

	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
4. Other Non Current Assets		
Gratuity	35.00	76.19
Total Other Current Assets	35.00	76.19
5. Inventories		
Finished Goods- Machineries not Shipped	3.75	132.76
Finished Goods- Machineries not Shipped	3.75	132.76
6. Trade Receivables		
Secured and Considered Good	1,147.46	1,843.75
Unsecured, considered good	-	-
Doubtful	-	-
Receivables from related parties	-	-228.63
Total Trade Receivables	1,147.46	1,615.12

6A Trade Receivables Agewise details as at the end of current financial year.

Particulars	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed - Considered good	253.13	624.97	-	-	269.36	1,147.46
Undisputed - Considered doubtful	-	-	-	-	-	-
Disputed - Considered good	-	-	-	-	-	-
Disputed - Considered doubtful	-	-	-	-	-	-
	-	-	-	-	-	-

Notes forming part of Financial Statements

	31/03/2022	31/03/2021
	INR Lakhs	INR Lakhs
7. Cash and Bank Balances		
A. Cash and Cash Equivalents		
Current accounts	26.28	146.75
Deposits with Maturity Three months or less	204.15	187.52
Cash and Cheques on hand	-	-
B. Bank Balances other than Cash and Cash Equivalents		
Deposits with maturity more than three months but less than 12 months (including Earmarked Accounts)	2,907.45	2,566.11
Total Cash and Bank Balances	3,137.88	2,900.37
8. Loans		
Non-current	-	-
Current		
Inter-corporate Loan to HMT Limited	-	-
Total Current Loans	-	-
Total Loans	-	-
9. Other Financial Assets		
Non-current		
Deposits with Banks exceeding twelve months of maturity	246.53	225.00
Interest accrued and due	13.05	10.91
Total Other Non - Current Financial Assets	259.58	235.91
Current		
Interest accrued and due	44.63	63.10
Total Other Current Financial Assets	44.63	63.10
Total Other Financial Assets	304.21	299.01
10. Other Current Assets		
Deposit	0.05	0.05
EMD	0.05	0.05
Claims towards refund of service tax	0.27	0.27
Claims receivables	11.27	10.95
Export Incentives receivables	1.78	2.04
Advances to employees	11.11	2.06
Others		
Advances paid to suppliers / services providers	2.76	2.94
Advance Service Tax	27.46	27.46
GST Receivable	94.90	82.68
Income Tax Refundable	283.99	322.57
TDS (AY 2022-23)	13.34	-
IGST Tds Under GSTR 7A	4.30	-
Prepayments	9.90	6.70
Total Other Current Assets	461.18	457.77

Notes forming part of Financial Statements

11. Equity Share Capital

Authorised share capital

	Equity Shares	
	No. in Lakhs	INR Lakhs
At 1st April 2021	80.00	800.00
Increase/(decrease) during the year	-	-
At 31 March 2022	80.00	800.00
Issued equity capital		
Equity shares of INR 10 each issued and fully paid	No in Lakhs	INR Lakhs
At 1st April 2021	7.20	72.00
Increase/(decrease) during the year	-	-
At 31 March 2022	7.20	72.00

The Company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

Details of shareholders holding more than 5% Equity shares in the company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No. in lacs	% holding in the class	No. in lacs	% holding in the class
HMT Limited & its nominee	7.2	100	7.2	100

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31/03/2022	31/03/2021
	No. in Lakhs	No. in lakhs
Cash	0.005	0.005
Issued for consideration other than cash	0.295	0.295
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	6.900	6.900
TOTAL	7.200	7.200

Statement of Changes in Equity

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid	No. in lakhs	INR lakhs
Changes in equity share capital during the year		
At 1st April 2021	7.20	72.00
Changes in equity share capital during the year		
At 31st March 2022	7.20	72.00

Notes forming part of Financial Statements

12. Other Equity



	Reserves and Surplus		Other Comprehensive income		
	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of Comprehensive Income	Total equity attributable to equity holders of the company
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Balance as of 1st April 2020	3,065.26	543.94	-	-48.36	3,560.83
Transfer to General reserve					-
Remeasurement of the net defined benefit liability/asset, net of tax effect				5.41	5.41
Dividends including (DDT) (2019-20)		-18.00			-18.00
Profit for the period		96.94			96.94
At 31 March 2021	3,065.26	622.88	-	-42.95	3,645.18
Balance as of 1st April 2021	3,065.26	622.88	-	-42.95	3,645.18
Transfer to General reserve					-
Remeasurement of the net defined benefit liability/asset, net of tax effect				-60.06	-60.06
Dividends including (DDT) (2020-21)		21.25			-
Profit for the period					21.25
At 31 March 2022	3,065.26	644.13	-	-103.01	3,606.37

Notes forming part of Financial Statements

(Rs. In Lakhs)

	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
13. Provision for Employee Benefits		
Non-Current		
Gratuity	64.55	80.29
Earned Leave Encashment	54.89	54.00
Settlement Allowance	24.97	9.42
Total Non Current	144.41	143.71
Current		
Gratuity	21.29	19.12
Earned Leave Encashment	20.64	13.45
Settlement Allowance	1.51	0.75
Total Current	43.44	33.33
Total Net employee defined benefit liabilities	187.85	177.04

14. Trade payables

Trade Payables	270.87	299.20
Micro, small and medium enterprises	273.03	612.23
Payable to related parties	107.57	-
Total Trade payables	651.47	911.43

14 A Trade Payable Agewise details as at the end of current financial year:

Particulars	Outstanding for the following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	more than 3 years
MSME	91.37	181.67	-	-
Others	80.83	297.61	-	-
Disputed dues - MSME	-	-	-	-
Disputed dues - Others	-	-	-	-
Total	172.20	479.27	-	-

Notes forming part of Financial Statements

(Rs. In Lakhs)

	31/03/2022	31/03/2021
	INR Lakhs	INR Lakhs
15. Other Current Liabilities		
Current		
Revenue received in advance	419.22	498.66
Due to Holding Company	190.22	115.76
Salaries and arrears payable	48.14	55.67
Statutory Dues Payable	-	-
Earnest Money Deposits	60.64	61.44
Retention Money from Suppliers	98.56	69.45
Tax Payables	2.38	2.14
Provision for Ex Gratia	0.24	0.28
Sundry Creditors (TA)	-	0.16
Warranty	80.27	170.14
PF Trust Loss payable	49.84	49.84
Others	1.92	
Provision for SIB	-	2.46
TDS GST Payable	5.83	15.95
Total Other Current Liabilities	957.27	1,042.20

NOTE -1 : NOTES FORMING PART OF FINANCIAL STATEMENTS / 31.03.2022**PERTAINING TO BALANCE SHEET**

INR in lakhs

Sl. No.	Particulars	As at 31.03.2022	As at 31.03.2021
1	The Company is contingently liable for : Guarantees & Counter Guarantees and Letter of Credits issued to various parties by the Company's bankers to the extent not provided for, which is backed by cent percent margin money.	2,364.88	2,566.11
2	Trade Payables : Disclosure regarding dues to Micro & Small Enterprises based on the information available with the Company :		
a	Dues remaining unpaid as at the end of the year - Principal (Interest due Nil)	273.03	612.23
b	Amount of interest paid along with the amounts of payment made to the supplier beyond the appointed day during the year.	NIL	NIL
c	Amount of interest due and payable for the period of delay in making the payment (which have been paid but beyond the appointed day during the year but without adding the interest under MSMED Act, 2006.	-	-
d	Amount of interest accrued and remaining unpaid as at the end of the accounting period.	-	-
e	Amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises	-	-
3	Short Term Loans and Advances includes Adhoc payments to employees towards Wage/Salary, DA arrears, pertaining to 1992 is pending adjustment & provision to this extent has been made in the accounts	1.03	1.03
4	The debts written off in the past, but, action of recovery proceedings is being continued before the Courts. a) M/s. Nawab Cashew Packers, Kerala : Execution of an Arbitration Award of Rs. 69.23 Lakh is pending in various courts at Various Stages b) M/s. Nucor Wires Ltd , Bangalore : Execution of an Arbitration Award of RS. 69.75 /- Lakh is pending in Hon'ble Supreme Court process.		
5	Provision for Taxation has been made under provisions of the Income Tax Act, 1961.		
6	Balances under Trade Receivables, Loans & Advances, Trade Payables are subject to confirmation, although confirmation has been sought in most of the cases.		
7	Proposed Dividend As per IND AS 10 : Dividends proposed or declared after the balance sheet date but before the financial statements have been approved for issue are not recognized as a liability at the balance sheet date. Accordingly, the figures of proposed dividend have been re-stated under the Note - Other Equity in the attached financial statements.		

NOTE - 1 : NOTES FORMING PART OF FINANCIAL STATEMENTS / 31.03.2022

**DISCLOSURE REQUIREMENT AS PER IAS - 24
A - RELATED PARTIES**

INR in lakhs

Relationship	Associate companies			HMT LIMITED, Holding Company					
	HMT Machine Tools Limited	HMT Watches Ltd	HMT Bearings Limited	Tractors Unit	ABD / Common service Division	Food Processing Division	Corporate Office		
Description of the nature of transactions	Purchases	Sharing of Common Expenditure	Sharing of Common Expenditure	Inter-corporate Loan *	Maintenance Services	Purchases and Sales	Proposed Dividend	General Services	Inter-Corporate Loan Renewal *
Value of the transactions	-	-	-	-	-	-	-	56.84	NIL
Other elements of related party transactions necessary for understanding the Financial Statements	No substantial amounts involved during the year								
Balances Outstanding as at year end	107.56(CR)	-	-	-	.43(CR)	6.93 (DR)	-	1.97(CR)	NIL
Provision for Doubtful	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Disclosure of loans to Body Corporate u/s 186(2) of Companies Act, 2013

B. HMT Ltd, being the Holding company shall produce consolidated financial statements for public use

NOTE -1 : NOTES FORMING PART OF FINANCIAL STATEMENTS 31.03.2022

INR in lakhs

SEGMENT REPORTING AS PER IND AS 108

The company is carrying out the business of export of goods & services and setting up projects overseas, wherein the supply of goods & services are integral part of product as well as projects, consequently the primary business of the Company is same during the year. There exits no distinguishable segments to be reported upon.

DISCLOSURE REQUIRMENT AS PER IND AS - 12**Depreciation**

Deferred Tax Assets / (Liabilities) as at 01.04.2021	(46.27)
Charged / (credit) during the year	(3.30)
Deferred Tax Assets / (Liabilities) as at 31.03.2022	(42.97)

Notes forming part of Financial Statements

(Rs. In Lakhs)

	31/03/2022	31/03/2021
	INR Lakhs	INR Lakhs
16. Revenue from operations		
Sale of products	418.19	215.75
Technical Services	-	6.12
Projects Sales of Products	615.65	1,713.14
Projects Services	56.59	47.99
Export Assistance (Duty draw back)	0.82	0.47
Total	1,091.24	1,983.48
17. Other income		
A. Other Non Operating Income		
Provision No Longer Required	110.89	184.32
Miscellaneous Income	3.00	0.84
Net gain/(Loss) on sale of Property, Plant and Equipment	-	0.06
	113.89	185.23
B. Interest income		
Interest on Bank Deposits with Banks	151.63	176.26
	151.63	176.26
Total Other income	265.52	361.49
18. Cost of Goods Traded, Service and Works		
a. Cost of Goods Traded, Service and Works		
Purchases	647.62	1,524.89
Training	-	1.87
Fee for Services Rendered	0.12	-
Freight	31.02	32.60
Insurance	1.41	0.23
ECGC Premium	-	-0.23
Clearing, handling and inspection	15.96	9.25
Overseas Agency Commission to agents	10.12	2.96
Other expenses (As per below schedule)	50.22	30.93
Cost of Goods Traded, Service and Works	756.46	1,602.50

Notes forming part of Financial Statements

(Rs. In Lakhs)

	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
Other Expenses		
Communication	0.03	0.31
Advertisement & Publicity	-	2.81
Travelling & Conveyance	11.18	4.24
Delegation & export promotion	0.05	-
Bank charges	38.96	23.58
Total	50.22	30.94
b. (Increase) / Decrease in Inventories		
Inventory at the beginning of the year	132.76	314.61
Less: inventory at the end of the quarter	3.75	132.76
	129.01	181.85
Total	885.47	1,784.35
19. Employees' benefits expense		
Salaries, Wages, Bonus and other benefits	212.41	204.28
House Rent Allowance	3.63	3.74
Contribution to Provident Fund	21.46	22.27
Contribution to Pension Fund	1.65	-
Earned Leave Encashment	45.10	47.84
Settlement Allowance	0.65	2.57
Gratuity cost	8.39	9.12
Sales Incentive Bonus	0.01	0.56
Medical Benefits	8.53	3.36
Township	0.003	-
Exgratia	0.24	0.28
Staff Welfare Expenses	1.31	1.01
Total	303.38	295.04

Notes forming part of Financial Statements

	31/03/2022	31/03/2021
	INR Lakhs	INR Lakhs
20. Depreciation and amortization expense		
Depreciation of tangible assets	12.66	13.80
Total	12.66	13.80
21. Finance Cost		
Interest on Loan	-	-
Total	-	-
22. Other expenses		
Rent	-	8.56
Rates and taxes excluding tax on income	1.05	0.67
Office Maintenance	23.08	22.92
Printing & stationery	4.42	3.83
Recruitment Expenses	0.01	-
Royalty	2.01	9.44
Books, periodicals & membership fees	0.67	1.22
Electricity & water	-	0.14
Advertisement & Publicity	0.63	2.18
Postage, Telegrams, Courier	1.43	1.20
Communication	2.93	2.29
Audit fee:		
Statutory audit	0.48	0.48
Tax audit	0.16	0.16
Travelling & Conveyance	9.07	4.40
Delegation & export promotion	0.19	2.21
Entertainment Expenses	1.95	0.78
Repairs & Maintenance other than building & machinery	1.40	0.96
Insurance	0.05	0.70
Training, seminars & conference	-	0.02
Vehicle maintenance	0.54	0.64
Professional and legal charges	1.36	6.40

Notes forming part of Financial Statements

	31/03/2022 INR Lakhs	31/03/2021 INR Lakhs
Bank charges	4.30	8.43
Fees for services rendered	1.49	5.97
Common expenses paid to Holding Co.	56.84	58.90
Security Charges	7.31	11.85
Board Meeting Expenses	0.82	0.24
Miscellaneous expenses	-	-
PF Trust Loss	5.88	3.77
Grant in Aid	-	11.40
Exchange Difference (Net)	-1.16	-38.24
Total	126.92	131.52
23. Other Comprehensive Income		
Re-measurement gains/(losses) on defined benefit plans for Earned Leave Encashment	-	-
Gratuity	-42.74	11.75
Settlement Allowance	-17.32	-4.28
Total	-60.06	7.47

For and on behalf of the Board

As per our report of even date
For GPSV & Co.,
Chartered Accountants (FRN 013175 S)

A.K. JAIN
Chairman & Managing Director
DIN NO : 09262984

SRIKAR K REDDY
Director
DIN NO : 08822924

PATIL NARAHARI LAXMAN RAO
Partner (M.No. 222219)
UDIN : 22222219AJFPRN9951

Y.K. VAISH
GENERAL MANAGER (O&M)

G. DURGA DEVI
DEPUTY MANAGER (FINANCE)

Place : Bengaluru
Date : 18.05.2022

NOTE -1 : NOTES FORMING PART OF FINANCIAL STATEMENTS
PERTAINING TO STATEMENT OF PROFIT AND LOSS
INR in lakhs

Sl. No.	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
1	Revenue from operations includes		
	Project Works including services executed under an agreement with Government of India against which physical exports have been completed up to 31.03.2021	672.23	1,761.13
2	Other expenses include (Travelling and conveyance)		
	Travelling expenses of Directors	-	0.73
3	Additional information as per the requirement of Schedule III of the companies Act, 2013		
	I. Cost of goods sold		
	Imported	0 %	-
	Indigenous	100%	756.46
	TOTAL	100%	756.46
	II. CIF Value of Imports:		
	Components & Accessories		-
	III. Earnings in Foreign Exchange		
	a) FOB Value of Exports	418.17	100.66
	b) Technical / project services	-	54.11
	TOTAL	418.17	154.77
	IV Particulars of turnover:		
		Qty. Nos.	VALUE
	Machine tools, spares & accessories	4	418.19
	Project Service & Supplies	28	615.64
	Income from Technical services		56.59
	Export Incentives		0.82
	TOTAL		1,091.24
	V Expenditure in Foreign Currency:		
	Travelling Expenses		9.07
	Others		-
			58.05
			93.27

Note to Financial Statements for the year ended 31.03.2022

As per Indian Accounting Standard - 19 "Employee Benefits", the disclosures as defined are given below:

(Rs. In Lakhs)

i) Defined Contribution Plan:

Particulars	Year Ended	Year Ended
	31.3.2022	31.3.2021
Employer's Contribution to Pension Fund	1.65	1.76

ii) Defined Benefit Plans:

The Company contributes to Provident Fund trust, Gratuity and settlement allowance to the employees which are defined benefit plans. The Company has obtained the actuarial valuation report from the independent actuary except Provident Fund.

The principal assumptions used in determining gratuity and post-employment benefits obligations for the company's plan is shown below

	31.3.2022		31.3.2021	
	%	%	%	%
Discount rate:				
Gratuity plan	7.33	6.91		
Settlement Allowance	7.33	6.91		
Earned Leave Encashment	7.33	6.91		
Future salary increases:				
Gratuity plan	10.00	7.00		
Settlement Allowance	10.00	7.00		
Earned Leave Encashment	10.00	7.00		
Summary of Demographic Assumptions	31.3.2022	31.3.2021	Settlement Allowance	Leave Encashment
Mortality Rate (as % of IALM (2012-14) Ult. Mortality Table)	100%	100%	100%	100%
Disability Rate (as % of above mortality rate)	0.00%	0.00%	5%	0.00%
Withdrawal Rate	1% to 3%	1% to 3%	1% to 3%	1% to 3%
Attrition Rate				
Normal Retirement Age	60 yrs	60 yrs	60 yrs	60 yrs
Average Age	38.16	36.97	36.97	36.97
Average Past Service	10.99	8.51	8.51	8.51
Average Future Service	21.84	23.03	23.03	23.03
Adjusted Average Future Service	15.53	16.69	23.07	16.67
Leave Encashment Rate during Employment			15.53	10%
Leave Availability Rate			10%	2%

Employee Benefit Obligations

The cost of the defined benefit gratuity plan, Earned Leave Encashment and Settlement Allowance and the present value of the gratuity obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions

A. Gratuity

31 March 2022 changes in the defined benefit obligation and fair value of plan assets

1-Apr-21	Gratuity cost charged to profit or loss		Remeasurement gains/(losses) in other comprehensive income						Contributions by employer		31-Mar-22
	Service cost	Net interest expense & Past Service Cost	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	INR Lakhs	INR Lakhs
INR Lakhs (99.41)	INR Lakhs (7.59)	INR Lakhs (5.05)	INR Lakhs (12.64)	INR Lakhs 52.46	INR Lakhs (16.49)	INR Lakhs (7.30)	INR Lakhs (18.94)	INR Lakhs (26.24)	INR Lakhs (85.83)	INR Lakhs 23.50	INR Lakhs 34.99
76.19	4.26	4.26	4.26	(52.46)	(16.49)			(16.49)		23.50	34.99
(23.22)			(8.38)	0.00				(42.73)		23.50	(50.84)

Defined benefit obligation

Fair value of plan assets

Benefit liability

31 March 2021 changes in the defined benefit obligation and fair value of plan assets

1-Apr-20	Gratuity cost charged to profit or loss		Remeasurement gains/(losses) in other comprehensive income						Contributions by employer		31-Mar-21
	Service cost	Net interest expense & Past Service Cost	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	INR Lakhs	INR Lakhs
INR Lakhs (120.82)	INR Lakhs (5.63)	INR Lakhs (7.41)	INR Lakhs (13.04)	INR Lakhs 20.00	INR Lakhs (2.70)	INR Lakhs 1.28	INR Lakhs 13.17	INR Lakhs 14.45	INR Lakhs (99.41)	INR Lakhs 52.73	INR Lakhs 76.19
42.24		3.92	3.92	(20.00)	(2.70)			(2.70)		52.73	76.19
(78.58)			(9.12)	0.00				11.75		52.73	(23.22)

Defined benefit obligation

Fair value of plan assets

Benefit liability

B. Earned Leave Encashment

31 March 2022 changes in the long term employee benefit obligation and fair value of plan assets

1-Apr-21	Defined Benefit cost charged to profit or loss		Remeasurement gains/(losses) in profit or loss						Contributions by employer		31-Mar-22	
	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub total	INR Lakhs		INR Lakhs
INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
(67.45)	(8.32)	(3.38)	(11.70)	37.03	(7.48)	(25.92)	(33.40)					(75.52)

Defined benefit obligation

Fair value of plan assets

Benefit liability **(67.45)**

(11.70) **37.03**

(33.40) **0.00** **(75.52)**

31 March 2021 changes in the long term employee benefit obligation and fair value of plan assets

1-Apr-20	Defined Benefit cost charged to profit or loss		Remeasurement gains/(losses) in profit or loss						Contributions by employer		31-Mar-22	
	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total	INR Lakhs		INR Lakhs
INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
(61.83)	(7.42)	(2.72)	(10.14)	42.22	0.52	(38.22)	(37.70)					(67.45)

Defined benefit obligation

Fair value of plan assets

Benefit liability **(61.83)**

(10.14) **42.22**

(37.70) **0.00** **(67.45)**

C. Settlement Allowance

31 March 2022 changes in the defined benefit obligation and fair value of plan assets

1-Apr-21	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income						Contributions by employer		31-Mar-22	
	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
	(10.17)	(0.65)	(0.65)	1.65		(10.26)	(7.05)	(17.31)					(26.48)
Defined benefit obligation													
Fair value of plan assets													
Benefit liability			(0.65)	1.65								0.00	(26.48)

31 March 2021 changes in the defined benefit obligation and fair value of plan assets

1-Apr-20	Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in profit or loss						Contributions by employer		31-Mar-22	
	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
	(6.45)	(0.33)	(2.57)	3.13		0.30	(4.58)	(4.28)					(10.17)
Defined benefit obligation													
Fair value of plan assets													
Benefit liability			(2.57)	3.13							0.00	(4.28)	(10.17)

HMT (INTERNATIONAL) LIMITED**Note to Financial Statements for the year ended 31.03.2022****Earnings per share (EPS)**

	31.3.2022	31.3.2021
	INR Lakhs	INR Lakhs
Profit attributable to equity holders:		
Continuing operations	21.25	96.94
Discontinued operation	0.00	0.00
Total Profit including OCI	21.25	96.94
Less Other Comprehensive income	0.00	0.00
Profit attributable to equity holders for basic earnings	21.25	96.94
Profit attributable to equity holders of the parent adjusted for the effect of dilution	21.25	96.94
Weighted average number of Equity shares for basic EPS*	720,000	720,000
Effect of dilution:		
Convertible preference shares		
Weighted average number of Equity shares adjusted for the effect of dilution *	720,000	720,000

* There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

Employee Benefits (Contd.):
Sensitivity analysis:

The key actuarial assumptions to which the defined benefit plans are particularly sensitive to are discount rate and fully salary escalation rate. The following table summarises the impact on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the assumptions by 100 basis points:

(i) Gratuity

(Rs. In lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	7.27	5.88	6.24	5.24
Change in rate of salary increase	3.23	2.91	3.64	3.08
Change in withdrawal rates	0.19	0.23	0.01	0.01

(ii) Settlement Allowance

(Rs. In lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Decrease	Increase	Decrease	Increase
Change in discounting rate	6.07	4.68	1.18	1.50
Change in rate of salary increase	4.72	6.00	1.24	1.55
Change in withdrawal rates	-	5.00	1.62	1.27

The expected contributions for gratuity for the next financial year will be Rs.50.84 lacs and Settlement allowance will be Rs.Nil.

**Directions under section 143(5) of Companies Act 2013
Applicable from the year 2019-20 and onwards:**

- I. Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

The Company has established ERP System for processing all its Accounting transactions. There are no transactions that are accounted outside the ERP System. Hence the Financial implications of the same doesn't arise.

- II. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If Yes, the financial impact may be stated.

Not Applicable

- III. Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.

During the financial year 2021-22, the Company have not received any funds from the Central/ Stage agencies, accordingly the above clause is not applicable.

In addition the auditor is required to comply with any additional Company / Sector specific direction issued under section 143(5) of the Companies Act, 2013 by the Field office entrusted with the supplementary audit of the Company.

For GPSV & Co.,

Chartered Accountants

FRN - 013175S

UDIN : 2222219AJFPRN9951

Patil Narahari Laxmanrao

Partner

M No: 222219

Place: Bangalore

Date: 18.05.2022

ANNEXURE I
**Statement of Impact of Audit qualification (for Audit Report with modified opinion) submitted
Along-with Annual Financial Results - (Standalone and Consolidated separately)**

Statement of Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. In lacs)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total income (Rs. in Lakhs)	1356.76	-
	2.	Total Expenditure (Rs. in Lakhs)	1328.43	-
	3.	Net Profit /(Loss) (Rs. in Lakhs)	21.25	-
	4.	Earnings Per Share (in Rs.)	2.95	-
	5.	Total Assets (Rs. in Lakhs)	5524.73	-
	6.	Total Liabilities (Rs. in Lakhs)	1846.36	-
	7.	Net Worth (Rs. in Lakhs)	3678.37	-
	8.	Any other financial item (s) (as felt appropriate by the Management)	-	-
II Audit Qualification (each audit qualification separately):				
a. Details of Audit Qualification : NOT APPLICABLE				
b. Type of Audit Qualification : Qualified Opinion/Disclaimer of Opinion/Adverse Opinion - N.A.				
c. Frequency of Qualification : Whether appeared first time/repetitive/since how long continuing- N.A.				
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views : N.A.				
e. For Audit Qualification(s) where the impact is not quantified by the auditor: NOT APPLICABLE				
(i) Management's estimation on the impact of Audit Qualification:				
(ii) If Management is unable to estimate the impact, reasons for the same :				
(iii) Auditors Comments on (i) or (ii) above :				
III Signatories :				
• Chairman & Managing Director				
• GM(O&M)				
• Deputy Manager (Finance)				
• Audit Committee Chairman				
• Statutory Auditor				
Place : Bangalore				
Date : 18.05.2022				