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## **HMT LIMITED**

**Company Secretary:** Moderator, can I start.

**Moderator:** Yes, Sir, you can start.

**Company Secretary:** Thank you. A very good morning to all. I am Kishor Kumar, Company Secretary, HMT Limited. I heartily welcome you to the 70<sup>th</sup> Annual General Meeting of members of HMT Limited being held through Video Conference and other audio video mode from the registered office of the company at Bengaluru. This AGM is conveyed through video virtual mode in terms of the directors issued by the Ministry of Corporate Affairs as well as SEBI. In line with the said directives, the soft copies of the AGM Notice, Annual Report have been sent through e-mail to all the members whose e-mail ID are registered with the Depository and the Registrar and Share Transfer agents. Access to those members who have not provided their e-mail Ids have been provided by placing the same on the website of the Company, Stock Exchanges NSE and BSE and also on KFin Technologies Limited, the E-voting agency. The members are requested to take note of the following for smooth functioning of this AGM. The facility for attending this AGM is on first come first serve basis. All the members who have joined the meeting have been placed on mute by default. The questions and answers session shall be held on completion of the proceedings. Once the questions and answers session starts, we shall announce the names of the speaker shareholders who have registered themselves to speak at the meeting. 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. The facility of E-voting at the AGM instapoll E-voting for members who have not cast their vote through remote E voting is available till conclusion of the meeting. since this there is no physical attendance of members, there is no requirement of the appointment of proxy. The requisite quorum is present. I request our Honorable Chairman and Managing Director Shri. Pankaj Gupta Sir to chair the meeting and proceed over the meeting. Now I request CMD Sir to take over the session.

**Chairman:** Hearty Welcome to all the shareholders and other stakeholders to the 70th Annual General Body Meeting of your company. I'll now introduce my colleagues on the Board. Mrs. Mukta Shekhar, Joint Secretary, Ministry of Heavy Industries, Government Nominee Director, the Presidential Nominee representing all the shares held by the President of India, Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee is attending this meeting from New Delhi. Ms. Rita Saxena, Director (Finance), Ms. Aarti Bhatnagar, Government Nominee Director, could not attend this meeting due to preoccupancy. Shri. K Balaji, Chartered Accountant, Partner, SSB & Associates, Statutory Auditors, Shri. D Venkateswarlu, Secretarial Auditor and Scrutinizer for the Remote E-Voting and E-voting at the AGM are also participating in this AGM. since the requisite quorum is present, as such, the meeting is in order. I further state that all efforts feasible under the circumstances are being made by the company to enable members to participate and

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vote on the items being considered in the meeting. Register of Members, Register of Directors and KMP and Register of Contract and Arrangement are available in electronic mode for inspection at the meeting. Members who have registered themselves the 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 speakers depending upon the availability of time and facilities for smooth functioning of the AGM. It is informed that company has arranged Instapoll E-voting at the AGM on all 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 Financial Year 22-23, Auditor's Report and Secretarial Audit Report of the Company and of Material Subsidiaries has been made already send 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 and Secretarial Auditor.

**Company Secretary:** Observations of Statutory Auditors, SSB & Associates, in their Audit Report are 1. Food Processing Machinery Unit, Aurangabad, As per information and explanation given to us with regards to the Inventory valuation as stated in Note No. 2 (ii) (j) stock of raw material is valued by adopting Weighted Average Cost method. However, in the inventory statement provided for verification purpose, correctness of stock items rates 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 if there is material departure from the Weighted Average Cost Method of valuation adopted by company. We are also unable to ascertain its consequent impacts, if any, on the Ind AS financial statements. 2. Auxiliary Business Division, Bengaluru, Consequent to Non-receipt of confirmation of balances of Debtors and Creditors, the impact on financial statements cannot be quantified. 3. Corporate Head Office and Company as a whole, 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. The Company has not provided status quo of Nigeria Machine Tools Ltd. and Gujarat State Machine Tools Corporation Ltd as on 31<sup>st</sup> March 2023. Consequently, we are unable to comment on the impact of the same on Standalone Ind AS financial statements. We draw your attention to Note No.53 wherein the Company has stated that it has no transactions with struck off companies under section 248 of The Companies Act, 2013. However, Company has not provided appropriate audit evidence to establish that they do not have such transactions. Indian Accounting Standards. 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. The effect on revenue on all the above transactions are not ascertained. Replies by the management to the observation have been covered in the Directors' Report in page no. 44 to 45 of the Annual Report. C&AG has given the NIL Comment

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on the Financial Statements of the Company. Observations / Non-Compliances / Adverse Remarks / Qualifications in the report of the Shri. D. Venkateswarlu, Secretarial Auditor are a). In respect of Companies Act, 2013 and Rules made there under are as follows the company has not complied with the provisions of requirements of Section 149 (1) & (4) of the Act Companies Act, 2013, with respect to appointment of woman director and composition of Board of Directors of the Company for not having sufficient independent directors on the Board during the FY 2022-23. The Company has not complied with the provisions of Section 177 (2) of the Companies Act, 2013 with respect to the composition of Audit Committee of the Board w.e.f. 27<sup>th</sup> January 2023. The Company has not complied with the provisions of Section 178 (1) of the Companies Act, 2013 with respect to the composition of Nomination and Remuneration Committee of the Board w.e.f. 27<sup>th</sup> January 2023. The Company has not complied with the provisions of Section 135 (1) of the Companies Act, 2013 with respect to the composition of CSR Committee of the Board w.e.f. 27<sup>th</sup> January 2023. b) In respect of Compliance with SEBI (Listing Obligations & Disclosure Requirements) (LODR) Regulations, 2015 are as follows, The Company has not complied with the provisions of Regulation 17 (1) of SEBI (LODR) 2015 with respect to Composition of Board of Directors of the Company {for not having sufficient independent directors including appointment of independent woman director on the Board} during the FY 2022-23 The Company has not complied with the provisions of Regulation 17 (2A) of SEBI (LODR) 2015 with respect to Quorum of Board meetings held w.e.f. 27<sup>th</sup> January 2023. The Company has not complied with the provisions of Regulation 18 (1) & 18 (2) (b) of SEBI (LODR), 2015 with respect to composition of Audit Committee, Chairman of Committee & Quorum w.e.f. 27<sup>th</sup> January 2023. The Company has not complied with the provisions of Regulation 19(1)/ 19(2) of SEBI (LODR), 2015 with respect to composition of Nomination and Remuneration Committee w.e.f. 27<sup>th</sup> January 2023. The Company has not complied with the provisions of Regulation 20(2A) of SEBI (LODR), 2015 with respect to composition of Stakeholders Relationship Committee w.e.f. 27<sup>th</sup> January 2023. The Company has not complied with the provisions of Regulation 21(2) of SEBI (LODR), 2015 with respect to composition of Risk Management Committee w.e.f. after 27<sup>th</sup> January 2023. The Company has not complied with the provisions of Regulation 33 of SEBI (LODR), 2015 with respect to submission of Audited Financial Results for the 2021-22 to the Stock Exchanges by submitting with a delay of 23 days. The Company has not complied with the provisions of Regulation 24(1) of SEBI (LODR), 2015 of appointing atleast one Independent Director of the listed entity on the Board of its unlisted material subsidiary. Replies by the management to the observation have been covered in the Directors' Report in page no. 51 & 52 of the Annual Report. Further in the Corporate Governance Certificate issued by M/s. SSB & Associate, Chartered Accountant, it has been pointed out that: Non-compliance of provisions of SEBI Regulation 17(1)(a), wherein the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020 whereas the vacancy caused by the retirement of the woman independent director has not been filled up within the prescribed time limit. Non-Compliance of the provisions of SEBI Regulation 17(1)(b), wherein at least half of the Board of directors of the listed entity shall consist of independent directors whereas the Board of directors of the company has not been constituted with 50% of independent

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directors as on 31-03-23. Non-compliance of provisions of SEBI Regulation 17(1)(c) wherein, the Board of directors of the top 1000 listed entities (with effect from April 1, 2019) and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors whereas the company has only Three Board of directors as on 31-03-23. Non-Compliance of provisions of SEBI Regulation 17(2A), wherein the quorum for every meeting of the board of directors of the top 1000 listed entities with effect from April 1, 2019 shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director whereas there is no Independent director since 27.01.23 and as on the date of this certificate. Non-Compliance of provisions of SEBI Regulation 18(1)(b) and 18(1)(d) wherein Two-thirds of the members of audit committee shall be independent directors whereas there are no Independent directors since 27.01.23 and as on the date of this certificate. Further, the chairperson of the audit committee shall be an independent director and he/[she] shall be present at Annual general meeting to answer shareholder queries whereas there is no Independent director as chairperson since 27.01.23 and as on the date of this certificate. Non-Compliance of provisions of SEBI Regulation 18(2)(b) wherein the quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors whereas there are no Independent directors since 27.01.23 and as on the date of this certificate. Non-Compliance of provisions of SEBI Regulation 19(1)(b) and 19(1)(c) wherein all directors of the nomination and remuneration committee shall be non-executive directors whereas there is one executive director and two non-executive directors. Further, at least two-thirds of the directors shall be independent directors whereas there are no Independent directors since 27.01.23 and as on the date of this certificate. Non-Compliance of provisions of SEBI Regulation 19(2) wherein the chairperson of the nomination and remuneration committee shall be an independent director whereas there is no Independent director as chairperson since 27.01.23 and as on the date of this certificate. Non-Compliance of provisions of SEBI Regulation 19(2A) wherein the quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance whereas there is no Independent director since 27.01.23 and as on the date of this certificate. Non-Compliance of provisions of SEBI Regulation 20(2A) wherein at least three directors, with at least one being an independent director, shall be members of the stakeholders relationship committee whereas there is no Independent director since 27.01.23 and as on the date of this certificate. Non-Compliance of provisions of SEBI Regulation 21(2) wherein the Risk management committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director whereas there is no Independent director since 27.01.23 and as on the date of this certificate. Non-compliance of provisions of SEBI Regulation 24(1) relating to Corporate governance requirements with respect to subsidiary of listed entity wherein at least one independent director in the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India whereas there is no Independent director since 27.01.23 and as on the date of this certificate. Non-compliance of provisions of SEBI Regulation 25(6) of

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Obligations with respect to independent directors, in replacing new independent director by listed entity at the earliest after previous independent director resignation or is removed by board of director not later than three months from the date of such vacancy. However, there is no Independent director since 27.01.23 and as on the date of this certificate. Replies by the management to the observation have been covered in the Directors' Report in page no. 34 at point no. xiv of the Annual Report. In respect of observations made by M/s. Kedarnath & Associates, Secretarial Auditor on the Secretarial Audit of HMT Machine Tools Limited, Wholly Owned Material Subsidiary Company in their report are Being a material subsidiary of a Listed Entity, there shall be at least one Independent Director of its Holding Company) on its Board under Regulation 24(1) of SEBI (LODR) Regulations 2015. The Company is yet to comply with this Regulation. The Preference shares have been re-classified as Financial Liability. However, the Authorised Share Capital has not been shown as having Preference Shares leading to inconsistency in presentation of the Financial Statements to that extent. During the Audit, it was observed that the Company has not made timely payment of Employees related statutory dues in several instances and as a result, defaulted the provisions under Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972 etc., and received Notice from statutory Authorities. Besides there are ongoing litigations with various courts of law. Replies by the management to the observation have been covered in the Directors' Report in page no. 57 of the Audit Report, Sorry, Annual Report. In respect of observations made by Smt. G. Haritha, Secretarial Auditor on the Secretarial Audit of HMT (International) Limited, Wholly Owned Material Subsidiary Company in their report are Company being an unlisted material Subsidiary of listed entity i.e., HMT Limited (Public Listed Holding Company – a Government of India Enterprise) has not complied with the requirement that there shall be at least 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. Replies by the management to the observation have been covered in the Directors' Report in page no. 62 of the Annual Report. Over to CMD Sir.

**Chairman:** I shall now proceed to review on the happenings during the past year. My dear shareholders, I am honored to present to you Annual Report of HMT Limited for the year 2022-23. We shall reflect on the past year's achievements and challenges. It is also imperative to acknowledge the global outlook, the state of Indian economy and the impact of manufacturing initiatives on the future of our nation. The global landscape has been marked by unprecedented shifts and disruptions in recent times. We have witnessed the rapid advancement of technology, changing geopolitical dynamics and the emergence of new markets. These global trends have presented both challenges and opportunities for HMT Limited as well. Despite the challenges, we have maintained our commitment to excellence and innovation, enabling us to navigate the changing global landscape. We have strengthened our position by leveraging our core competencies, expanded our market reach and establishing strategic partnerships. Our relentless pursuit for quality and customer satisfaction has helped us withstand the headwinds and emerged as a resilient global player. India continues to be a beacon of economic growth and resilience in the face of global uncertainty. With a strong

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emphasis on structural reforms and promotion of a conducive business environment, the Indian economy has showcased its potential to the world. As a proud contributor to the nation's growth story, HMT remains committed for playing a vital role in the development of India's manufacturing sector. The manufacturing sector has always been a key driver of economic growth and employment generation. It plays a pivotal role in the transformation of an agrarian economy into an industrial powerhouse. As a company deeply rooted in manufacturing excellence, HMT is dedicated to further strengthen our contribution to our sector. The company believes that innovation, technology adoption and skill development are vital components over robust manufacturing ecosystem. In line with this belief, we have made significant investments in research and development and upskilling our workforce. By embracing digital transformation and automation, we aim to enhance productivity, efficiency and competitiveness. The company focuses on sustainability and responsible manufacturing practices aligned with the nation's commitment to achieve sustainable development. We have implemented measures to minimize our environmental footprint, conserve resources and promote a greener future. Looking ahead, we see immense potential for HMT to be catalyst for India's manufacturing revolution. By harnessing emerging technologies, expanding our product portfolio and exploring new markets, we are confident in our ability to create sustainable value for all our stakeholders. I am pleased to inform you that HMT Limited on a standalone basis in the financial year 2022-23 has experienced a significant turnaround reaching an impressive revenue of 51.59 Crores of Rupees from operations vis-a-vis 12.58 Crores of Rupees in the year 2021-22. This growth demonstrates our commitment to adoptability, resilience and determination. Meanwhile, considering the consolidated performance of the HMT Group, we have observed growth in sales over the past two years. In 21-22, our sales reached Rupees 175.74 Crores and in the year 2022-23. we achieved sales of Rupees 203.81 Crores. Despite the challenges we faced, these figures demonstrate our ability to navigate through difficulties and emerge strong. The company desire to expand its dairy machinery business and sales of watches.

In the dairy machinery business, the company is focusing on product upgradation, manufacturing collaborations and turnkey projects to strengthen its position. Similarly, in the watches business, the company is appointing distributors and launching new series to increase sales and market presence. The subsidiaries of the company also took several initiatives during the year 2022-23. When I talk about Machine Tools business, HMT Machine Tools Limited face some challenges in terms of generation of revenue. However, the company is actively working towards strengthening the business and leveraging strength to drive growth. In 2021-22, the sales stood at Rupees 152.53 Crores and in the year 2022-23, the company achieved sales of Rupees 142.24 Crores. The net profit figures remains negative reflecting the impact of various external factors and challenges faced. HMT Machine Tools Limited has designed and developed several import substitution machines provide flexible, accurate and cost effective solutions to various strategic sectors. These machines are developed at almost half the prices of imported machines, paving the way to ATMANIRBHAR BHARAT. The company's growth strategies are multifaceted, formulated to enhance our market presence and expand our product offerings. One of the key focuses is stocking general

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purpose machines to ensure timely delivery to customers to meet the market requirement. In addition, the company is intensifying the efforts to strengthen sales after sales services and marketing through appointment of channel partners. The company aims to enhance customer satisfaction, expand reach in the market. Therefore, efforts for development of new products are intensified by leveraging expertise and collaborating with academic institutions, the company stretching to its boundaries in the field of hi-tech machines, autonomous vehicles and robotics. The Company's association with esteemed institutions like IIT BHU Banaras and ARTPARK IISC, Bengaluru. It serves as a testament to our dedication to advanced technology and postering research and development. Expanding the customer component manufacturing endeavors is another key aspect envisaged by the management. The company is taking initiatives for manufacturing of critical customer components with industries and sectors like railways, defense and Atomic Energy. In the exports front, HMT International Limited has observed a steady increase in sales over the past two years. In the year 22-23, the sales reached 14.15 crores vis-à-vis Rupees 10.91 Crores in the year 21-22. This positive growth trajectory is a testament to our international presence and our ability to adapt to global market dynamics. Profit before tax has shown improvement with 31 Lakhs in 22-23 compared to 28 Lakhs in the year 21-22. The company has been successful in setting up and upgradation of nine training centers located at Zimbabwe, Myanmar, at Myanmar, we had three upgradation centers, Bangladesh, Belize, South Africa, Senegal, Chennai and Visakhapatnam. HMT International is in deliberations for techno commercial proposals for setting up of training centers at various countries worth Rupees 342 Crores. To name a few Papua New Guinea, Myanmar, Guyana, Senegal, Zimbabwe and Bangladesh. HMT has approached Ministry of External Affairs through Ministry of Heavy Industries for becoming a nodal agency for implementing the turnkey projects for setting up Vocational Training Centers, Skill Developmental Centers under grant in aid projects. Talking on the status of closure of subsidiary companies, HMT Bearings Limited has been taken up for the closure under section 271 and 272 of the Companies Act, 2013. Honorable NCLT Hyderabad has passed the final order for dissolution of the company on 20th of April 2022. As per NCLT order, HMT Limited is in the process of discharge of the obligation relating to the return of capital to the minority shareholders and contributories. Closure related activities in HMT Watches Limited are under progress. Now when we see the future outlook of the company, First of all, I'll take you to the daily machinery part. The global market expected to grow at a CAGR of 6 to 7% during the forecast period 22-23. This growth is being driven by a number of factors, including rising demand for dairy products: The global population is growing and with it, the demand for dairy products. This is especially true in developing countries where incomes are rising and people are increasingly eating more Western style diets. Increasing urbanization: People are moving to cities in large numbers and this is creating demand for convenient and processed dairy products. Changing consumer preferences: consumers are increasingly demanding healthier and more sustainable dairy products. This is driving innovation in the dairy industry and dairy machinery manufacturers are developing new machines that can produce these products. Government support: Government in many countries are providing support for the dairy

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industry, such as subsidies and tax breaks. This is helping to boost the growth of the industry. The dairy machinery industry is also being disrupted by new technologies such as automation and artificial intelligence. These technologies are being used to improve efficiency and productivity of daily processing, and they're also being used to develop new products and processes. Overall, the future outlook for the dairy machinery industry is positive. The industry is expected to grow at a healthy pace and new technologies are being developed that will further boost growth. Coming on to the Machine Tools segment, the global market is projected to grow at a CAGR of 5.5% from 21 to 28 to reach a value of 164.92 billion U.S. dollars by 2028. This growth will be driven by a number of factors including, increasing demand for Automation and robotics, the growing popularity of additive manufacturing, the need for high precision and high efficiency machine tools in the aerospace, automotive, defense and medical industries, The rising disposable income in developing countries which is leading to increased demand for consumer goods. The machine tools industry is also being disrupted by artificial intelligence and Internet of Things. These technologies are being used to develop smarter, more connected machine tools that can operate more efficiently and autonomously. In India, the machine tools industry is expected to grow at a CAGR of 9.4% from 23 to 28. This growth will be driven by the government's Make in India initiative, which is aimed at boosting domestic manufacturing. The industry is also benefiting from the increasing investment in research and development by Indian machine tools companies. The future of the machine tools industry is promising. The industry is undergoing a period of rapid transformation driven by new technologies and changing customer demand. As a result, the industry is becoming more efficient, productive and competitive. As far as the export business is concerned, 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 destination and to take up more turnkey projects in underdeveloped and developing countries. HMT International orders pending stands at Rupees 23.46 crores as on 30th June 23. The company strives constantly in adopting and maintaining the highest standards of values and principles. The company is complying with government guidelines on corporate governance framed by Department of Public Enterprises. The Company will continue to strive for a consistent growth rate to match the expectations of stakeholders. While the Company is committed to accelerate growth, it will persevere to achieve the 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. I take this opportunity to express my sincere gratitude to the Honorable Minister for Heavy Industries, Honorable Minister of State for Heavy Industries, the Secretary, Heavy Industries, Additional Secretary and Financial Advisor, the Joint Secretary, Economic Advisor and all the other officials in the Ministry of Heavy Industries as well as Ministry of External Affairs for the immense support and the guidance received by a company. I'm also grateful to the officers in the Ministry of Finance, the Controller and Auditor General of India and the Statutory Auditors, etc, for all their support for smooth operations of the Company. I sincerely thank the State Government's concerns, joint working partners, suppliers, banks and financial institutions for their invaluable assistance and support. I would also like to express my

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sincere gratitude and appreciation to my esteemed colleagues on the Board and to all the 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, our company will deliver its responsibilities and enhance value to its stakeholders. I thank you all for the continued faith in HMT and its management. I greet you and your family members and wish you all the very best. Thank you. Company Secretary 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 processes.

**Company Secretary:** There are 6 business items for your consideration and approval, comprising 3 Ordinary Business items and 3 Special Business items, as proposed in the notice of 70<sup>th</sup> AGM. All are proposed as Ordinary Resolutions. Ordinary Business Items and resolutions proposed are Item No.1: To receive, consider and adopt: The Audited Standalone Financial Statements for the financial year ended March 31,2023 and the reports of the Directors' and Auditors' thereon; The Audited Consolidated Financial Statements for the financial year ended March 31, 2023 and the report of Auditors' thereon; "RESOLVED THAT the Annual Standalone Financial Statements for the financial year ended March 31, 2023 and the report of Directors' and Auditors' thereon and the Annual Consolidated Financial Statements for the financial year ended March 31, 2023 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. Pankaj Gupta (DIN:09716028), who retires by rotation and being eligible has offered himself for re-appointment. "RESOLVED THAT Shri. Pankaj Gupta (DIN:09716028), 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 2023-2024. "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 2023-24." Special Business Items and resolutions proposed are: Item No. 4: To appoint Ms. Arti Bhatnagar (DIN: 10065528), as Government Nominee 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 10th February 2023, Ms. Arti Bhatnagar (DIN: 10065528), be and is hereby appointed as Government Nominee Director of the Company, liable to retire by rotation and in terms and conditions as may be stipulated by the Government of India." Item No. 5: To approve the appointment of Ms. Rita Saxena (DIN: 10294769) as Director (Finance) (Additional

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Charge) 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 24th August 2023, Ms. Rita Saxena (DIN: 10294769), be and is hereby appointed as Director (Finance) (Additional Charge) of the Company, liable to retire by rotation and in terms and conditions as may be stipulated by the Government of India.” Item No. 6: To appoint Ms. Mukta Shekhar (DIN: 10118859), as Government Nominee 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 04th September 2023, Ms. Mukta Shekhar (DIN: 10118859), be and is hereby appointed as Government Nominee Director of the Company, liable to retire by rotation and in terms and conditions as may be stipulated by the Government of India.” 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 September, 2023 at 9.00 a.m. to 28th September, 2023 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 scrutinize 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 Limited. Now I request the Hon’ble CMD Sir to explain the objective and implication of the resolutions before they are put to vote at the Meeting

**Chairman:** Resolution number 1,2,3 pertains to ordinary business items, which include item number 1. Annual financial statements that is audited standalone and consolidation for the year 22-23. Item number 2. since I'm interested in the proposed resolution, I request Ms. Rita Saxena, Director Finance, to chair the meeting and conduct the proceedings.

**Ms. Rita Saxena:** Thank You, Sir. Item number 2. is to appoint the director in place of Shri. Pankaj Gupta DIN 09716028 who retires by rotation and being eligible, has offered himself for reappointment. I request the honorable CMD to resume the Chair and conduct further proceedings.

**Chairman:** Thank you, ma'am. Item number 3. Fixation of Remuneration of auditors appointed by C&AG for Financial Year 23-24. Resolutions number 4, 5 and 6 pertains to Special Business. Item number 4 pertains to appointment of Ms. Arti Bhatnagar as Government Nominee Director who was appointed as Additional Director since 14th of February 2023. Item number 5 pertains to appointment of Ms. Rita Saxena as Director Finance, additional charge who was appointed as additional Director since 25th of

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August 2023. Item number 6 pertaining to appointment of Ms. Mukta Shekhar as Government Nominee Director who was appointed as Additional Director since 4th of September 2023. Explanatory statement for the special businesses is available in the notice of AGM. Now we invite the registered speakers to provide their comments, suggestions, queries one after another, we listen to all these speakers queries, comments and respond at the ends. Members are requested to take not more than two to three minutes for raising their queries and suggestions. Kindly make the query specific to the business items of the meeting or make the query as brief as possible to enable more members to participate.

**Company Secretary:** Now I request the moderator to invite the speakers one by one. Please connect to Shri. Kumar Saraf.

**Moderator:** Thank you Sir. I'm a moderator here. I will bring the pre-registered speakers who are currently available one by one. The first speaker is Mr. Santosh Kumar Saraf from Kolkata. I would request the speaker, Santosh Kumar Saraf to unmute your audio and switch on your web camera to proceed further. Thank you.

**Santosh Kumar Saraf:** Hello.

**Moderator:** Yes, Sir, you're audible. Please proceed.

**Santosh Kumar Saraf:** Just a minute. Moderator I start my video. Please, just a second.

माननीय सभापति जी ऊपर से निचे से माननीय सदस्य अधिकारीगण और कर्मचारीगण मैं संतोष कुमार सराफ कलकत्ता से आप सभी को नमस्कार करता हु आशा करता हु आप इस समय अच्छे स्वस्थ्य में होंगे मैं उन कर्मचारी भाई बहेनो का भी आभार प्रकट करता हु जिनके कारन हमारी कंपनी आगे बढ़ रहे सर, सर आपने आप वक्ते में काफी कुछ बताये सर इसके बारे में कुछ कंपनी में रिवाइवल करने के लिए हमारी मैनेजमेंट का क्या प्लान हे ये बताने की चेष्टा करियेगा सर और सर अपने यहा एम्प्लोयी बहुत ज्यादा नहीं है सर तो फ्यूचर में क्या हे अपनी जो लेंड है उसको डीमर्जर कर के अगर अलग से लेंड मैनेजमेंट बनाने, के जैसे और कंपनी कर रही है विचार मे बताइये सर और रिन्यूअल एनर्जी की कितनी यूस कर रहे है इसके बारे में बताये सर और ज्यादा कुछ नहीं कहूंगा काफी अच्छी कंपनी थी एक ज़माने में आज ठीक नहीं है लेकिन आशा करता हु आपके लीडरशिप में जरूर रिवाइव करेगी और गवर्नमेंट भी चेष्टा कर रही है बहुतही काफी चेष्टा कर रही है की कंपनी को आर्डर दे देगी लास्ट में ये कहूंगा सर जी आप जितने भी डायरेक्टर अधिकारी और कर्मचारी हे उनको फ़ाइनेष्यल इयर 2023-24 की शुभकामना देती हु आपका परिवार को शुभकामना देता हु भगवान से प्रार्थना करता हु 2023-24 सभी के लिए हेअल्थी वेअल्थी सेफ्टी के साथ और अगले साल VC को जब मुलाकात हो, नए जोश नयी उमंग और नयी ग्रोथ के साथ मुलाकात हो और आप साभिका आभार प्रकट करता हु मॉडरेटर का भी प्रकट करता हु

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कर्वी का काफी अच्छा मॉडरेटर हे सर VC अलाव करदे आशा करते है VC में दुबारा मिलेंगे अगले साल मेरे को आपकी हसी बता रही है सर हमें निमंत्रण करेंगे और और आपकी कर्मचारी को आवाज़ प्रकट करने का मौका देंगे नमस्कार।

**Moderator:** Thank you Sir. The following registered speakers who are not available at this moment Mr. Ajay Kumar Jain from Delhi, Reddeppa Gundluru from Hyderabad, Mr. K Bharatraj from Hyderabad, Keerti Shah from Mumbai, Yusuf Yunus Rangwala from Mumbai, Manjit Singh from Delhi, Abhishek Jain from Chennai and Mani Sundaram A.V from Salem. These speakers are not available at this moment. With this we have completed the Q&A session and we are handing over the stage back to you. Thank you.

**Company Secretary:** You can reply to the questions, Sir. You can reply the questions, Sir.

**Chairman:** Whatever you have to reply to the query. Now what were the three questions? Now what was the 2nd, 3rd question?

**Company Secretary:** Number of employees are less, number of employees are less. We can ask Santosh Kumar Saraf Sir to the rejoin again Sir.

**Chairman:** You want to reply and I will reply.

**Company Secretary:** Moderator, Hello.

**Moderator:** Yes, Sir.

**Company Secretary:** Please connect to Santosh Kumar Saraf again because some questions were not clear.

**Moderator:** OK

**Chairman:** Question Number 3

**Moderator:** Mr. Santosh Kumar is not here at this moment. He left.

**Chairman:** Can we reply later or now.

**Company Secretary:** We can reply now Sir, whatever the answer, we can give it rest of the questions. After seeing the video once again, we can give the reply in e-mail separately.

**Chairman:** The reply has to be given now.

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**Company Secretary:** Yes Sir

**Chairman:** But he's not available.

**Company Secretary:** He's in the back end, Sir.

**Chairman:** OK, Santosh, Kumar, Saraf Ji, आपके Questions का, कुछ आपकी क्वीरियस थी तीन सवाल थे आपके सबसे पहले तो आपका हार्दिक अभिनन्दन करता हु स्वागत करता हु इस एनुअल जनरल बॉडी मीटिंग में और जो आपकी कंसर्न हे एचएमटी को लेकर में उससे काफी ज्यादा प्रभावित हु और आशा करता हु की जो कुछ आपकी क्वीरियस हे उनको हम ठीक से जवाब दे पाएंगे सबसे पहला जो आपका एक महत्वपूर्ण सवाल हे की एचएमटी के रिवाइवल को लेकर क्या कर रही है मैनेजमेंट इसमें कुछ चिजे आपने बोली है जो भी एड्रेस में किया था इसमें तीन चार टाइप्स के प्रोग्राम हमारे चल रहे है प्लान्स हे हमारे जिसके अंदर की जो लीगसी हमारे प्रॉडक्ट है जो मशीन टूलसँ हम बनाते है उसको ऑगमेंट करने के लिए कुछ हमने इनीशियाटिव्स लिए हे पिछले साल इसके अंदर सबसे पहली चीज़ थी की हमारे पास हमेशा से प्रॉब्लम रही है की हमने प्राइवेट सेक्टर से शायद अप्रोच कम किया था तो उसके अंदर विसिबिलिटी बढ़ाने के लिए हमने जनरल पर्पस मशीन जो हे उनकी स्टॉकिंग करने शुरू करी है उस स्टॉकिंग करने का फ़ायदा हे की हम बहुत कम समय के अंदर ये सब मचिनेस डिलीवर कर सकते हे इससे की प्राइवेट सेक्टर जो हमेशा चाहता है की कम से कम समय के अंदर डिलीवरी हो इसको करने का फ़ायदा सबसे बड़ा ये है की जो वर्किंग कैपिटल होती है ये हमारी पास बहुत जल्दी आ जाती है दूसरा जो इस दिशा के अंदर हमने एक और कदम उठाया है वो है की channel partners को हमने अप्पोइंट करने का हमारे पास आज की तारीक में सात channel partners है और ये channel partners हमारे लिए marketing का हमारे extension arm है जो हमारे को ना सिर्फ domestic market में बल्कि जो foreign market है उससे भी हमारे को बिज़नेस दिलवायेंगे ये channel partners दो और तीन तरीके से काम करेंगे जिसके अंदर पहला की मशीन जीतने भी टूल्स है उसके ऑर्डर्स से हमारे को अवगत कराएँगे दूसरे चीज़ है इसके की अंदर अरेंजमेंट ऐसा भी हो सकता है की हम उनके साथ एएमसी करे एक after sales services का contract करे तो ये दो तीन टाइप हे जो इसके अंदर terms और conditions हैं वो हम इस channel partners के थू एड्रेस कराएँगे तीसरी चीस जो इम्पोर्टेन्ट है वो है की हम नयी मचिनेस नयी टेक्नोलॉजीज है उसके अंदर कुछ जॉइंट वर्किंग अरेंगेमेन्ट्स करे इस दिशा के अंदर भी हमारे कुछ कदम हमने उठाये है ऐसे के मार्किट की अंदर आजकल Hydrostatic Guideways आनेलगे हैं और उसकी डिमांड ज्यादा हैं ज्यादा हैवी इयूटी मचिनेस के लिए accurate components के मचिनेस के लिए तो उसकी तरफ भी हमलोग कार्यरत है और collaborate कर रहे है जॉइंट वर्किंग के लिए। मचिनेस की अलावा एक जो इम्पोर्टेन्ट चीज़ हैं क्योकि एचएमटी के पास स्किल है तो उसके लिये हम लोगों ने जो components हैं जो precision assemblies हैं especially defense sector

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के especially जो atomic sectors है उसके अंदर कुछ महत्वपूर्ण हमने इनिशियतिवेस लिए हे जिसके अंदर डेवलपमेंट सक्सेसफुल हुए है और अब हम उसके अंदर commercialization बढ़ चुके हे जिसके अंदर हमारा specially Hyderabad की जो unit हे हमारी की Kochi unit है उनके एफर्ट्स है। तीसरा जो हम काम कर रहे है आपको जो हमने अभी आपको अवगत कराया था उसके अंदर में academic institutions है especially अभी हमने अभी एक initiative लिया है एक ARTPARK करके एक subsidiary है IISC की जो की drones के अंदर काफी काम कर रहे है तो हमने उनके साथ एक जॉइंट वर्किंग अरेंजमेंट किया थे बेंगलोर के अंदर ही तो वो लोग design करेंगे तो कुछ special टाइप के payload drones जो होंगे जो की essentially defense services को केंटर करते है तो उनके साथ मिलकर के हम prototype manufacture करेंगे और उसके बाद commercialization हम लोग चाहेंगे करना। तो इस दिशा के अंदर हमारे कुछ महत्वपूर्ण इनिशियतिवेस हे , जिसके अंदर हमें लगता है के अगले एक साल दो साल , के अंदर कुछ हम बहुत महत्वपूर्ण Landmarks achieve करेंगे और जिससे की diversified product range रहेगा जो की ना सिर्फ machine tools को cater करेगा बल्कि कुछ कंपोनेंट्स को cater करेगा जैसे railways, railways से हम बात कर रहे है हमने कुछ special purpose machines बनाई है उनके लिए तो हम उनके लिए मचिनेस भी बनाएंगे और हम ऑफर कर रहे है के हम उनके लिए components भी बनाएंगे, जो उसी मशीन कोई भी इससे निर्मित होते है तो इस दिशा के अंदर हम हमारे जो टेक्निकल प्लान्स हे वो इस रूप मे हम चाह रहे है जिससे की हम ये चाहेंगे की इनिशियतिवेस है अगले वर्ष हमारे जो turnover है हमारे जो सेल्स है वो बढ़ेगी जो आज की तारिक मे लगभग एक सौ पचास करोड़ के आस पास है इस फ़ाइनेंष्यल ईयर के अंदर मार्च 2024 मे हमारा लक्ष्य है की हम दो सौ करोड़ रुपये का turnover प्राप्त करेंगे इस turnover से हमारे जो operational losses है हमारा पहला एम है की हम step by step प्राप्त कर रहे है.. तो पहला एम है की किस तरह से हम operation losses को कम करेंगे.... So we are very much confident and under the leadership and under the guidance of our Honorable Ministers and Honorable Ministry, especially our Joint Secretary and Additional Secretary, ये सारे के सारे initiatives जो है बहुत huge suffer कर रहे है जिससे की लाभ हमे आने वाले समय मे दिखाई देगा और इसी रूपरेखा को हमने जो इस state me revival plan अपना एक ministry को भी forward किया है and we are quite hopeful that we'll be getting some positive results through all our initiatives. I hope I have replied to your queries. And so, if at all we have not replied, I think we will send it by e-mail to you also for completeness of the thing.

**Company Secretary:** Now I request Ms. Rita Saxena Madam Director Finance to propose the vote of thanks.

**Ms. Rita Saxena:** Respected Chairman and Managing Director Shri. Pankaj Gupta Sir, my other colleagues in the Board of Directors of HMT Limited shareholders and other

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delegates, Ladies and Gentlemen, I consider it a great privilege to propose a vote of thanks on this 70th, 70th AGM Convene through Virtual Modes. I thank Shri. Pankaj Gupta, Chairman and Managing Director of our company for chairing and presiding over the meeting. I thanks to all the Board members who have been a guiding force in managing the affairs of the company. My special thanks goes to our esteemed shareholders for their active participation in this virtual meeting. I also convey my thanks to the officials of Ministry of Heavy Industry and Ministry of External Affairs and also Ministry of Finance, who have extended wholehearted support in the managing of the affairs of the company. I also convey my thanks to the statutory auditor and secretarial auditor for their wholehearted cooperation in conducting the Annual General Meeting successfully. I also convey my thanks to M/s. KFin Technologies Limited 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. Thank you once again.

**Chairman:** Thank you Ms. Rita Saxena for proposing the vote of thanks. The Instapoll E-voting facility will be open for the next 15 minutes for those who have not cast their votes through remote E-voting and thereafter meeting will be closed. We have to wait for 15 minutes.