HMT BEARINGS LIMITED

CONTENTS

BOARD OF DIRECTORS

Shri S. Girish Kumar	Chairman
Shri V. P. Singh	Director
Smt Shashi B. Srivastava	Managing Director (w.e.f. 01-11-2017)
Shri B. M. Shivashankar	Managing Director I/C (upto 31-10-2017)

STATUTORY AUDITORS

M/s. Venkatram & Co.,
Chartered Accountants
Hyderabad

REGISTERED OFFICE

Moula Ali
Hyderabad 500 040. (AP) INDIA.

PERFORMANCE HIGHLIGHTS

(Rs. in Lakhs)

	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
OPERATING STATISTICS										
Sales *	266	1182	1657	1633	1254	1612	1170	684	871	1538
Other Income & Prior period Adj.	289	461	162	97	83	38	19	20	37	27
- Provisions withdrawn	0	0	0	106	301	396	244	20	9	40
Stock Adjustments	104	311	62	115	215	53	61	-149	-110	-38
Materials	127	632	1172	1182	855	1102	786	347	301	719
Employee Costs	178	270	408	398	374	425	559	714	801	886
- Employee Salaries & Allow.	0	0	0	327	304	425	510	682	754	812
- Provision for Gratuity, EL SL	0	0	0	71	70		49	32	47	74
VRS Benefit	0						1065			914
Depreciation	0	16	16	15	29	47	48	47	103	107
Other Expenses - Operational	130	153	181	110	124	139	131	123	143	237
- Provisions/Write off	0	0	0	233	61	50	83	75		
Excise Duty	45	150	182	202	180	182	137	63	96	218
Cash Profit/Loss(-) with out ELSA & Gr Provisions	0	0	0	24	89	-145	-314	-660	-496	-459
Earnings before interest & Tax	-29	111	-202	-189	230	154	-1315	-872	-637	-1515
Interest	0	0	1601	1409	1076	1166	817	540	431	329
Earnings/ (Loss)before Tax	-29	111	-1803	-1598	-846	-1012	-2132	-1531	-1068	-1844
Exceptional Items	336	1003	0		639					
Provision of Taxes/Reserves/									39	228
Dividend/Deferredtax										-
Profit/Loss carried out to Balance Sheet	-365	-892	-1803	-1598	-207	-1012	-2132	-1531	-1107	-2072
Net Earnings	-365	-892	-1803	-1598	-207	-1022	-2132	-1531	-1107	-2072
Net Earnings without considering VRS benefit paid	-29	111	-1803	-1598	-207	-1022	-1067	-1531	-1107	-1158
O C I	7	24	-19							
Net Earnings	-358	-868	-1822							
Prioa year dep adj										
Cum.Earnings	-16006	-15648	-14780	-13061	-11463	-11256	-10244	-8112	-6581	-5474
FINANCIAL POSITION										
Net Fixed Assets	0	0	100	124	132	162	209	257	306	396
Current Assets #	2029	3551	3130	2841	2528	1828	1431	1470	1731	1672
Current Liabilities & Provision#	103	944	621	5926	4300	6074	5569	2033	2479	1866
Working Capital #	1926	2607	2509	-3085	-1772	-4246	-4137	-563	-748	194
Capital Employed #	1926	2607	2609	-2961	-1640	-4084	-3928	-306	-442	599
Investments	0	0	0	41	201	201	201	201	201	207
Non Current Assets	0	0	0	74	80	32	32			
Miscellaneous Expenses										-
Long Term Borrowings & Provisions #	14162	14503	13518	6444	6334	3634	2779	4237	2568	2152
Net Worth	-12236	-11877	11009	-9290	-7692	-7485	-6474	-4342	-2810	-1703
Net Worth with DRE	-12236	-11877	11009	-9290	-7692	-7485	-6474	-4342	-2810	-1703
OTHER STATISTICS										
Capital Expenditure					0	0	0	0	4	95
Internal Resources Generated	-365	-876	-1787	-1583	-817	-965	-2084	-1484	-1004	
Working Capital turnover Ratio	7.24	2.21	1.51	-1.89	-1.41	-2.63	-3.54	-1.21	-1.16	7.93:1
Current Ratio	19.7	3.76	5.04	0.48	0.59	0.3	0.26	0.72	0.70	0.90 :1
Return on Capital (%)										-
Number of Employees -Regular	0	3	55	62	65	74	89	224	263	300
- Contract	0	3	69	69	68	123	108			
Total		131	133	197	197	224	263	300		
Per Capita Sales				12.47	9.43	8.18	5.94	3.05	3.31	5.13

* Sales includes Sales of Scrap & Boughtout items.

** Capital Employed = Net Fixed Assets + Capital WIP + Working Capital + DRE.

DIRECTORS' REPORT

The Members
HMT Bearing Limited, Hyderabad

Your Directors are pleased to present the 52nd Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2017, Report of the Statutory Auditors and the Comments thereon as well as the Review of Accounts by the Comptroller and Auditor General of India.

OPERATIONS:

During the year 2016-17 , the company discontinues the operations

OPERATING RESULTS:

Rs .Cr

Particulars	2016-17	2015-16
PBIT	(3.58)	(8.68)
PBT	(3.58)	(8.68)

Cumulative Loss as on 31-3-2017 is Rs (160.06)

DIVIDEND

In view of the losses incurred during the year, your Directors are not in a position to recommend any Dividend for the year 2016-17. Your Directors have considered and drawn up the accounts for the year ended March 31, 2017, on a going concern basis in spite of the negative Net Worth as on that date.

SHARE CAPITAL:

The Issued, Subscribed and Paid-up Share Capital of the Company stood at ₹ 37.71 cr as on 31-03-2017.

NET WORTH:

The net worth of the Company as on 31-3-2017 is Rs (122.35) cr

Fixed Deposits

The Company did not accept any fixed deposits during the year, and as such there was no outstanding Fixed Deposits at the beginning/end of the year.

Present Status

DHI informed vide letter dated 13th Jan 2016 that, the Closure of HMT Bearings Limited and to relieve all the employees of the Company on VRS/VSS and by retrenchment under industrial Dispute Act of 1947 to those not opting for VRS/VSS. The Company announced VRS vide Office order dated 20-01-2016. All the employees are relieved on VRS,

PERSONNEL:

No of employee as on 31st March, 2017 is NIL,

AUDITOR

M/s. C. Venkatram & Co., Chartered Accountants, Reg No 05432S Hyderabad were appointed by the C&AG as Statutory Auditors of the Company for the financial year 2016-17

Replies to the observations by the Auditors in their Report are given by way of an Addendum to this Report. The replies to the Comments by the Comptroller and Auditor General of India on the Accounts are given separately.

Auditors' Report

The Statutory Auditors have submitted Independent Auditor's Report along with Addendum to Independent Auditor's Report for the year 2016-17. Comments by the Comptroller & Auditor General of India on the accounts for the year are given separately.

Board Meetings

During the year Six Board Meetings were convened and held the details of which are given in the Corporate Governance Report. The intervening gap between the Meeting was within the period prescribed under the Companies Act, 2013.

VIGILANCE ACTIVITIES

The Company has adopted a pro-active approach to bring vigilance awareness amongst all employees and other stake holders. The vigilance cells at all units are functioning and keeping watch on the overall vigilance activities of the

Company. The vigilance officers at each unit carry out surprise checks and periodic inspections in various departments. Reporting system is being adopted to monitor and keep vigil on overall administration. Transparency in various areas of Company /operations to achieve vigilance objectives.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate systems of Internal control commensurate with its size and nature of its operations. The salient features of internal control systems are

- Clear delegation of power with authority limits for incurring capital and revenue expenditure.
- Well laid down corporate policies for accounting, reporting and Corporate Governance.
- Safeguarding assets against unauthorized use or losses or disposition, and ensuring that the transactions are authorized , recorded and reported correctly.
- Process for formulating and reviewing annual and long term business plans have been laid down.
- Detailed Annual budget giving further break up of monthly targets under various heads.
- Continuous review of the performance by the Core Committee with reference to the budgets on an ongoing basis.
- Compliance with laws and regulations

Implementation of Official Language

Your Company continued to pursue its efforts in the implementation of the Official Language Policy of the Government. Towards this end, cash awards have been given to employees on passing various Hindi examinations.

Information Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Pursuant to Section 134(3)(m) of the Companies Act 2013 read with rules 8 of Companies (Accounts) Rules, 2014 are Annexed to this Report.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- ✓ that in the preparation of the annual financial statements for the year ended 31.03.2017, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- ✓ that such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the statement of profit and loss of the Company for the year ended on that date;
- ✓ that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ✓ that the annual financial statements have been prepared on a going concern basis;
- ✓ that proper internal financial controls were in place and are adequate and were operating effectively;
- ✓ that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively;
- ✓ Since the overall performance of the Company is evaluated against the annual MoU targets set by the Department of Public Enterprises (DPE), no specific criteria is laid down for the evaluation of Board and of its Committees and the individual Directors. Since your Company being a Central Public Sector Enterprise (CPSE), the personnel

policies and guidelines issued by DPE are being adopted in line with other CPSEs Accordingly, your Company has not formulated any separate policy in respect of appointment or evaluation of senior management and key managerial personnel.

Directors and Key Managerial personnel

Shri S. Girish Kumar Chairman & Managing Director HMT Ltd. continued as Director and Chairman of the company.

Shri B.M.Shivashankar was entrusted with additional charge of Managing Director.

ACKNOWLEDGEMENTS

The Directors are thankful to HMT Limited, the Holding Company, the various Departments and Ministries in the Government of India, particularly the Department of Heavy Industry, Ministry of Corporate Affairs, Comptroller & Auditor General of India, Principal Director-Commercial Audit, Statutory and Branch Auditors, Director General Supplies & Disposals, Director General, Ordnance Factories, various State Governments, Suppliers and Dealers, and valued customers of the Company both in India and abroad for their continued co-operation and patronage.

Directors also sincerely appreciate the contributions made by the employees at all levels in the operations of the Company during the year, despite the difficult situation faced by the Company.

For and on behalf of the Board of Directors,

Chairman

Place : Bangalore
Date : 29-7-2017

ANNEXURE TO THE DIRECTORS' REPORT

Statement pursuant to Section 217 (i) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A) Conservation of Energy:

a) During the financial year ended on March 31, 2017 various measures were taken to monitor the operation of high power equipments such as Compressors, Power Transformer and Diesel Generator.

b) Monitoring the utilization of Lighting;

c) Impact of the measures at (a) & (b) above for reduction of electric energy consumption resulted in reduction in the cost of production of goods.

d) As a result of measures taken during 2015-16 the consumption / standard hour production is maintained at as it was in previous years

Technology Absorption: Research and Development (R & D)

R & D activities at the Company remained centered around the development of New Bearings, for Defence and Indian Railways, improvement of existing Bearings and cost reduction.

2) Technology Absorption and Adaptation:

a) Technology transferred by M/s. Koyo Seiko Company Limited, Japan, was fully absorbed and adopted.

b) Particulars of technologies imported during the last 5 years.

Since the collaboration agreement with M/s Koyo Seiko Company Ltd, ended in 1978, this does not apply.

B) Foreign Exchange Earnings and Outgo:

Foreign Exchange earned: Commission- NIL, Export Bearings-NIL, **Total-NIL**

Your Directors also wish to place on record their deep sense of appreciation for the devoted contribution, cooperation and efforts put in by the employees at all levels in the operations of the Company during the year under review.

For and on behalf of the Board of Directors,

(S.GIRISH KUMAR)
Chairman

Place: Hyderabad
Date: 29-7-2017

CORPORATE GOVERNANCE

In compliance with the Guidelines on Corporate Governance for Central Public Enterprises, framed by the Department of public Enterprises, GOI as applicable to Government Companies and as per the applicable provisions of Section 133 of the Act read with Rule 3 of the companies (Indian accounting standards) Rules ,2015 and companies (Indian accounting standards) Amendment Rules, 2016 and your Company hereby submit the report on Corporate Governance .The Company is committed to maintain the highest standards of Corporate Governance and initiated appropriate action for compliance of the Guidelines on Corporate Governance.

Board of Directors

As on March 31, 2017, the Board of Directors comprised of Chairman, Managing Director and one (1) Part-time Official Directors. Currently the position of part-time Non Official (Independent) Directors are vacant.

The day-to-day Management of the Company is conducted by the Managing Director and under the supervision and control of the Board of Directors.

During the year 2016-17, Five Board Meetings were held on 22nd June 2016, 21st July 2016, 29th September 2016, 30th January 2017 and 31st March 2017

The compositions of Directors and their attendance at the Board Meetings and at other Meetings during the year are:

Name	Category	Attendance particulars		No. of other Directorships and Committee Member /Chairmanship held		
		Board Meetings	General Meeting	Director ship	Committee	
					Membership	Chairmanship
S. Girish Kumar	Chairman	5	Yes	7	-	
B M Shivashankar	NENI	5	-	4	4	-
V P Singh	NENI	5	-	3	3	

C: Chairman & Managing Director, ENI: Executive & Non Independent,NENI: Non Executive & Non Independent, NEI: Non Executive & Independent, NA: Not Applicable

DIRECTORS

Directors and Key Managerial personnel

Shri S. Girish Kumar Chairman & Managing Director HMT Ltd. continued as Director and Chairman of the company.

Shri B.M.Shivashankar was entrusted with additional charge of Managing Director from 01.06.2015 vide Ministry's letter dated June 12, 2015.

Vide Presidential Order F No-5(8)/2010-P.E.X dated August 18th, 2015 issued by the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Shri V.P. Singh has been appointed as the Part-time Official Director of the Company with immediate effect, until further orders vice Ms. Vinita Srivastava.

Remuneration of Directors

The details of remuneration of whole time Managing Director P Shivarmi Reddy is Rs. 1.80 lakhs.

An amount of Rs.1,500/- is payable only to independent / BIFR Nominee Directors for attending each meetings of the Board and Committees.

General Body Meetings

The last three Annual General Meetings of the Company were held as under:

Financial year	Date	Time	Venue
2013-14	29.9.2014	10.30 A M	HMT Bhavan No.59, Bellary Road, B'lore-03.
2014-15	14-9-2015	10.30 A M	— DO —
2015-16	28-9-2016	10.30 A M	— DO —

Special Resolution if any

Annual General Meeting for the current year is scheduled to be held before September 30, 2017 at the Registered Office of the Company.

Disclosures

There were no transactions of material nature with its Promoters, the Directors or the Management or their relatives which may have the potential conflict with the interest of the Company at large.

The statutory dues outstanding as on 31st March, 2017 is ‘ NIL Lakhs. The future dues Rs.0.25 Cr on month to month basis will also be paid, if the turnover continues Rs.1.25 Cr and corresponding collection as it was in last 12 months.

Investments in APGPCL have undergone diminution to an extent of about Rs.1.60 Crores as per the book value. The same was provided in the 2016-17 financial year.

There were no other instances of non-compliance by the Company, penalties, strictures imposed on the Company by statutory authority, or any matter related to any guidelines issued by Government, during the last three years.

The Company has not established a whistle Blower Policy for the employees. However, none of the employee has been denied the access up to the senior level management.

Means of Communication

Being a wholly owned subsidiary, Company submits financial results periodically to M/s.HMT Limited, the Holding Company .Annual results are also updated on the Company’s website www.hmtbearings.co.in

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[*Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	:	U29130TG1964FLC001023
ii.	Registration Date	:	October 21, 1964
iii.	Name of the Company	:	HMT Bearings Limited
iv.	Category/Sub-Category of the Company	:	Company Limited by Shares /Union Government Company
v.	Address of the registered office and contact details	:	HMT BEARINGS LIMITED Moula Ali Hyderabad - 500 040. INDIA. Ph.: 040-2724 2237
vi.	Whether listed company	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	HMT BEARINGS LIMITED Moula Ali Hyderabad - 500 040. INDIA. Ph.: 040-2724 2237

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main Products/ Services	NIC Code of the Product/ service	% total turnover of the company
1	Manufacturing of Bearings	-	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding Subsidary Joint Venture	% of shares held associate
1	HMT Limited	L29230KA1953PTC000748	Holding	100

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding

Cate- -gory Code	Category of Shareholders	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR				NO. OF SHARES HELD AT THE END OF THE YEAR				% Change during
		Demat	Physcial	Total	% of Total Shares	Demat	Physcial	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	-	500	500		-	500	5000		-
(b)	Central Government/State Government(s)		37468586	37468586	99	-	37468586	37468586	99	-
(c)	Bodies Corporate		240000	240000			240000	240000		-
(d)	Financial Institutions / Banks									
(e)	Government Companies	0	37709086	37709086	100	0	37709086	37709086	100	0
	Sub-Total A(1) :	0	37709086	37709086	100	0	37709086	37709086	100	0
(2)	FOREIGN	Nil								
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	**0**	**37709086**	**37709086**	**100**	**0**	**37709086**	**37709086**	**100**	**0**
(B)	**PUBLIC SHAREHOLDING**	**NIL**								
	Sub-Total B(1) :	-	-	-	-	-	-	-	-	-
(2)	NON-INSTITUTIONS	Nil								
	Sub-Total B(2) :	-	-	-	-	-	-	-	-	-
	Total B=B(1)+B(2) :	-	-	-	-	-	-	-	-	-
	Total (A+B) :									
(C)	Shares held by custodians, against which	NIL								
(1)	Depository Receipts have been issued Promoter and Promoter Group									
(2)	Public									
	GRAND TOTAL (A+B+C) :	**0**	**3709086**	**3709086**	**100**	**0**	**3709086**	**3709086**	**100**	**0**

ii) Shareholding of Promoters

No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	HMT Limited	37709086	100	NIL	37709086	100	NIL	0.00

iii) Change in Promoters' Shareholding (please specify, if there is no change) – NO CHANGE

Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	**37709086**	**100**	**37709086**	**100**
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the End of the year	-	-	-	-

iv) Shareholding Pattern of top ten Shareholders *(other than Directors, promoters and Holders of GDRs and ADRs): NA*

For Each of the Top 10 Shareholders	Shareholding at the beinning of the year		Shareholding at the beinning of the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Not Applicable				

v) Shareholding of Directors and Key Managerial Personnel:

For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	-NIL-	-NA-	-NIL-	-NA-
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-NA-		No change	
At the End of the year	-NIL-	-NA-	-NIL-	-NA-

None of the Directors or Key Managerial Personnel is holding any shares in the company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01.04.2016				
i) Principal Amount	-	14161.85	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**14161.85**	**-**	**-**
Change in Indebtedness during the financial year				
- Addition	-	-	-	-
- Reduction	-	-	-	-
Net Change	**-**	**-**	**-**	**-**
Indebtedness at the end of the financial year 31.03.2017				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**14161.85**	**-**	**-**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Whole-time Director:

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 (b) Value of perquisites u/s17(2) Income-tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	- - -
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others, (W.A, EL & P. Bonus)	-
5	Provident Fund	-
6	Gratuity	-
7	Medical Benefits	-
	Total (A)	-
	Ceiling as per the Act	-

B. Remuneration to other Directors:

Independent Directors :

Particulars of Remuneration	*Name of MD/WTD*	*Total Amount*
- Fees for attending board/committee meetings		-
- Commission	-	-
- Others, please specify	-	-
Total (1)	-	-
Other Non-Executive Directors		
Particulars of Remuneration	-	-
Total (2)	-	-
Total (B)=(1+2)	-	-
Total Managerial Remuneration	-	-
Overall Ceiling as per the Act		

A. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
1.	Gross salary(a)Salary as per provisions contained in section 17(1) of the Income -tax Act,1961 (b)Value of perquisites u/s17(2) Income-tax Act,1961	-
	(c)Profits in lieu of salary under section 17(3)Income-tax Act, 1961	
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission- as % of profit-others, (W.A, EL & P. Bonus)	-
5.	Provident Fund	-
6.	Gratuity	-
	TOTAL	**-**

VII: PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies	Brief Act Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment	None				
Compounding	None				
B. DIRECTORS					
Penalty	None				
Punishment	None				
Compounding	None				
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment	None				
Compounding	None				

Due to absence/inadequacy of profits the Company Could not take up any CSR PROJECTS for the year 2016-17

INDEPENDENT AUDITOR'S REPORT

To
The Members of
HMT Bearings Limited,
Moulali, Hyderabad

Report on the Audit of HMT BEARINGS LIMITED, HYDERABAD, Ind AS Financial Statements

We have audited the accompanying Ind As financial statements of HMT BEARINGS LIMITED, HYDERABAD ("the Company"), which comprise the balance sheet as at 31st March 2017, and the statement of Profit and Loss, cash flow statement, statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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 Companies Act, 2013 ("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 of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Adverse Opinion

The Company was directed by The Government of India Ministry of Industry and Public Enterprises vide their letter dated 13th January 2016, directed the company to close its operations. The said letter clearly indicates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may not be able to carry the normal course of business. The financial statements however are prepared on going concern basis.

a) The Company has not made any provision for expected credit loss on Trade Receivables hence we are unable to ascertain the existence of the debtors as on 31.03.2017.

b) The Company has not made classification of the current and non-current trade receivables, hence we are unable to comment on the disclosure of these trade receivables in the balance sheet as on 31.03.2017.

c) The Company has not classified advances as Current and non-current and also finance and other assets, hence we are unable to comment on the disclosure of these advances and provisions so made on these advances in the balance sheet as on 31.03.2017.

d) The Company has not disclosed the following –

   a. Additional information relating to

      i. Amounts due to MSME

   b. Note on approval of Financial statements

Adverse Opinion

In our opinion, because of the omission of the information mentioned in the Basis for Adverse Opinion paragraphs, the financial statements do not give the information required by the Companies Act, 2013 in the manner so required and also do not give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31.03.2017, and its loss for the period ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a) We have sought and, except for the possible effects of the matter described in the Basis for Adverse Opinion paragraphs above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraphs above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss and cash flow dealt with by this Report are in agreement with the books of account

d) Except for the matter described in the Basis for Adverse Opinion paragraphs above, the Balance Sheet, Statement of Profit and Loss and cash flow comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014;

e) Being a Government Company, provisions of section 164(2) of Companies Act, 2013 is not applicable as per notification dated 5th June 2015 issued by the Department of Company affairs, Government of India.

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 B".

g) 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, in our opinion and to the best of our information and according to the explanations given to us

i. The company has a pending dispute with BPCL for an amount of Rs.2.89 lakhs towards sales tax difference and the company filed a counter.

ii. Except for the possible effects of the matter described in the Basis for Adverse Opinion paragraphs above, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. The company was not required to transfer any amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. In accordance with the books of accounts maintained by the Company, the cash payments or receipts are Nil, Hence Nil Statement is disclosed **Annexure C** in compliance with the notification G.S.R 307 (E) dated 30.03.2017

***for* C.Venkatram & Co.,**
Chartered Accountants
FRN: 05432S

CA Surya Narayana Sarma Chittapragada
Partner
M No: 203198

Place: Hyderabad
Date: 29-07-2017

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date on the Ind AS Financial Statements for the year ended 31 March 2017, we report that:

1) a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

b) As informed to us, the company is having policy of conducting physical verification of fixed assets once in three years. The company has not shown the evidence in which year the actual physical verification was done. We were informed that the management during the year has not verified the fixed assets. Hence we are unable to comment upon any discrepancies in case of Fixed Assets.

c) The company is in possession of Land transferred by State Government Industrial Infrastructure Corporation (P) Limited, the related title deed of land was not shown to us and we have not verified the same.

2) As per the information given to us, the management has not conducted the physical verification of inventory. The company has neither shown any related records to establish the conduct of physical verification of Inventories nor any discrepancies. Hence, we opine the procedure of Physical verification is not adequate.

3) The company has granted Inter corporate loan to HMT Machine tools division, Hyderabad covered in the Register maintained under section 189 of the Act. The rate of interest is NIL and other terms and conditions are not provided hence we are not able to comment whether or not prejudicial to the interests of the company. The company has taken several unsecured loans from Government of India as detailed in Balance sheet. However the company is not regular in the repayment of principal and interest of all these loans. As per the directions of CCEA for closure of the company entire amount is shown under "Government of India Write off Account".

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company but we have not verified the related records as specified under Companies(Cost Records and Audit) Rules, 2014.

7) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax and any other statutory dues with the appropriate authorities.

b) According to the information and explanations given to us, there were no dues of Excise Duty, sales tax, income tax, Customs Duty, Wealth Tax, Service Tax, which have not been deposited as on 31.03.2017 on account of dispute.

8) In our opinion and according to the information and explanations given to us, HMT Bearings Limited, has defaulted in repayment of loans granted by Government of India and the same were transferred to Government Of India Write Off a/c

9) Based upon the audit procedures performed and the information and explanations given by the

management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

11) The provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable.

12) In our opinion, the company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013. However, no separate disclosure of such transactions is required under IND AS No 24 in respect of Govt. Controlled Companies.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company is a subsidiary company the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Branch and hence not commented upon.

***for* C.Venkatram & Co.,**
Chartered Accountants
FRN: 05432S

CA Surya Narayana Sarma Chittapragada
Partner
M No: 203198

Place: Hyderabad
Date: 29-07-2017

"Annexure B" to the Independent Auditor's Report

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

We were engaged to audit the internal financial controls over financial reporting of HMT Bearings Limited as of March 31, 2017 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 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 (ICAI). 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Branch.

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.

Disclaimer of Opinion

Framework for internal financial control over financial reporting not established but does not impact the audit opinion on financial statements

According to the information and explanation given to us, the company has not established its internal financial control over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the standalone financial statements of the Company.

***for* C.Venkatram & Co.,**
Chartered Accountants
FRN: 05432S

CA Surya Narayana Sarma Chittapragada
Partner
M No: 203198

Place: Hyderabad
Date: 29-07-2017

Annexure - C

Details of transaction of SBNs during the period from 9 November 2016 to 30 December 2016,

	SBNs	Other denomination notes	Total
Closing Balance as at 8 November 2016			
Add Permitted Receipts			
Less Permitted Payments			
Less Amount deposited in Banks			
Closing Balance as at 30 December 2016			

ADDENDUM TO DIRECTORS REPORT FOR THE YEAR 2016-17 IN RESPECT OF OBSERVATIONS MADE BY STATUTORY AUDITORS ON THE ACCOUNTS OF HMT BEARINGS LIMITED FOR THE YEAR ENDED 31ST MARCH 2017

Auditor Queries	Replies
a) The Company has not made any provision for expected credit loss on Trade Receivables hence we are unable to ascertain the existence of the debtors as on 31.03.2017.	The Company reviewed the receivables on periodical basis and wherever necessary, appropriate provisions are made based on past experience/current scenario.
b) The Company has not made classification of the current and non-current trade receivables, hence we are unable to comment on the disclosure of these trade receivables in the balance sheet as on 31.03.2017.	The Company is under closure process and it is considered appropriate not to classify receivables as the same needs to be realised with immediate effect.
c) The Company has not classified advances as Current and non-current and also finance and other assets, hence we are unable to comment on the disclosure of these advances and provisions so made on these advances in the balance sheet as on 31.03.2017.	The Company is under closure process and it is considered appropriate not to classify advances as the same needs to be realised with immediate effect.
d) The Company has not disclosed the following -	
Additional information relating to i) Amounts due to MSME	As per the data/information available with the Company, the Vendors are not MSME Certified/Registered.

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 BEARINGS LIMITED, FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of HMT Bearings Limited, Hyderabad for the year ended on 31 March 2017 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 Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on the independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29 July 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of HMT Bearings Limited, Hyderabad for the year ended on 31 March 2017 under Section 143(6) (a) of the Act.

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

(L. Tochhawng)
Director General of Commercial Audit &
Ex-Officio Member, Audit Board,
Hyderabad

Place: Hyderabad
Date: 22 September 2017

Significant Accounting Policies:

i) *Basis of preparation:*

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. The standalone financial statements of the Company are prepared and presented in accordance with Ind AS.

For all periods, up to and including the year ended March 31, 2016, the Company had prepared and presented its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013 ('the Act'), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP'). The financial statements for the year ended March 31, 2017 are the first the Company has prepared and presented in accordance with Ind AS.

The financial statements have been prepared on the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii) *Summary of Significant Accounting Policies:*

a) Use of estimates:

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Any revision to accounting estimates is recognized prospectively.

b) Property, Plant & Equipment

Property, Plant and Equipment ('PPE') are stated at cost of acquisition or construction, net of vatable taxes, 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.

Expenditure in connection with the development of land is capitalised in the year in which the expense is incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Assets taken on Finance Lease are capitalized at fair value / NPV / contracted price. Depreciation on the same is charged at the rate applicable to similar type of fixed assets as per Accounting Policy on 'Depreciation'. If the lease assets are returnable to the lessor on expiry of lease period, the same is depreciated over its useful life or lease period, whichever is shorter.

Lease payments made are apportioned between finance charges and reduction of outstanding liability in relation to assets taken on lease.

Lease payments made for assets taken on Operating Lease are recognized as expense over the lease period.

The cost of an item of PPE shall be recognised as an asset if, and only if:

a) it is probable that future economic benefits associated with the item will flow to the entity; and

b) the cost of the item can be measured reliably.

Items of PPE which is held for sale within 12 months from the end of reporting period is disclosed at lower of carrying cost or fair value less cost of sale

The carrying amount of an item of PPE is de-recognised:

a) on disposal; or

b) where no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of PPE shall be included in statement of profit or loss when the item is derecognised.

Special Tools:

Expenditure on manufactured and bought out special tools held for use in the production or supply of the goods or services and whose use is greater than one period is considered as an item of PPE and is depreciated over its useful life of 5 years.

c) Borrowing Cost:

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.Borrowing costs directly attributable to acquisition of PPE which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.All other borrowing costs are expensed in the period in which they occur.

d) Investment Property: Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.The Company depreciated building component of investment property as per the useful life prescribed in Schedule II of the Act.Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement profit or loss in the period of de-recognition.

e) Intangible Assets:

i) Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

ii) Expenditure on Technical Know-how is recognized as an Intangible Asset and amortized on straight line method based on technical assessment for a period not exceeding ten years.The amortization commences when the asset is available for use.

iii) The cost of software internally generated / purchased for internal use which is not an integral part of the related hardware is recognized as an Intangible Asset and is amortized on straight line method based on technical assessment for a period not exceeding ten years.

iv) *Research and Development Expenditure:*

Research Phase:

Expenditure on research including the expenditure during the research phase of Research & Development Projects is charged to profit and loss account in the year of incurrence.

Development Phase:

Expenditure incurred on Development Costs, which relate to Design, Construction and Testing of a chosen alternative for new or improved material, devices, products, processes, systems or services are recognized as an intangible asset. Such Intangible assets are amortized based on technical assessment over a period not exceeding ten years using straight line method.

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

Each part of an item of PPE (also known as 'Component') 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.

Special Tools capitalised as PPE is depreciated over the period of five years and items those costing less than Rs.750 is depreciated in the year of acquisition/manufacture.

Amortisation methods and useful lives of intangible assets are reviewed periodically including at the end of each financial year.

g) Non-current assets held for distribution to owners and discontinued operations:

The Company classifies non-current assets as held for sale/distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/distribution expected within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Non-current Assets classified as held for sale/distribution are presented separately in the balance sheet

h) Government Grants:

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expenses. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

i) Inventories:

Raw materials, stores, work in progress and finished goods are valued at the lower of cost and net realizable value. The cost of materials is ascertained by adopting Weighted Average Cost Method.

Cost of work in progress, finished goods and goods-in-transit comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead being allocated on the basis of normal operating capacity.

j) Revenue Recognition:

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.Based on Ind AS 18, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

The Company collects the applicable taxes on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

i) *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) In case of FOR destination contracts, "when the significant risk and reward of ownership get transferred to the buyer on physical delivery.
3) Despatches to dealers/customers in respect of sale.

ii) *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.

iii) *Rental Income:*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

iv) *Dividend Income:*

Dividend income is recognised when the Companies right to receive the payment is established, which is generally when shareholders approve the dividend.

v) *Interest Income:*

Interest income, including income arising from other financial instruments measured at amortised cost, is recognized using the effective interest rate method.

vi) *Warranty:*

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

vii) *Extended Warranties:*

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.

k) Foreign Currency Translation:

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 cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

l) **Retirement & Other Employee Benefits:** 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 long-term employee benefit based on actuarial valuation.

Gratuity is provided for, under a defined benefit scheme, to cover the eligible employees, liability being determined on actuarial valuation. Annual contributions are made, to the extent required, to a trust constituted and administered by the Life Insurance Corporation of India under which the coverage is limited to Rs.50,000/- per eligible employee. The balance provision is being retained in the books to meet any additional liability accruing thereon for payment of Gratuity.

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

The Company recognizes the net obligation of a defined benefit plan i.e. Gratuity and SA in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in Other Comprehensive Income are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

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

The amount of Rs.50,000/- per head received/ receivable from LIC on account of gratuity claims in respect of employees separated under Voluntary Retirement Scheme during the year is accounted as Other Income.

In respect of employees who are separated other than under Voluntary Retirement Scheme, the Gratuity paid in excess of Rs.50,000/-, Earned Leave Encashment (ELE), SA is debited to the respective provision accounts. The provision at the yearend for Gratuity, ELE and SA is restated as per the actuarial valuation done at the year-end

Gratuity, ELE, SA and lumpsum compensation paid to employees under Voluntary Retirement Scheme ("VRS") shall be fully written off in the year of incidence. Expenses incurred in respect of bonds issued for raising funds to meet payments made under the VRS are fully written off in the year of disbursement.

m) **Income taxes:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in OCI or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i) *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.

ii) *Deferred Taxes:*

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.

n) Provisions:

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized in the statement of Profit and loss.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

o) Impairment:

i) *Financial assets:*

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition

ii) *Non-financial assets:*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

p) Financial Instruments:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i) *Cash & cash equivalents:*

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of twelve months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii) *Financial assets at amortised cost:*

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) *Financial assets at fair value through other comprehensive income:*

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company presents the subsequent changes in fair value in Other Comprehensive Income.

iv) *Financial assets at fair value through profit or loss:*Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

v) *Financial Liabilities:*

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

vi) *De-recognition of financial instruments:*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

vii) *Fair value of financial instruments:*

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

  For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

*viii) Investment in subsidiaries, joint ventures and associates:*Investment in subsidiaries, joint ventures and associates is carried at cost.

iii) Significant accounting judgements, estimations and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements

a Operating lease– Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

b Discontinued Operations

As per the CCEA Approval on 06/01/2016 it was decided that the operations of the Company will be closed. Thereafter, operations closed in the same Financial Year. According the Assets have been classified based on the definitions under IND AS16, IND AS 40 and IND AS 105. It is planned that the company will lease out the major portions of the land and buildings to a third party to generate lease rentals for the Company and accordingly, it is classified as Investment Properties

c Property, plant & equipment

Building at Corporate Head Office, where the significant portion of the property is used as Company owner occupied property and certain portion has been leased out by the Company. The management doesn't have any intention to sell the building and the portion of building which has been leased is for a short period and accordingly, it has been classified as PPE.

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a Deferred TaxesDeferred Tax Assets must be recognised to the extent that it is probable that future profits will be available against which the deductible temporary difference can be utilised. The company does not recognise Deferred Tax Asset since the company has unused tax losses and there is no convincing evidence about future taxable profit.

b Defined Benefit Obligations:The cost of the defined benefit gratuity plan and Settlement Allowance and the present value of the gratuity obligation 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 are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

c Other Long-Term Employee Benefits

Other Long-Term Employee Benefits like Earned Leave Encashment is determined through an actuarial valuation. The measurement of the long-term employee benefits is not subject to the same degree of uncertainty as the measurement of Defined Benefit Obligation. For this reason, the Re-measurement are not recognised in Other Comprehensive Income.

d Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the NAV/NRV model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

BALANCE SHEET AS AT 31ST MARCH 2017

(₹ in lakhs)

	Notes No.	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
ASSETS				
Non-current assets				
Property, plant and equipment	2.1			100.13
Financial assets				
i. Investments	2.3	42.83	42.83	42.53
Current assets				
Inventories	2.4	354.44	500.71	781.02
Financial assets				
i. Trade receivables	2.5	460.65	579.37	500.30
ii. Cash and cash equivalents	2.6	791.64	1,871.92	1,390.20
iii. Loans		300.00	336.00	-
iv. Other Financial Assets		-	83.83	116.87
Other current assets	2.7	56.16	51.57	199.41
Assets classified as held for sale	2.2	24.24	84.42	-
TOTAL ASSETS		**2,029.95**	**3,550.65**	**3,130.46**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.8	3,770.91	3,770.91	3,770.91
Other Equity		(16,006.43)	(15,648.25)	(14,780.16)
Non-current liabilities				
Financial liabilities				
i. Borrowings				
Provisions				
Employee Benefit obligations	2.12	(12.13)	(9.79)	39.46
Current liabilities				
Financial liabilities				
i. Borrowings				
ii. Trade payables	2.11	104.25	846.98	282.05
iii. Other Financial Lilibilities		14,161.85	14,503.35	13,518.35
Provisions				
Employee Benefit obligations	2.12	-	10.44	58.14
Other current liabilities	2.13	11.50	76.98	241.71
TOTAL LIABILITIES		**2,029.95**	**3,550.63**	**3,130.46**
See accompanying notes to the financial statements	2.1			

As per our report of even date attached
For C. Venkatram & Co.,
Chartered Accountants
Firm Regd. No. : 05432s

C.S.N. Sarma
Partner
Membership No : 203198

Place : Bangalore
Date : 29-07-2017

For and on behalf of the Board of Directors of
HMT Bearings Limited

B.M. Shivashankar
Director
DIN : 05344115

S. Girish Kumar
Director
DIN : 03385073

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(₹ in lakhs)

	Notes No.	Year Ended 31-Mar-2017	Year Ended 31-Mar-2016	Year Ended 01-Apr-2015
Continuing Operations		-	-	-
Discontinued Operations				
Revenue from operations	2.14	266.32	1,182.69	1,656.23
Other income	2.15	289.39	461.16	162.44
Total revenue		**555.71**	**1,643.85**	**1,818.67**
Expenses				
Cost of material consumend	2.16	127.90	632.02	1,172.10
Changes in inventory of work-in progress, stock-in- trade and finished goods.	2.17	103.63	311.40	62.17
Excise Duty		45.22	150.55	182.04
Emloyee benefit expense	2.18	178.15	270.40	408.29
Depreciation and amortisation expense	2.2	-	15.72	16.03
Other expense	2.19	130.41	153.34	181.04
Finance Cost	2.20	-	-	1,600.36
Total expenses		**585.32**	**1,533.43**	**3,622.02**
Profit/ (loss) before exceptional items and tax		(29.61)	110.41	(1,803.36)
Exceptional items		336.37	1,003.54	-
Profit/ (loss) before tax		(365.98)	(893.13)	(1,803.36)
Tax expense				
a) Current tax		-	-	-
b) Deferred tax		-	-	-
Profit/ (loss) for the period from continuing operations		(365.98)	(893.13)	(1,803.36)
Profit/ (loss) for the period		(365.98)	(893.13)	(1,803.36)
Other comprehensive income				
-Items that will not be reclassified to profit or loss		-	-	-
Net (loss)/gain on FVTOCI equity Securities		-	0.29	0.64
Re-measurement gains (losses) on defined benefit plans		7.79	24.75	(19.67)
-Items that will be reclassified to profit or loss		-	-	-
		7.79	25.04	(19.03)
Total comprehensive income for the period (Profit/ loss + other comprehensive income)		(358.19)	(868.08)	(1,822.38)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(₹ in lakhs)

	Notes No.	Year Ended 31-Mar-2017	Year Ended 31-Mar-2016	Year Ended 01-Apr-2016
Earnings per equity share				
(for continuing operations)	2.21			
a) Basic				
b) Diluted				
Earnings per equity share				
(for discontinued operations)				
a) Basic		(0.93)	(2.24)	-
b) Diluted		(0.93)	(2.24)	-
Earnings per equity share				
(for discontinued & continuing operations)				
a) Basic		(0.93)	(2.24)	-
b) Diluted		(0.93)	(2.24)	-
See accompanying notes to the financial statements	2.1			

As per our report of even date attached
For C. Venkatram & Co.,
Chartered Accountants
Firm Regd. No. : 05432s

C.S.N. Sarma
Partner
Membership No : 203198

Place : Bangalore
Date : 29-07-2017

For and on behalf of the Board of Directors of
HMT Bearings Limited

B.M. Shivashankar
Director
DIN : 05344115

S. Girish Kumar
Director
DIN : 03385073

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Rs. in lakhs)

	Year ended 31-03-2017	Year ended 31-03-2016
Operating activities		
Profit before tax from continuing operations	0.00	0.00
Profit/(loss) before tax from discontinued operations	(365.98)	(893.13)
Profit before tax	**(365.98)**	**(893.13)**
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	0.00	15.72
Loss/(Gain) on disposal of property, plant and equipment	0.00	(4.14)
Finance income	(142.51)	(155.99)
Working capital adjustments:		
Movements in provisions, gratuity	(4.99)	(72.20)
Increase in trade and other receivables and prepayments	233.96	(234.19)
Decrease in inventories	146.27	280.31
Increase in trade and other payables	(1,149.70)	1,385.20
	(1,282.96)	321.59
Income tax paid/reversed		
Net cash flows from operating activities	**(1,282.96)**	**321.59**
Investing activities		
Proceeds from sale of property, plant and equipment	60.18	4.14
Interest received	142.51	155.99
Net cash flows used in investing activities	**202.69**	**160.13**
Financing activities		
Net cash flows from/(used in) financing activities	**0.00**	**0.00**
Net increase in cash and cash equivalents	(1,080.27)	481.72
Net foreign exchange difference		
Cash and cash equivalents at the beginning of the year	1,871.92	1,390.20
Cash and cash equivalents at year end	**791.65**	**1,871.92**

Note: 1) The above statement has been prepared under the indirect method as set out in Ind AS 7
2) The Cash and Cash equivalents has been considered as per Note No.7

As per our report of even date attached
For C. Venkatram & Co.,
Chartered Accountants
Firm Regd. No. : 05432s

C.S.N. Sarma
Partner
Membership No : 203198

Place : Bangalore
Date : 29-07-2017

For and on behalf of the Board of Directors of
HMT Bearings Limited

B.M. Shivashankar
Director
DIN : 05344115

S. Girish Kumar
Director
DIN : 03385073

NOTES ON FINANCIAL STATEMENTS

(₹ in lakhs)

		As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
2.3	**Investments**			
	Investments In Equity Instruments			
	Investments at fair value through OCI (FVTOCI)			
	1,34,000 (previous year 1,34,000) Equity shares of ₹ 10 each fully paid up in Andhra Pradesh Gas Power Corporation Ltd., Hyderabad	42.83	42.83	42.53
	Total FVTOCI investments	**42.83**	**42.83**	**42.53**
	Current			
	Non Current	42.83	42.83	42.53
	Aggregate amount of unquoted investments	42.83	42.83	42.53
2.4	**Inventories**			
	Raw Materials	119.25	159.49	148.50
	Stores and spares	87.80	88.99	62.46
	Loose Tools	49.18	50.38	56.81
	Finished goods	182.87	279.99	305.44
	Work-in-progress	4.21	10.73	298.16
	Others - Stock of Scrap	29.68	29.68	28.20
	Less: Provision for Slow/Non-moving Inventories	118.55	118.55	118.55
	Total	**354.44**	**500.71**	**781.02**
2.5	**TRADE RECEIVABLES**			
	Trade receivable	299.68	438.90	553.46
	Receivable from related parties			
	HMT Ltd	166.87	141.44	-
	HMT Machine Tools Ltd	(5.90)	-	-
	Less Allowance for doubtful Debts	-	(0.97)	53.16
	Total	**460.65**	**579.37**	**500.30**
	TRADE RECEIVABLES			
	Secured Considered good			
	Unsecured, considered good	299.68	437.93	500.30
	Doubtful	-	0.97	53.16
	Less Allowance for doubtful Debts	-	0.97	53.16
	Total	**299.68**	**437.93**	**500.30**

NOTES ON FINANCIAL STATEMENTS

(₹ in lakhs)

		As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
	TRADE RECEIVABLES			
	Trade Receivables			
	outstanding greater than 6 months	225.03	225.48	202.34
	outstanding less than 6 months	74.65	212.45	297.96
	Total	**299.68**	**437.93**	**500.30**
2.6	**CASH AND CASH EQUIVALENTS**			
	Balances with banks			
	- Current Account	89.89	6.67	6.94
	Deposit with banks			
	Guarantees with Banks	62.42	947.05	1,358.61
	Fixed Deposits	639.33	12.96	24.52
	Cash on hand	-	905.24	0.13
	Total	**791.64**	**1,871.92**	**1,390.20**
	LOANS			
	Loan to fellow subsidiaries			
	HMT Machine Tools Ltd	300.00		
	HMT international Ltd		336.00	
	Total	**300.00**	**336.00**	**-**
	OTHER FINANCIAL ASSETS			
	Interest Acrued and Due on Deposits	-	83.83	116.87
	Total	**-**	**83.83**	**116.87**
2.7	**OTHER ASSETS**			
	Current			
	Advances Other than Capital Advances			
	Advance to suppliers	11.21	1.17	0.48
	Other Advances			3.09
	Less: Provision for doubtful advances			3.09
		11.21	1.17	0.48
	Employees Advances	0.07	0.11	0.82
	Deposits with various authorities	22.39	16.07	14.99
	Other Deposits		6.35	6.35

NOTES ON FINANCIAL STATEMENTS

(₹ in lakhs)

	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
Balance with Government Authorities	9.28	2.96	10.65
Prepaid and others	0.07	0.59	0.05
TDS Receivables	13.16	24.32	53.57
Other Assets			112.50
Total	**56.16**	**51.57**	**199.41**

2.11 TRADE AND OTHER PAYABLES

Due to micro and small enterprises			
Dues to other creditors			
For Goods Purchased	24.74	100.41	185.43
For Services Received	79.51	746.57	96.62
Total	**104.25**	**846.98**	**282.05**

* The Company has not received information from vendor regarding the status under the MSMED Act, and hence disclosure relating to amounts un-paid as at end of the year together with interest paid/payable under the Act have not been given.

Other Financial Liabilities

Current maturities of long-term debt			1,326.40
Interest accrued but not due on borrowings			770.38
Interest accrued and due on borrowings			4,639.97
Government of Indnia Loan Defaulted			6,781.60
GOI Liabilities to be written off	14,161.85	14,503.35	
Total	**14,161.85**	**14,503.35**	**13,518.35**

Term loans for a period of 5 years carrying rate of interest @ 12.5% to 15.5%. Repayment in 5 equal annual installments commencing from date of first anniversary of drawal of loans from 14.12.2003 to 12.10.2015.

Particulars of continuous default in repayment of loan and interest- Period of default: since 15-12-2004 (previous year 15-12-2003

2.12 Employee Benefit obligations

Non Current

Gratuity	(12.13)	(12.04)	(10.93)
Earned Leave Encashment		1.84	39.72
Settlement Allowance		0..41	10.67
	(12.13)	**(9.79)**	**39.46**
Gratuity	-	7.60	35.20
Earned Leave Encashment	-	2.45	21.34

NOTES ON FINANCIAL STATEMENTS

(₹ in lakhs)

		As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
	Settlement Allowance		0.39	1.60
	Arrear salaries and bonus			
		-	**10.44**	**58.14**
	Total	**(12.13)**	**0.66**	**97.61**
2.13	**Other Liabilities**			
	Current			
	Revenue Received in Advance			1.00
	Statutory Liability	0.45	0.35	4.61
	Dues to related parties			
	- HMT Limited			80.30
	- HMT Machine Tools Limited	-	5.88	5.88
	- HMT (I) Limited	0.09	-	74.06
	- HMT Watches Limited	3.45	3.45	3.49
	Others			
	- Deposit from customers	7.51	5.55	5.25
	- VRS Componesation	-	31.28	-
	- Others	-	30.47	67.12
		11.50	76.98	241.71
	Total	**11.50**	**76.98**	**241.71**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED

(₹ in lakhs)

		For the year ended 31-Mar-2017	For the year ended 31-Mar-2016	For the year ended 31-Mar-2015
2.14	**REVENUE FROM OPERATIONS**			
	Sale of Bearings	266.32	1,182.69	1,656.23
	Total	**266.32**	**1,182.69**	**1,656.23**
2.15	**OTHER INCOME**			
	Interest received on Fixed Deposits	142.51	155.99	128.90
	Profit on Sale of Assets	-	4.14	
	Non Operating Income	42.39	16.37	32.81
	Provisions No Longer Required Written Off	55.06	283.23	
	Sale of Scrap	49.43	1.43	0.73
	Total	**289.39**	**461.16**	**162.44**
2.16	**Cost of material consumend**			
	A. Raw material			
	Inventory at the beginning of the year	159.49	148.50	69.52
	Add: Purchases of Raw material	(38.01)	593.16	1,128.72
	Inventory at the end of the year (RM)		159.49	148.50
	Raw Materials consumed	121.48	582.17	1,049.74
	B. Stores, Spares and Other Component Consumed	6.42	49.85	122.36
	Total	**127.90**	**632.02**	**1,172.10**
2.17	**Changes in inventory of work-in progress, stock-in- trade and finished goods.**			
	Finished Goods			
	Opening	279.99	305.44	339.84
	Closing	182.87	279.99	305.44
		97.12	25.45	34.40
	Work in progress			
	Opening	10.73	298.16	330.10
	Closing	4.21	10.73	298.16
		6.52	287.43	31.94
	Scrap			
	Opening	29.68	28.20	24.03
	Closing	29.68	29.68	28.20
		(0.00)	(1.48)	(4.17)
	Total [A + B]	**103.63**	**311.40**	**62.17**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED

(₹ in lakhs)

		For the year ended 31-Mar-2017	For the year ended 31-Mar-2016	For the year ended 31-Mar-2015
2.18	**EMPLOYEE BENEFIT EXPENSES**			
	Salaries and Wages	47.81	230.28	319.50
	Gratuity Cost	(0.69)	(7.31)	7.14
	Provident Fund Contribution and Gratuity	129.75	26.52	55.69
	Staff Welfare Expenses	1.28	20.90	25.96
	Total	**178.15**	**270.40**	**408.29**
2.19	**OTHER EXPENSES**			
	Power and fuel	43.02	69.64	67.61
	Water	1.08	8.42	18.39
	Repairs to Building	-	0.35	0.16
	Repairs to Machinery	0.17	1.43	2.10
	Excise Duty on Finished goods	-	2.15	1.10
	Insurance	0.90	0.36	0.33
	Rates and taxes	8.23	5.48	12.40
	Travelling	3.57	5.41	6.04
	Rent	0.12	0.72	0.81
	Printing & Stationery	0.15	1.68	2.88
	Postage, Telephones, Telegrams, Fax & Telex	0.61	2.05	2.34
	Provision for obsolescence on Stock	-	-	-
	Freight outwards	3.76	4.35	2.79
	Legal and professional expenses	1.85	2.83	1.22
	Selling & Distribution Expenses	1.72	4.70	8.14
	Miscellaneous expenses	2.70	0.94	1.34
	Provision for doubtful advances	-	0.98	3.09
	Advances Written off	0.26	-	1.79
	Claims Written off	0.19	-	3.93
	Bad debts written off	-	34.55	-
	Impairment Loss	60.18	-	
	Share of Holding Company expenses	0.55	6.13	5.79
	Provision for doubtful debts			37.81
	Bank charges	0.83	0.56	0.37
	Auditors' Remuneration:	-	-	
	Auditors Fee	0.35	0.46	0.46
	Internal Audit Fee	-	0.15	0.15
	Round off	0.18		
	Total	**130.41**	**153.34**	**181.04**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED

(₹ in lakhs)

		For the year ended 31-Mar-2017	For the year ended 31-Mar-2016	For the year ended 31-Mar-2015
2.20	**Finance Cost**			
	Interest on holding company	-	-	
	Interest on Government of India loan			1,600.36
	Total	-	-	1,600.36
2.21	**EARNINGS PER SHARE (EPS)**			
	Net Profit after Tax	(29.61)	110.41	
	Weighted average No of Equity Shares	377.09	377.09	
	Basic & Diluted earning per share	(0.08)	0.29	
	Face Value per equity Share	10.00	10.00	

NOTES FORMING PART OF BALANCE SHEET

2.1 PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

	Land and Land Development	Buildings	Plant & Equipment	Furniture and Fixtures	Vechicles	Total
Cost or valuation						
At 1 April 2015	3.23	56.95	2,847.64	61.66	3.28	**2,972.76**
Additions						**-**
Disposals			(7.66)			**(7.66)**
Assets Held for Sale	(3.23)	(56.95)	(2,839.98)	(61.66)	(3.28)	**(2,965.10)**
At 31 March 2016	**-**	**-**	**-**	**-**	**-**	**-**
At 1 April 2015		54.29	2,753.40	61.66	3.28	**2,872.63**
Depreciation charge for the year		0.31	15.06			**15.37**
Disposals			(7.31)			**(7.31)**
Assets Held for Sale	-	(54.60)	(2,761.15)	(61.66)	(3.28)	**(2,880.69)**
At 31 March 2016	**-**	**-**	**-**	**-**	**-**	**-**
Net book value						
At 31 March 2016	**-**	**-**	**-**	**-**	**-**	**-**
At 1 April 2015	**3.23**	**2.66**	**94.24**	**-**	**-**	**100.13**
	31-03-2016	**01-04-2015**				
Net book value	**Amount**	**Amount**				
Plant Property and Equipment	0.00	100.13				

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED

(₹ in lakhs)

Particulars	31 Mar 17 INR Lacs	31 Mar 16 INR Lacs
2.7 NON CURRENT ASSETS HELD FOR SALE		
Land and Land Development	3.23	3.23
Buildings	2.35	2.35
Plant and Equipment	18.65	78.83
Furniture and Fixtures	0.01	0.01
Vehicles	0.01	0.01
Total	**24.24**	**84.42**

Notes on financial statements for the year ended

Statement of Changes in Equity

A. Equity Share Capital

Balance at the beginning of the reporting period 1st April 2015	Changes in equity share capital during the year 2015-16	Balance at the end of the reporting period 31st March 2016	Changes in equity share capital during the year 2016-17	Balance at the end of the reporting period 31st March 2017
377090860	-	377090860	-	377090860

B. Other Equity

Amount Rs. in Lakhs

	Reserves and Surplus			Other Comprehensive Income		
	Capital reserve	Retained earnings	Discontinued operations	Equity Instruments through other comprehensive income	Other items of Other Comprehensive Income	Total equity attributable to equity holders of the company
Balance as of 1st April 2015	0	-14874.37	0.00	0.64	-19.67	-14893.40
Changes due to IND AS		0.74				
Changes in accounting policy or prior period errors		112.50				112.50
Restated Balance as of 1st April 2015	**0**	**-14761.14**	**0.00**	**0.64**	**-19.67**	**-14780.16**
Discontinued operations						0.00
Remeasurement of the net defined benefit liability/asset, net of tax effect					24.75	24.75
Total Comprehensive income for the year			-893.13	0.29		-892.83
At 31 March 2016	**0**	**-14761.14**	**-893.13**	**0.94**	**5.08**	**-15648.25**

11. Other Equity

	Reserves and Surplus			Other Comprehensive Income		
	Capital reserve	Retained earnings	Discontinued operations	Equity Instruments through other comprehensive income	Other items of Other Comprehensive Income	Total equity attributable to equity holders of the company
Balance as of 1st April 2016	0	-14761.14	-893.12732	0.938	5.08	-15648.25
Changes inaccountingpolicy or priorperiod errors						0.00
Restatedbalance as of 1st April 2016	0	-14761.14	-893.12732	0.938	5.08	-15648.25
Discontinued operations						0.00
Remeasurement of the net defined benefit liability/asset, net of tax effect				-	7.79	7.79
Total Comprehensive Income for the year			-365.979	0.00		-365.98
At 31 March 2017	**0**	**-14761.14**	**-1259.106364**	**0.938**	**12.87**	**-16006.43**

2.8 Share capital

Equity Shares

	Authorised share capital	
	Number	**Amount**
At 1 April 2015	4,50,00,000	4,500.00
Increase/(decrease) during the year		
At 31 March 2016	**4,50,00,000**	**4,500.00**
Increase/(decrease) during the year		
At 31 March 2017	**4,50,00,000**	**4,500.00**

	Issued Capital Equity Shares of INR 10 each issued and fully paid	
	Number	**Amount**
At 1 April 2015	**3,77,09,086**	**3,770.91**
Increase/(decrease) during the year		
At 31 March 2016	**3,77,09,086**	**3,770.91**
Increase/(decrease) during the year		
At 31 March 2017	**3,77,09,086**	**3,770.91**

Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	No of shares	% holding	No of shares	% holding
Equity shares of INR*10 each fully paid* *HMT Ltd (Holding Company)*	3,74,68,586	99.36%	3,74,68,586	99.36%

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

2.21 Earnings per share (EPS)

	31-Mar-17 INR Lacs	31-Mar-16 INR Lacs
Profit attributable to equity holders:		
Continuing operations		
Discontinued operation	(358.19)	(868.08)
Total Profit including OCI	**(358.19)**	**(868.08)**
Less Other Comprehesive income	(7.79)	(25.04)
Profit attributable to equity holders for basic earnings	**(350.39)**	**(843.04)**
Profit attributable to equity holders of the parent adjusted for the effect of dilution	**(350.39)**	**(843.04)**
Weighted average number of Equity shares for basic EPS*	3,77,09,086	3,77,09,086
Effect of dilution:		
Convertible preference shares		
Weighted average number of Equity shares adjusted for the effect of dilution *	**3,77,09,086**	**3,77,09,086**

* 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.

Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values

(Rs. in lakhs)

	Carrying amount			Fair Value		
	31-Mar-17	**31-Mar-16**	**01-Apr-15**	**31-Mar-17**	**31-Mar-16**	**01-Apr-15**
Financial assets						
Loans	300.00	336.00		300.00	336.00	
FVTOCI financial investments	201.00	201.00	201.00	42.83	42.83	42.53
Total	**501.00**	**537.00**	**201.00**	**342.83**	**378.83**	**42.53**
Financial liabilities						
Other Financial Liabilities	14,161.85	14,503.35	13,518.35	14,161.85	14,503.35	13,518.35
Total	**14,161.85**	**14,503.35**	**13,518.35**	**14,161.85**	**14,503.35**	**13,518.35**

The Company has assessed that cash and cash equivalents, trade receivables, trade payables, and other current assets approximate their carrying amounts largely due to the short-term maturities of these instruments. The Company has also assessed that the Government of India ("GOI") loan approximate their carrying amounts as transaction costs are not levied

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2017, 31 March 2016 and 1 April 2015 are as shown below:

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017

Fair value Hirarchy

			Fair value measurement using			
			Total	Quoted prices in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)
	Date of valuation	valuation technique	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Assets measured at fair value:						
FVTOCI financial investments:						
Unquoted equity shares						
Andhra Pradesh Gas Power Corporation Ltd	31-Mar-16	NAV	42.83			42.83

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2016

Fair value Hirarchy

			Fair value measurement using			
			Total	Quoted prices in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)
	Date of valuation	valuation technique	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Assets measured at fair value:						
FVTOCI financial investments:						
Unquoted equity shares						
Andhra Pradesh Gas Power Corporation Ltd	31-Mar-15	NAV	42.83			42.83

Quantitative disclosures fair value measurement hierarchy for assets as at 31 April 2015

Fair value Hirarchy

			Fair value measurement using			
			Total	Quoted prices in active markets (Level 1)	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)
	Date of valuation	valuation technique	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Assets measured at fair value:						
FVTOCI financial investments:						
Unquoted equity shares						
Andhra Pradesh Gas Power Corporation Ltd	31-Mar-14	NAV	42.53			42.53

When the fair values of financial assets recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques used by a valuation expert

A) the Company has relied on the share valuation report given by a certified valuer for valuing the shares of Andhra Pradesh Gas Power Corporation Ltd. The valuer was unable to follow the market/cost/income approach as the information was not available. The valuer concluded that Net Asset Value (book value_ Method is the most suitable method to calculate the Fair Value.

Defined benefit Obligations

The principal assumptions used in determining defined benefit obligation of the Company's plan is shown below:

	31-Mar-17	31-Mar-16	01-Apr-15
	%	%	%
Discount rate:			
Gratuity plan	7.50	8.00	8.00
Settlement Allowance	NA	8.00	8.00
Future salary increases:			
Gratuity plan	7.00	7.00	7.00
Settlement Allowance	NA	7.00	7.00

Summary of Demographic Assumptions	Gratuity Plan			Settlement Allowance	
	31 Mar 2017	31 Mar 2016	01 Apr 2015	31 Mar 2016	31 Apr 2015
Mortality Rate (as % of IALM (2006-08) (Mod.) Ult. Mortality Table)	100%	100%	100%	100%	100%
Disability Rate (as % of above mortality rate)	5%	5%	5%	5%	5%
Withdrawal Rate	1% to 3%	1% to 3%	1% to 3%	5%	5%
Attrition Rate					
Normal Retirement Age	58yrs	58yrs	58yrs	58yrs	58yrs
Average Future Service	NA	2.83	4.42	3.67	4.42

c) **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 2016**	
	Decrease	**Increase**
Change in discounting rate	17.91	17.15
Change in rate of salary increase	17.00	18.07
Change in withdrawal rates	17.53	17.52

ii) **Settlement Allowance**

Particulars	**As at 31 March 2016**	
	Decrease	**Increase**
Change in discounting rate	0.82	0.78
Change in rate of salary increase	0.78	0.82
Change in withdrawal rates	0.83	0.78

b Employee Benefit Obligations

The cost of the defined benefit gratuity plan and Settlement Allowance and the present value of the gratuity obligation 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 are reviewed at each reporting date.

A. Gratuity

31 March 2017 changes in the defined benefit obligation and fair value of plan assets

		Gratuity Cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income								
	01-Apr-16	Service Cost	Net interest expense	Sub-total included in profit / loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Re measurement due to asset ceiling/ Onerous Liability (excluding interest income)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-17
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Defined benefit obligation	(17.52)		(0.96)	(0.96)							0.00	0.00	0.00
Fair Value of plan assets	21.96		1.65	1.65							0.00	0.00	0.00
Change in Asset Ceiling				0.00	0.00		0.33				0.33	0.00	176.68
Benefit Liability	**(4.44)**			**(0.69)**	**0.00**						**0.33**	**0.00**	**(176.68)**

31 March 2016 changes in the defined benefit obligation and fair value of plan assets

		Gratuity Cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income								
	01-Apr-15	Service Cost	Net interest expense	Sub-total included in profit / loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Re measurement due to asset ceiling/ Onerous Liability (excluding interest income)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-16
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Defined benefit obligation	(273.71)		(0.57)	(12.08)	(12.65)	245.44				23.40	23.40		(17.52)
Fair Value of plan assets	249.44			19.96	19.96	(245.44)	(2.09)				(2.09)	0.09	21.96
Benefit Liability	**(24.27)**				**7.31**	**0.00**					**21.31**	**0.09**	**4.44**

2 Settlement Allowance :

31 March 2017 changes in the defined benefit obligation and fair value of plan assets

		Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income							
	01-Apr-16	Service Cost	Net interest expense	Sub-total included in profit / 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	Contributions by employer	31-Mar-17
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Defined benefit obligation	(0.80)		0.00	(9.88)	-				0.80	0.80		0.00
Fair Value of plan assets												
Benefit Liability	**(0.80)**			**0.00**	**0.00**					**0.80**	**0.00**	**0.00**

31 March 2016 changes in the defined benefit obligation and fair value of plan assets

		Defined Benefit cost charged to profit or loss			Remeasurement gains/(losses) in other comprehensive income							
	01-Apr-15	Service Cost	Net interest expense	Sub-total included in profit / 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	Contributions by employer	31-Mar-16
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Defined benefit obligation	(12.27)		(0.63)	(0.63)	8.67				3.44	3.444		(0.80)
Fair Value of plan assets												
Benefit Liability	**(12.27)**			**(0.63)**	**8.67**					**3.44**	**0.00**	**(0.80)**

BALANCE SHEET AS AT 31-03-2017

(Rs. In Lakhs)

	Footnote	IGAAP 31 Mar 16	Reconciliations 31 Mar 16	IND AS 31 Mar 16	IGAAP 01 Apr 15	Reconciliations 01 Apr 15	IND AS 01 Apr 15
ASSETS							
Non-current assets							
Property, plant and equipment	3	84.41	(84.41)		100.13	(0.00)	100.13
Financial assets							
i. Investments	1	41.15	1.68	42.83	41.15	1.38	42.53
Others	7	46.74	(46.74)		74.91	(74.91)	
Current assets							
Inventories		500.71	-	500.71	781.02	-	781.02
Financial assets							
i. Trade receivables	7	437.93	141.44	579.37	500.30	-	500.30
ii. Cash and cash equivalents		1,871.92	-	1,871.92	1,390.20	-	1,390.20
iii. Loans	7		336.00	336.00		-	-
iv. Other Financial Assets	7		83.83	83.83		116.87	116.87
Other current assets	7	566.10	(514.53)	51.57	128.87	70.54	199.41
Assets classified as held for sale	3		84.42	84.42		-	-
TOTAL ASSETS		**3,548.96**	**1.69**	**3,550.65**	**3,016.58**	**113.88**	**3,130.46**
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital		3,770.91	(0.00)	3,770.91	3,770.91	(0.00)	3,770.91
Retained earnings		(15,655.36)	7.11	(15,648.25)	(14,846.24)	66.08	(14,780.16)
Other Reserves							
Non-current liabilities							
Financial liabilities							
i. Borrowings					6,781.60	(6,781.60)	
Provisions							
Employee Benefit obligations	2		(9.79)	(9.79)	39.79	(0.33)	39.46
Other non- current liabilities	7			-	5.25	(5.25)	-
Current liabilities							
Financial liabilities							
i. Trade payables		846.98	-	846.98	282.05	-	282.05
ii. Other Financial Lilbilities	7		14,503.35	14,503.35		13,518.35	13,518.35
Provisions							
Employee Benefit obligations	2	67.85	(57.41)	10.44	42.04	16.10	58.14
Other current liabilities	7	14,518.58	(14,441.60)	76.98	6,941.18	(6,699.47)	241.71
TOTAL LIABILITIES		**3,548.96**	**1.67**	**3,550.63**	**3,016.58**	**113.88**	**3,130.46**
See accompanying notes to the financial statements		-	(0.02)	(0.02)	-	(0.00)	(0.00)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

	Foot note	For the year ended 31 Mar 2016		
		Indian GAAP	Adjustments	IND AS
Continuing Operations			-	-
Discontinued Operations				
Revenue from operations	4	1,033.57	149.12	1,182.69
Other income	7	459.73	1.43	461.16
Total revenue		**1,493.30**	**150.55**	**1,643.85**
Expenses				
Cost of material consumend		632.02	0.00	632.02
Changes in inventory of work-in progress, stock-in- trade and finished goods.		311.40	-	311.40
Excise Duty	4		150.55	150.55
Emloyee benefit expense	2	298.90	(28.50)	270.40
Depreciation and amortisation expense		15.72	-	15.72
Other expense	7	152.78	0.56	153.34
Finance Cost	7	0.56	(0.56)	-
Total expenses		**1,411.38**	**122.05**	**1,533.43**
Profit/ (loss) before exceptional items and tax		81.92	28.49	110.41
Exceptional items	5	891.04	112.50	1,003.54
Profit/ (loss) before tax		(809.12)	(84.01)	(893.13)
Tax expense				
a) Current tax			-	-
b) Deferred tax			-	-
Profit/ (loss) for the period from continuing operations		(809.12)	(84.01)	(893.13)
Profit/ (loss) for the period		(809.12)	(84.01)	(893.13)
Other comprehensive income				
- Items that will not be reclassified to profit or loss			-	-
Net (loss)/gain on FVTOCI equity Securities	1	-	0.29	0.29
Re-measurement gains (losses) on defined benefit plans	6		24.75	24.75
- Items that will be reclassified to profit or loss		-		-
		-	25.04	25.04
Total comprehensive income for the period (Profit/ loss + other comprehensive income)		(809.12)	(58.96)	(868.08)
Earnings per equity share (for continuing operations)				
a) Basic				
b) Diluted				
Earnings per equity share (for discontinued operations)				
a) Basic		(2.15)		(2.24)
b) Diluted		(2.15)		(2.24)
Earnings per equity share (for discontinued & continuing operations)				
a) Basic		(2.15)		(2.24)
b) Diluted		(2.15)		(2.24)

See accompanying notes to the financial statements

Footnotes to the reconciliation of equity as at 1 April 2015 and 31 March 2016 and profit or loss for the year ended 31 March 2015

1 **FVTOCI financial assets**

Under Indian GAAP, the Company accounted for long term investments in unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised as a separate component of equity, in Equity Instruments through other comprehensive income

2 **Defined benefit obligation**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit or loss. Under Ind-AS, remeasurements are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced and Remeasurement gains/ losses on defined benefit plans has been recognized in the OCI.

3 **Non Current Assets Held for Sale**

Under IND AS there was no specific disclosure for Non Current Assets Held for Sale. Under IND AS, Property, Plant and equipment is classified as Non Current Assets held for Sale in accordance with IND AS 105

4 **Sale of goods**

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased with a corresponding increase in other expense.

5 **Other comprehensive income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or profit or loss as per Ind-AS. Further, in Indian GAAP Statement of profit or loss is reconciled to total comprehensive income as per Ind-AS.

6 **Prior Period Items**

Under Indian GAAP the company has accounted Prior Period Item in the reporting periods Statement of Profit and Loss. Under IND AS, Prior Period Items are adjusted against the opening balance of Retained Earnings and the Balancesheet for the corrosponding period is restated.

7 **Others**

The reconciliation between Indian GAAP and IND AS is only on account of classificational changes to comply with the IND AS and Schedule III, Division II of Companies Act, 2013.

11 DISCLOSURE REQUIREMENT AS PER INDIAN ACCOUNTING STANDARD - 24

(i) Details of Related Parties

NAME OF RELATED PARTY	RELATIONSHIP
HMT LIMITED	HOLDING COMPANY
HMT MACHINE TOOLS LIMITED	FELLOW SUBSIDIARY
HMT WATCHES LIMITED	FELLOW SUBSIDIARY
HMT (INTERNATIONAL) LIMITED	FELLOW SUBSIDIARY
	KEY MANAGEMENT PERSONNEL

(ii) Details of related party transactions during the year ended March 31, 2016 and balance outstanding as at March 31, 2016

Balance Outstanding at the end of the year 31-03-2016:

(₹ in Lakhs)

Particulars	As on 31-03-2017	As on 31-03-2016
Trade Payables:		
HMT (INTERNATIONAL) LIMITED	-	-
Trade receivable		
HMT LIMITED - TRACTOR DIVISION	450.95	225.48
HMT MACHINE TOOLS LIMITED	-	-
HMT (INTERNATIONAL) LIMITED	-	-
HMT LIMITED	3.22	3.22
HMT LIMITED - FOOD PROCESS DIVISION	-	-

Particulars	As on 31-03-2017	As on 31-03-2016
Loans & Advances (net)		
HMT LIMITED	1.15	1.15
HMT MACHINE TOOLS LIMITED	(5.88)	(5.88)
HMT (INTERNATIONAL) LIMITED	-	-
HMT WATCHES LIMITED	3.45	3.45

Particulars	**2016-17**	**2015-16**
Transactions with Related Parties during the year:		
Sales of Goods:		
HMT LIMITED - TRACTOR DIVISION	-	17.78
HMT MACHINE TOOLS LIMITED	-	-
Receivables		
HMT LIMITED - TRACTOR DIVISION	225.48 -	17.78 (9.99)
HMT MACHINE TOOLS LIMITED	- -	- -
HMT (INTERNATIONAL) LIMITED	- -	- -
HMT LIMITED	- -	- -
HMT LIMITED - FOOD PROCESS DIVISION	- -	2.23 (2.23)
Other Receivables/Payables		
HMT LIMITED	- -	(88.00) 6.55
HMT MACHINE TOOLS LIMITED	- -	- -
HMT (INTERNATIONAL) LIMITED	- -	(74.06) -
HMT WATCHES LIMITED	- -	(0.04) -
Managerial Remuneration:	-	
P SIVARAMI REDDY	-	8.11