



## ಎಚ್‌ಎಂಟಿ ಲಿಮಿಟೆಡ್

(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

ಎಚ್‌ಎಂಟಿ ಭವನ

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## एच एम टी लिमिटेड

(भारत सरकार का उपक्रम)

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# HMT

## HMT LIMITED

(A Govt. of India Undertaking)

HMT BHAVAN, 59, Bellary Road

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Fax: 91-80-23339111

E-mail: cho@hmtindia.com

Website : www.hmtindia.com

Secl. S-10

28<sup>th</sup> August, 2020

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
25<sup>th</sup> Floor, Dalal Street  
Mumbai – 400 001  
Scrip Code: 500191

National Stock Exchange of India Limited  
“Exchange Plaza”  
Bandra-Kurla Complex  
Bandra (E), Mumbai – 400 051  
Scrip Code: HMT

Dear Sir/Madam,

Sub: Disclosure of Impact of Covid-19 pandemic on HMT Limited & its Subsidiaries  
Ref: SEBI Circular No. SEBI-10/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020

With reference to the captioned subject, please find enclosed herewith disclosure on the Impact of the Covid-19 pandemic and resultant lockdown.

This is for your information and record.

Yours faithfully

For HMT Limited

(Kishor Kumar S)

Asst. Company Secretary

CIN : L29230KA1953PLC000748

पंजीकृत कार्यालय : 59, बेल्लारी रोड, बेंगलूर - 560 032 भारत Regd. Office : 59, Bellary Road, Bengaluru - 560 032, INDIA

ನಿಗಮಿತ ಕಾರ್ಯಾಲಯ : ನಂ. 59, ಬೆಲ್ಲಾರಿ ರಸ್ತೆ, ಬೆಂಗಳೂರು - 560 032, ಭಾರತ

**DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC ON HMT LIMITED & SUBSIDIARIES**

Sl.	Particulars	Disclosure
1	Impact of CoVID-19 pandemic on the business	<p>The month of March being very crucial for Company's operations as machines will be ready for final inspection and dispatch, CoVID-19 has significantly affected the production and sales of the Company &amp; Subsidiaries due to complete stoppage of work during initial stages of the lockdown &amp; during the partial lockdown thereafter.</p> <p>The effect of COVID 19 pandemic was felt during end February and early March itself. Production was hampered as imported items to complete the product assemblies were not received due to closure of ports, while Sales were affected as despatches of even completed products could not be made. Also, due to the Covid-19 situation, Customers could not depute their personnel for inspecting and clearing the machine for dispatch. Further, erection and commissioning of dispatched machines could also not be completed by our engineers due to the lockdown.</p> <p>This resulted in disruption of payment cycles and affected the cash flow and working capital availability of the Company. Due to non receipt of payment, supplier payments and even the payment of salary to employees has been withheld.</p>
2	Ability to maintain operations including the factories/ units/ office spaces functioning and closed down;	<p>The manufacturing units had to stop operations completely from 23<sup>rd</sup> March 2020 to 3<sup>rd</sup> May 2020, and thereafter the units started functioning as per the directives of the respective State Government and the SOP issued by the Company.</p> <p>The manufacturing unit of HMT limited in Aurangabad (Maharashtra) underwent further lockdown from 4<sup>th</sup> May 2020 to 31<sup>st</sup> May 2020 announced by the State Government. However, after obtaining the necessary approval from the District Collector, the Unit reopened from 23<sup>rd</sup> May 2020 operating with 50% staff in single shift.</p> <p>Manufacturing Units of subsidiaries too were affected as only 50% working was allowed and had to operate in single shift as there was restriction on movement of people beyond certain timings. Marketing Offices too were similarly affected.</p>
3	Schedule, if any, for restarting operations	All the units restarted operations as of June 2020. However, the marketing offices in metros namely Delhi, Mumbai and Chennai have been partially functioning.
4	Steps taken to ensure smooth functioning of operations	<p>SOP's have been released detailing steps to ensure smooth functioning of operations at the Unit level adhering to the directives released by the Central Government and respective State Governments.</p> <p>SOP includes sanitization of premises at regular intervals, Thermal scanning of the employees while entering the factory premises and maintenance of social distancing at workplace, canteen, during meetings, in lifts etc. The employees are allowed flexi timings to avoid crowding at entry and exit points and have been directed to compulsorily use face masks and travel in their own transport to avoid using public transport to and from the work. Most of the meetings are being carried out through Video conferencing.</p>
5	Estimation of the future impact of	HMT being a manufacturer of Capital Goods, the impact would be considerable. The impact would be on three fronts:

	CoVID-19 on its operations	<p><u>1.Domestic Demand</u></p> <p>It is likely that the User sectors of HMT Products would defer their investments based on the current economic situation. This would definitely have an impact on the financials of the Company.</p> <p><u>2.Issues with Imports</u></p> <p>The machines manufactured by the Company have an imported content of around 40% by value. For items like CNC Controllers and Drives, Spindle Bearings, Linear Motion Guides etc. there are no domestic manufacturers and have to depend on imports. The manufacturers are also facing similar problems due to the pandemic in their countries.</p> <p><u>3.International Projects</u></p> <p>HMT (International) Ltd has secured orders for international projects some of which are in the final stages. Due to the ban on international travel, HMT is not able to depute their personnel for completion. Further, in some cases, customer's representatives are to visit our units for training /pre dispatch inspection which is also not happening due to ban on international travel.</p> <p>HMT is making all out efforts to minimize the impact by looking into alternatives and also trying to develop products connected to health care – Covid 19 prevention products such as sanitisation chambers.</p>
6	Details of impact of CoVID-19 on listed entity's	
	Capital and financial resources	The company is not facing any major variation in capital or financial resources and is making its best efforts to maintain the current situation;
	Profitability;	There was no major impact on profitability of the company;
	Liquidity position;	Company is maintaining its liquidity position by carefully placing its funds to yield maximum income and provide the same to the business so that the business is not affected at any point of time ;
	Ability to service debt & other financing arrangements	The company is able to service its debts and make other financing arrangements
	Assets;	No major impact is expected as of date
	Internal financial reporting and control;	The company has good financial control and reported and is expecting the same to be improved on continual basis.
	Supply chain	Supply Chain has been affected, especially of imported items, but it is expected to ease in the forthcoming months.
	Demand for its products/services	As Company's products falls in the category of Capital Goods requiring considerable capital investment, the decisions on investment by potential customers may be delayed due to current economic situation.
7	Existing contracts/ agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business	<p>The Company is making efforts to obtain consent letters from customers for delayed executions due to effects of the Pandemic.</p> <p>The applicability of the in-built Force Majeure clause in the contracts / agreements is also being examined.</p>
8	Other relevant material updates about the listed entity's business	The company will keep its stake holders updated of any material impact on the business of the company.