



ಎಚ್‌ಎಂಟಿ ಲಿಮಿಟೆಡ್
(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)
ಎಚ್‌ಎಂಟಿ ಭವನ, ನಂ. 59, ಬೆಲ್ಲಾರಿ ರಸ್ತೆ
ಬೆಂಗಳೂರು - 560 032, ಭಾರತ
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ಫ್ಯಾಕ್ಸ್ : 91-80-23339111
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एच एम टी लिमिटेड
(भारत सरकार का उपक्रम)
एच एम टी भवन, 59, बेल्लारी रोड
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HMT LIMITED
(A Govt. of India Undertaking)
HMT BHAVAN, 59, Bellary Road
Bangalore - 560 032, INDIA
Ph : 91-80-23330333
Fax: 91-80-23339111
E-mail: cho@hmtindia.com
Website : www.hmtindia.com

Secl. S-12

25th May, 2019

Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai - 400 001
Scrip Code: 500191

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurl Complex
Bandra (E), Mumbai - 400 051
Scrip Code: HMT

Dear Sir/Madam,

Sub: Annual Secretarial Compliance Report for the year ended 31st March, 2019

Pursuant to SEBI Circular No.CIR/CFD/CMD1/27/2019 dated 8th February, 2019 & Regulation 24A of SEBI (LODR) Regulations, 2015, we are enclosing herewith the Annual Secretarial Compliance Report for the year ended 31st March, 2019.

This is for your information and record.

Yours faithfully

For HMT Limited

(Kishor Kumar S)
Asst. Company Secretary

Encls: As above

CIN : L29230KA1953PLC000748

पंजीकृत कार्यालय : 59, बेल्लारी रोड, बेंगलूर - 560 032 भारत Regd. Office : 59, Bellary Road, Bangalore - 560 032, INDIA
ನಿಗಮಿತ ಕಾರ್ಯಾಲಯ : ನಂ. 59, ಬೆಲ್ಲಾರಿ ರಸ್ತೆ, ಬೆಂಗಳೂರು - 560 032, ಭಾರತ



S. VISWANATHAN
COMPANY SECRETARY IN PRACTICE

Flat 'E', Susheel Chandra Apartments,
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Malleswaram, Bangalore-560055
E Mail Id: es_viswanathan@yahoo.com
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SECRETARIAL COMPLIANCE REPORT of HMT LIMITED
for the year ended 31st March, 2019

I have examined.

- a) All the documents and records made available to us and explanation provided by HMT LIMITED ("the Listed Entity")
- b) The filings/submissions made by the listed entity to the Stock Exchanges,
- c) Website of the listed entity,
- d) Any other document/filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March 2019 in respect of compliance with the provisions of:

- a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars and guidelines issued thereunder; and
- b) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder and the Regulations, circulars and guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *During the Review Period, the Paid up Share Capital of the Company as on 31.03.2019, was reduced from Rs. 1204.09 Crores to Rs. 355.90 Crores after obtaining the required approvals from NCLT and other Statutory Authorities and the same was intimated to Regulatory Authorities.*
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *No transactions were observed during the Review Period*
- d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *No transactions were observed during the Review Period*





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- e) The Securities and Exchange Board of India (Share based Employee benefit) Regulations, 2014; *No ESOP were issued during the Review Period*
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2018; *No Debt Securities were issued during the Review Period*
- g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; *No Non-convertible and redeemable preference shares were issued during the Review Period*
- h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; *No Insider Trading transactions were observed during the Review Period*
- i) The Securities Contracts (Regulation) Rules, 1957;
- j) SEBI CIRCULAR no. CIR/CFD/CMD1/27/2019 dated February 8th 2019 regarding Annual Secretarial Compliance Report.
- k) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018; - Para 3(x) (c) (iii) regarding disclosures pertaining to Disqualification of Directors.
- l) Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 regarding Corporate Governance and circulars/guidelines issued thereunder;

And based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:-





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Sl. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1.	<p>As per Regulation 17 of SEBI (LODR) Regulations 2015, the Composition of the Board of Directors of the Company should be as follows:</p> <p>(a) board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty per cent of the board of directors shall comprise of non-executive directors:</p> <p>(b) where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors:</p>	<p>As on 31.03.2019, composition of the Board of Directors consisted of 6 Directors out of which 2 are Executive Directors, 2 are Govt. Director (Non Executive) and 2 are Independent Directors.</p> <p>Chairman of the Board is Executive Director. As such, as per section 17 (1) (b), half of the Board is not composed of Independent Directors.</p>	<p>It was observed that BSE and NSE have issued Notices and levied penalty of non-compliance of this Regulation.</p> <p>It was explained by the Listed Entity that suitable replies have been sent to NSE and BSE and the matter has been taken up with the Administrative Ministry (Ministry of Heavy Industries and Public Enterprises- Government of India) as HMT Limited being a Government Company, all the Directors shall be appointed by the President of India in terms of Articles of Association of</p>





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			the Company.
2	As per Regulation 18 of the SEBI (LODR) Regulations, 2015, the Audit Committee shall have minimum 3 Directors and out of which 2 Directors shall be Independent Directors.	The Listed Entity had only 1 Independent Director during most part of the Review Period. Another Independent Director was appointed on 27.03.2019.	The Listed Entity has appointed required number of Independent Directors and reconstituted the Audit Committee on 29.03.2019. The Audit Committee as on 31.03.2019 was constituted as per Regulation 18 of the SEBI (LODR) Regulations, 2015.
3	As per the Regulation 38 of the SEBI (LODR) Regulations, 2015 Read with Rule 19 (2) of the Securities Contracts (Regulation) Rules, 1957 the Company was required to have a minimum Public Shareholding of 25%.	As on 31.03.2019, the Public Shareholding of the Company was only 21.38%.	The Listed Entity had applied for the reduction of Paid-up Share Capital from Rs.1204.09 Crores to Rs. 355.60 Crores and got an Order dated 16.10.2018 from the National Company Law Tribunal. The reduction of Paid-up share capital related only to the shareholding of President of India/ Government of India (promoter holding). The matter has been





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			<p>intimated to the Stock Exchanges and requisite documents were submitted. Corporate Action is awaited from the Stock Exchanges. The public shareholding increased to 21.38%. As a result of reduction of Promoter Shareholding from 93.69% to 78.62%, the Listed Entity has taken up the matter of increasing the public shareholding from 21.38% to 25% with the Administrative Ministry (Ministry of Heavy Industries and Public Enterprises-Government of India).</p>
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4	As per Regulation 19 (1)/19(2) of the SEBI (LODR) Regulations, 2015, every listed entity shall have a Nomination and Remuneration Committee. The Committee shall comprise of atleast three Directors, all Directors of the Committee shall be Non-Executive Directors and atleast 50% of the Directors of the Committee shall be Independent Directors. The Chairperson of the Committee shall be Independent Director.	The Listed Entity had only one Independent Director so the Company could not constitute the Nomination and Remuneration Committee during the review period.	As on 31.03.2019, there are requisite number of Independent Directors for constitution of Nomination and Remuneration Committee. Listed Entity informed that matter shall be taken up at the next Board Meeting for constitution of Nomination and Remuneration Committee.
5	As per Regulation 33 of SEBI (LODR) Regulations, 2015, listed entities have to file Annual Audited Financial Statements with Stock Exchanges within 60 days from the end of the Financial Year	The Listed Entity has not filed the Annual Audited Accounts for the Financial Year ended 31.03.2018.	There has been a delay of 19 days in filing audited Financial Statements with the Stock Exchanges.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and Circulars/ guidelines issued thereunder:





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Sl. no	Action taken by	Details of Violation	Details of action taken e.g. Fines, warning letter, debarment etc.	Observations/remarks of the Practicing Company Secretary, if any.
1	National Stock Exchange and Bombay Stock Exchange	The Listed Entity does not have requisite number of Independent Directors on the Board.	Notices imposing fine has been sent to the Listed Entity	It is suggested to follow up with the Administrative Ministry to take action with regard to the appointment of requisite number of Independent Directors.
2	National Stock Exchange and Bombay Stock Exchange	Constitution of Audit Committee and Nomination Committee.	Notices imposing fine has been sent to the Listed Entity	As on 31.03.2019, the listed entity has properly constituted Audit Committee. Listed entity has informed that the matter of constitution of the Nomination and Remuneration Committee shall be put up before the Board in the next meeting.
3	National Stock Exchange and Bombay Stock Exchange	The Listed Entity has not filed the Annual Audited Accounts for the Financial Year ended 31.03.2018	Letters imposing fine has been sent to the Listed Entity	The Listed Entity was advised to submit the Annual Audited Accounts within the due date.





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(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the Secretarial Compliance report for the year ended.. (The years are to be mentioned)	Actions taken by the listed entity , if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	NIL	NIL	NIL	NIL

S. Viswanathan
Practicing Company Secretary
ACS No: 5284
CP No: 5284

Place: Bengaluru
Date: 24-05-2019

S. VISWANATHAN
Company Secretary
C.P. No. 5284