Azadi Ka Amrit Mahotsav

ಎಚ್‌ಎಂಟಿ ಲಿಮಿಟೆಡ್
(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)
ಎಚ್‌ಎಂಟಿ ಭವನ, # 59, ಬಳ್ಳಾರಿ ರಸ್ತೆ,
ಬೆಂಗಳೂರು - 560 032, ಭಾರತ
ದೂರವಾಣಿ : 91-80-23330333
ಫ್ಯಾಕ್ಸ್ : 91-80-23339111
ಈ-ಮೇಲ್ : cho@hmtindia.com
ವೆಬ್‌ಸೈಟ್ : www.hmtindia.com

एच एम टी लिमिटेड
(भारत सरकार का उपक्रम)
एचएमटी भवन, # 59, बेल्लारी रोड
बेंगलुरु - 560 032, भारत
फोन : 91-80-23330333
फैक्स : 91-80-23339111
ई- मेल : cho@hmtindia.com
वेब साईट : www.hmtindia.com

hmt
HMT LIMITED
(A Govt. of India Undertaking)
HMT BHAVAN
59, Bellary Road,
Bengaluru - 560 032, INDIA
Phone : 91-80-23330333
Fax: 91-80-23339111
E-mail: cho@hmtindia.com
Website : www.hmtindia.com

एसईसीएल. S-5
Secl. S-5

27 जुलाई, 2026
27th July, 2026

बीएसई लिमिटेड
BSE Limited
फिरोज जीजीभोय टावर्स
Phiroze Jeejeebhoy Towers
25वीं मंजिल, दलाल स्ट्रीट
25th Floor, Dalal Street
मुंबई – 400 001
Mumbai – 400 001
स्क्रिप कोड: 500191
Scrip Code: 500191

नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड
National Stock Exchange of India Limited
"एक्सचेंज प्लाजा"
"Exchange Plaza"
बांद्रा-कुर्ला कॉम्प्लेक्स
Bandra-Kurla Complex
बांद्रा (पूर्व), मुंबई- 400 051
Bandra (E), Mumbai – 400 051
स्क्रिप प्रतीक: HMT
Scrip Symbol: HMT

प्रिय महोदय/ महोदया,
Dear Sir/ Madam,

Sub: Statement of Audited Standalone and Consolidated Financial Results for the quarter and financial year ended March 31, 2026

Pursuant to Regulation 33(3) of SEBI (LODR) Regulation, 2015, please find enclosed herewith Statement of Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended March 31, 2026 approved by the Board of Directors of the Company at their meeting held today.

Board Meeting commencement time: 15:00
Board Meeting concluded time: 16:30

This is for your kind information and record.

भवदीय / Yours faithfully
एचएमटी लिमिटेड के लिए / For HMT Limited

Kishor Shankar Kumar
Digitally signed by Kishor Shankar Kumar
Date: 2026.07.27 19:08:25 +05'30'

(किशोर कुमार एस) / (KISHOR KUMAR S)
एजीएम (कंपनी सचिव)/ AGM (Company Secretary)

संलग्न: ऊपरोक्त
Encl: As above

HMT LIMITED

No.59, Bellary Road, Bangalore - 560 032

CIN L29230KA1953GOI000748

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS

FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2026

(Rs in lakhs)

	Particulars	Three months ended			Year ended	
		31-03-2026	31-12-2025	31-03-2025	31-03-2026	31-03-2025
		Audited*	Unaudited	Audited	Audited*	Audited
I	CONTINUING OPERATIONS					
1	Revenue from Operations	802	582	727	2596	2617
2	Other Income	1259	1503	1239	5791	5627
	Total Income	2061	2085	1966	8387	8244
3	Expenses					
	a) Cost of materials consumed	273	119	394	746	1029
	b) Changes in Inventories (Increase)/decrease in SIT/WIP	148	18	(139)	290	(148)
	c) Employee benefits expense	135	160	142	596	672
	d) Depreciation and amortisation expense	28	27	35	109	145
	e) Finance Costs	6	-	4	8	79
	f) Other expenses	1638	1091	1434	4800	4573
	Total expenses	2228	1415	1870	6549	6350
4	Profit /(Loss) before Exceptional Items	(167)	670	96	1838	1894
5	Exceptional items	-	-	-	-	-
6	Profit /(Loss) before tax	(167)	670	96	1838	1894
7	Tax Expense	169	-	284	169	284
8	Profit /(Loss) for the period from Continuing Operations(6±7)	(336)	670	(188)	1669	1610
II	DISCONTINUED OPERATIONS					
9	Profit /(Loss) for the period from Discontinued Operations	-	-	-	-	-
10	Tax Income/(expense) of Discontinued Cperations	-	-	-	-	-
11	Profit/(loss) from Discontinued Operations (9±10)	-	-	-	-	-
12	Profit /(Loss) for the period (8±11)	(336)	670	(188)	1669	1610
13	Other Comprehensive Income					
	i) Items that will not be reclassified to profit / (Loss)	1	1	(20)	5	6
	ii) Income Tax relating to items that will not be reclassified to (Profit) / Loss	(1)	-	1	(1)	1
	Net Other Comprehensive Income	2	1	(21)	6	5
14	Total Comprehensive Income for the period (12±13)	(334)	671	(209)	1675	1615
15	Paid-up Equity Share Capital (Face Value - Rs10/-)	35560	35560	35560	35560	35560
16	Other Equity	-	-	-	13605	11933
17	Earnings per share from Continuing Operations (face value Rs.10/- each)					
	i) Basic	(0.09)	0.19	(0.05)	0.47	0.45
	ii) Diluted	(0.09)	0.19	(0.05)	0.47	0.45
	Earnings per share from Discontinued Operations (face value Rs.10/- each)					
	i) Basic	0.00	0.00	0.00	0.00	0.00
	ii) Diluted	0.00	0.00	0.00	0.00	0.00
	Earnings per share from Continuing & Discontinued Operations (face value Rs.10/- each)					
	i) Basic	(0.09)	0.19	(0.05)	0.47	0.45
	ii) Diluted	(0.09)	0.19	(0.05)	0.47	0.45

(N. Ramesh Kamal) (Aparna R) (Sameera Kohli)

एचएमटी लिमिटेड / HMT LIMITED
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No.59, Bellary Road, Bangalore - 560 032

CIN L29230KA1953GOI000748

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS

AS AT 31ST MARCH 2026

(Rs in lakhs)

STANDALONE STATEMENT OF ASSETS AND LIABILITIES

Sl.	Particulars	As at 31-03-2026 Audited*	As at 31-03-2025 Audited
A	**ASSETS**		
1	**Non Current Assets**		
	(a) Property, plant & equipment	108	191
	(b) Investment property	548	574
	(c) Financial Assets		
	Investments	71978	71978
	Other Financial Assets	190	241
	(d) Deferred Tax Asset (Net)	59	38
	(e) Other Assets	68	75
	Sub total	72951	73097
2	**Current Assets**		
	(a) Inventories	962	1249
	(b) Financial Assets		
	Trade Receivables	597	1284
	Cash and Cash equivalents	275	211
	Bank balances other than Cash and Cash equivalents	15486	14855
	Loans	36431	34668
	Other Financial Assets	5633	5632
	(c) Current Tax Assets (Net)	665	566
	(d) Other Assets	2714	2689
	Sub total	62763	61154
3	Non Current Assets held for sale	296	296
	TOTAL ASSETS	136010	134547
B	**EQUITY & LIABILITIES**		
1	**Equity**		
	(a) Equity share capital	35560	35560
	(b) Other equity	13607	11933
	Total equity	49167	47493
2	**Non-current liabilities**		
	(a) Financial Liabilities		
	Non Current Financial Liability	8129	8129
	(b) Provisions		
	Employee Benefits	201	234
	Sub total	8330	8363
3	**Current liabilities**		
	(a) Financial Liabilities		
	Borrowings	64172	64230
	Trade Payables		
	Total outstanding dues to Micro, Small & Medium Enterperises	118	113
	Total outstanding dues of creditors other than Micro, Small & Medium Enterperises	1450	1887
	(b) Other Financial Liabilities	3686	3689
	(c) Other Current liabilities	8723	8339
	(d) Provisions		
	Employee Benefits	69	85
	Others	295	291
	(e) Current Tax liabilties (Net)	-	57
	Sub total	78513	78691
	TOTAL LIABILITIES	86843	87054
	TOTAL EQUITY & LIABILITIES	136010	134547
		-	-

(N. Ramesh Kumar) (Aparna R) (Sameena Kohli)

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CIN L29230KA1953GOI000748

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS

FOR THE YEAR ENDED 31ST MARCH 2026

(Rs in lakhs)

STANDALONE CASHFLOW STATEMENT

	Particulars	Year ended 31-03-2026 Audited*	Year ended 31-03-2025 Audited
A	**Operating activities**		
	Profit/(loss) before tax from continuing operations	1838	1894
	Profit before tax	1838	1894
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and impairment of Property, Plant and Equipment and Investment Properties	109	145
	Amortisation of Government Grant	-	-
	Profit on disposal of property, plant and equipment and Non Current Assets Held for Sale (net)	-	-
	Interest Income	(3555)	(3520)
	Finance Costs	8	79
	Working capital adjustments:		
	Movements in provisions, Gratuity, others	80	(385)
	(Increase)/Decrease in trade and other receivables and prepayments	1212	(1352)
	(Increase)/Decrease in inventories	286	(73)
	Increase/(Decrease) in trade and other payables	(48)	(64)
		(70)	(3276)
	Income tax (paid)/reversed	(345)	(271)
	Net cash flows from operating activities	(415)	(3547)
B	**Investing activities**		
	Proceeds from sale of property, plant and equipment and Non Current Assets Held for Sale	-	-
	Purchase of property, plant and equipment	-	(1)
	Deposits with Banks	(595)	1861
	Interest received	1143	1309
	Net cash flows used in investing activities	548	3169
C	**Financing activities**		
	Interest Paid	(11)	(77)
	Proceeds from Borrowings		58
	Repayment of borrowings	(58)	-
	Net cash flows from/(used in) financing activities	(69)	(19)
	Net increase in cash and cash equivalents	64	(397)
	Opening balance of Cash and cash equivalents	211	608
	Closing balance of Cash and cash equivalents	275	211

Note for Standalone Financial Results:

1 The above statement of audited standalone financial results of HMT Limited, which have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issed thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI") were reviewed. It may be noted that since currently there is one Independent Director on the Board of HMT Limited, the meeting of Board Level Audit Committee cannot be held due to lack of quorum. Accordingly, the results were directly placed in the Board Meeting held on July 27, 2026 were reviewed and approved by the Board of Directors in this meeting.

2 The Company furnishes standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the audited consolidated financial statements. Accordingly, the segment information is given in the audited consolidated financial results of HMT Limited and its subsidiaries for the quarter and year ended March 31, 2026

3 The Statutory Auditors have carried out an audit of the above results for the year ended March 31, 2026 and have issued a modified opinion on the same. A statement showing the impact of audit qualifications is being filed separately.

4 The figures for the fourth quarter (ending March 31, 2026) are the derived balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year. Also, the figures up to the end of the third quarter were only reviewed by an independent Chartered Accountant and not subjected to audit.

5 As per the CCEA Approval during 2015-16, the operations of the Subsidiary Company i.e. HMT Watches Ltd were closed and during current year, the Company has been struck off by the Register of Companies u/s 248 of the Companies Act, 2013, on 2nd March 2026.accordingly, the investment in HMT Watches has been de-recognised from the books of HMT Limited.

6 The Government of India has notified the four Labour Codes, collectively referred to as the New Labour Code on 21st November 2025. The consequential effects covering the employee benefit obligations and related provisions, have been duly recognised based on the "guidance on the new labour codes" issued by the Institute of Chartered Accountants of India, in the Statement of Profit and Loss for the year ended and the Balance Sheet as at 31st March 2026.

7 Figures of previous period / year's have been regrouped wherever necessary to conform with current period / year's figures.

**** Subject to C&AG Review***

एचएमटी लिमिटेड / HMT LIMITED
59, बेल्लारी रोड
59, Bellary Road
बेंगलूरु / Bengaluru - 560 032

By order of the Board of Directors

27/7/2026

(Ramesh Kumar N)
Chairman and Managing Director
(Addl. Charge)

Place: Bangalore
Date: July 27, 2026

HMT LIMITED

No. 59, Bellary Road, Bangalore 560032

CIN L29230KA1953GOI000748

EXTRACT OF THE AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2026

(Rs in lakhs)

	Particulars	Three months ended			Year ended	
		31-03-2026 Audited*	31-12-2025 Unaudited	31-03-2025	31-03-2026 Audited*	31-03-2025 Audited
1	Total income from Continuing Operations	2061	2085	1966	8387	8244
2	Net profit/ (loss) for the period (before tax, exceptional items)	(167)	670	96	1838	1894
3	Net profit/ (loss) for the period before tax (after exceptional items)	(167)	670	96	1838	1894
4	Net profit/ (loss) for the period after tax (after exceptional items)	(336)	670	(188)	1669	1610
5	Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-
6	Total Comprehensive Income for the period (comprising profit for the period and other comprehensive income(net of tax))	(334)	671	(209)	1675	1615
7	Paid up Equity Share Capital (face value of Rs.10/- each)	35560	35560	35560	35560	35560
8	Other Equity	-	-	-	13605	11933
9	Earnings Per Share from continuing operations (face value of Rs.10/- each)					
	Basic :	(0.09)	0.19	(0.05)	0.47	0.45
	Diluted :	(0.09)	0.19	(0.05)	0.47	0.45
	Earnings Per Share from discontinued operations (face value of Rs.10/- each)					
	Basic :	0.00	0.00	0.00	0.00	0.00
	Diluted :	0.00	0.00	0.00	0.00	0.00

Note:

1. The above is an extract of the detailed format of Quarterly and Yearly Financial Results filed with the Stock Exchanges under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly and Yearly Financial Results are available on the websites of Stock Exchange i.e. www.nseindia.com and www.bseindia.com and on the Company's website www.hmtindia.com

2. Figures of previous year have been regrouped wherever necessary.

** Subject to C&AG Review*

By order of the Board of Directors

27/7/2026

(Ramesh Kumar N)

Chairman and Managing Director

(Addl. Charge)

Place: Bangalore

Date: July 27, 2026

एचएमटी लिमिटेड / HMT LIMITED
hmt
59, बेल्लारी रोड
59, Bellary Road
बेंगलूरु / Bengaluru - 560032

HMT LIMITED

No.59, Bellary Road, Bangalore - 560 032

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2026

CIN: L29230KA1953GOI000748

(Rs in lakhs)

	Particulars	Three months ended			Year ended	
		31-03-2026 Audited*	31-12-2025 Unaudited	31-03-2025 Audited	31-03-2026 Audited*	31-03-2025 Audited
I	**CONTINUING OPERATIONS**					
1	Revenue from Operations	7144	2083	3978	14265	14231
2	Other Income	1432	1525	2255	5845	5969
	Total Income	8576	3608	6233	20110	20200
3	Expenses					
	a) Cost of materials consumed	1240	634	2143	3859	6028
	b) Purchase of Stock in Trade	4201	80	26	4411	351
	c) Changes in Inventories (Increase)/decrease in SIT/WIP	221	(254)	825	741	1514
	d) Employee benefits expense	1076	1665	629	5642	6232
	e) Depreciation and amortisation expense	146	168	133	676	746
	f) Finance Costs	1747	1768	1855	6875	6967
	g) Other expenses	3430	2271	6533	10800	12368
	Total expenses	12061	6332	12144	33004	34206
4	Profit /(Loss) before Share of Investment in Associate & Joint Venture, Exceptional items & Tax from Continuing Operations	(3485)	(2724)	(5911)	(12894)	(14006)
5a	Share of Profit/(Loss) of an Associate & Joint venture	(1)	-	(1)	(1)	(1)
5b	Exceptional Items	-	-	2,636	-	-
6	Profit /(Loss) before Tax	(3486)	(2724)	(3276)	(12895)	(14007)
7	Tax Expense	259	-	299	259	299
8	Profit /(Loss) for the period from Continuing Operations	(3745)	(2724)	(3575)	(13154)	(14306)
II	DISCONTINUED OPERATIONS					
9	Profit /(Loss) for the period from Discontinued Operations	0	0	0	-	-
10	Tax income/withdrawal of tax/(Expense) of Discontinued Operations	0	-	-	-	-
11	Profit /(Loss) from Discontinued Operations	0	0	0	-	-
12	Profit /(Loss) for the period	(3745)	(2724)	(3575)	(13154)	(14306)
13	Other Comprehensive Income					
	i) Items that will not be reclassified to profit /(Loss)	507	(78)	(306)	270	(280)
	ii) Income Tax relating to items that will not be reclassified to Profit / (Loss)	7	-	(1)	7	(1)
	Net Other Comprehensive Income	514	(78)	(307)	277	(281)
14	Total Comprehensive Income for the period (12±13)	(3231)	(2802)	(3882)	(12877)	(14587)
15	Profit/(Loss) for the year attributable to :					
	Equity holders	(3745)	(2724)	(3575)	(13154)	(14306)
	Non-Controlling Interest	-	-	-	-	-
16	Other Comprehensive Income attributable to:					
	Equity holders	514	(78)	(307)	277	(281)
	Non-Controlling Interest	-	-	-	-	-
17	Total Other Comprehensive income for the year attributable to :					
	Equity holders	(3231)	(2802)	(3882)	(12877)	(14587)
	Non-Controlling Interest	-	-	-	-	-
18	Paid-up Equity Share Capital (Face Value - Rs.10/-)	35560	35560	35560	35560	35560
19	Other Equity	-	-	-	(238227)	(225350)
20	Earnings per share from Continuing Operations (face value Rs.10/- each)					
	i) Basic	(1.05)	(0.77)	(1.01)	(3.70)	(4.02)
	ii) Diluted	(1.05)	(0.77)	(1.01)	(3.70)	(4.02)
	Earnings per share from Discontinued Operations (face value Rs.10/- each)					
	i) Basic	0.00	0.00	0.00	0.00	0.00
	ii) Diluted	0.00	0.00	0.00	0.00	0.00
	Earnings per share from Continuing & Discontinued Operations (face value Rs.10/- each)					
	i) Basic	(1.05)	(0.77)	(1.01)	(3.70)	(4.02)
	ii) Diluted	(1.05)	(0.77)	(1.01)	(3.70)	(4.02)

(N. Ramesh Kumar) (Apum R) (Sameena Kohli)

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HMT LIMITED

No.59, Bellary Road, Bangalore - 560 032

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS

FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2026

CIN: L29230KA1953GOI000748

(Rs in lakhs)

Primary Segment information for the year ended 31st March 2026

Particulars	Three months ended			Year ended	
	31-03-2026 Audited*	31-12-2025 Unaudited	31-03-2025 Audited	31-03-2026 Audited*	31-03-2025 Audited
1 Segment Revenue					
Food Processing Machinery	264	215	357	892	1134
Machine Tools	2035	1414	3278	7055	11077
Projects	4317	88	6	4643	1535
Others (including Watch Assembly etc)	538	367	371	1704	1484
Total	**7154**	**2084**	**4012**	**14294**	**15230**
Less: inter Segment Revenue	10	1	34	29	999
Total	**7144**	**2083**	**3978**	**14265**	**14231**
2 Segment Results					
Segment Result before Interest & Taxes					
Food Processing Machinery	110	8	93	51	67
Machine Tools	(1616)	(1632)	(1615)	(7989)	(10192)
Projects	41	5	101	124	1185
Others (including Watch Assembly etc)	(274)	663	0	1794	1900
Total	**(1739)**	**(956)**	**(1421)**	**(6020)**	**(7040)**
Less:					
Interest Expenses	1747	1768	1855	6875	6967
Profit/(Loss) before Tax	**(3486)**	**(2724)**	**(3276)**	**(12895)**	**(14007)**
3 Segment Assets					
Food Processing Machinery	1508	1696	2009	1508	2009
Machine Tools	23117	25613	26386	23117	26386
Projects	9893	6101	5887	9893	5887
Others (including Watch Assembly etc)	20828	20669	20600	20828	20600
Unallocated and Discontinued	(1783)	(1818)	(2294)	(1783)	(2294)
Total	**53563**	**52261**	**52588**	**53563**	**52588**
4 Segment Liabilities					
Food Processing Machinery	813	1104	1409	813	1409
Machine Tools	60267	62168	57703	60267	57703
Projects	5846	2014	1881	5846	1881
Others (including Watch Assembly etc)	18115	17568	17692	18115	17692
Unallocated and Discontinued	171189	168843	163693	171189	163693
Total	**256230**	**251697**	**242378**	**256230**	**242378**

(N. Ramesh Kumar) (Aparna K) (Sameera Kohli)

HMT LIMITED
59, Bellary Road
Bengaluru - 560 032

HMT LIMITED

No.59, Bellary Road, Bangalore - 560 032

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS

AS AT 31ST MARCH 2026

CIN: L29230KA1953GOI000748

(Rs in lakhs)

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

Sl.	Particulars	As at 31-03-2026 Audited*	As at 31-03-2025 Audited
A	**ASSETS**		
1	**Non Current Assets**		
	(a) Property, plant & equipment	2038	2626
	(b) Capital work-in-progress	210	210
	(c) Investment property	965	1,003
	(d) Finanacial Assets		
	Investments	17	18
	Other Financial Assets	425	505
	(e) Other Non current Assets	385	381
	Sub total	4040	4743
2	**Current Assets**		
	(a) Inventories	8661	9660
	(b) Financial Assets		
	Trade Receivables	9324	12402
	Cash & Cash Equivalents	4605	498
	Bank balanes other than Cash & Cash Equivalents	21592	20079
	Other Financial Assets	489	434
	(c) Current Tax Assets (net)	946	933
	(d) Other Current Assets	3610	3543
	Sub total	49227	47549
3	Non Current Assets held for sale	296	296
	TOTAL ASSETS	53563	52588
B	**EQUITY & LIABILITIES**		
1	Equity		
	(a) Equity share capital	35560	35560
	(b) Other equity	(238227)	(225350)
	Equity attributable to Equity holders of the parent	(202667)	(189790)
	(c) Non Controlling Interests	-	-
	Total equity	(202667)	(189790)
2	**Non-current liabilities**		
	(a) Financial Liabilities		
	Non Current Financial Liability	10,004	10,028
	(b) Other Current Liabilities	-	-
	(c) Provisions		
	Employee Benefits	2977	3554
	(d) Deferred tax liability (net)	(21)	(2)
	Sub total	12960	13580
2	**Current liabilities**		
	(a) Financial Liabilities		
	Borrowings	103333	102917
	Trade Payables		
	Total outstanding dues to Micro, Small & Medium Enterperises	851	786
	Total outstanding dues of creditors other than Micro, Small & Medium Enterperises	11071	7667
	(b) Other Financial Liabilities	69642	63468
	(c) Other current liabilities	56164	51627
	(d) Provisions		
	Employee Benefits	1818	1901
	Others	343	397
	(e) Current Tax Liabilities (net)	48	35
	Sub total	243270	228798
	TOTAL LIABILITIES	256230	242378
	TOTAL EQUITY & LIABILITIES	53563	52588
		-	-

(N. Ramesh Kumar) (Aparna R) (Sameena Kohli)

एचएमटी लिमिटेड / HMT LIMITED
59, Bellary Road
Bengaluru - 560 032

HMT LIMITED
No.59, Bellary Road, Bangalore - 560 032
STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2026
CIN: L29230KA1953GOI000748

(Rs in lakhs)

CONSOLIDATED CASH FLOW STATEMENT

Sl.	Particulars	Year ended 31-3-2026 Audited*	Year ended 31-3-2025 Audited
A	**Operating activities**		
	Profit/(loss) before tax from continuing operations	(12895)	(14007)
	Profit/(loss) before tax from discontinued operations	-	-
	Profit before tax	(12895)	(14007)
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation and impairment of PPE, Investment Properties and Intangible Assets	676	746
	Profit on disposal of property, plant and equipment and Non Current Assets Held for Sale (net)	(52)	(17)
	Finance income (including fair value change in financial instruments)	(1514)	(1585)
	Finance cost (including fair value change in financial instruments)	6875	6967
	Share of (Profi)t/Loss of an asociate and a Joint venture	1	1
	Working capital adjustments:		
	Movements in provisions	1224	(344)
	(Increase)/Decrease in trade and other receivables and prepayments	1453	1174
	(Increase)/Decrease in inventories	918	1771
	Increase/(Decrease) in trade and other payables	7981	1089
		4667	(4205)
	Income tax (paid)/reversed	(272)	(429)
	Net cash flows from operating activities	4395	(4634)
B	**Investing activities**		
	Proceeds from sale of property, plant and equipment and Non Current Assets held for sale	52	17
	Purchase of property, plant and equipment	(50)	(221)
	Deposits with Banks	(1478)	1612
	Interest received	1473	1585
	Net cash flows used in investing activities	(3)	2993
C	**Financing activities**		
	Interest Paid	(701)	(725)
	Proceeds from borrowings (net)	416	-
	Repayment of borrowings (net)	-	(20)
	Net cash flows from/(used in) financing activities	(285)	(745)
	Net increase in cash and cash equivalents	4107	(2386)
	Opening balance of Cash and cash equivalents	498	2884
	Closing balance of Cash and cash equivalents	4605	498

Note for Consolidated Financial Results:

1. The above statement of audited consolidated financial results of HMT Limited, which have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issed thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI") were reviewed. It may be noted that since currently there is one Independent Director on the Board of HMT Limited, the meeting of Board Level Audit Committee cannot be held due to lack of quorum. Accordingly, the results were directly placed in the Board Meeting held on July 27, 2026 were reviewed and approved by the Board of Directors in this meeting.

2. Networth of the HMT Group has been completely eroded. Considering the realisable value of the non-current assets held for sale, support from Government of India and other business plans, the Company has prepared its financial statements on going concern basis and accordingly, no adjustments are considered necessary to the carrying value of its assets and liabilities.

3. The Statutory Auditors have carried out an audit of the above results for the year ended March 31, 2026 and have issued a modified opinion on the same. A statement showing the impact of audit qualifications is being filed separately.

4. As per the CCEA Approval, the operations of the Subsidiary Company i.e. HMT Watches Ltd were closed and the results were disclosing under discontinued operations. During the year, the Company has been struck off by the Register of Companies u/s 248 of the Companies Act, 2013, on 2nd March 2026.

5. The Government of India has notified the four Labour Codes, collectively referred to as the New Labour Code on 21st November 2025. The consequential effects covering the employee benefit obligations and related provisions, have been duly recognised based on the "guidance on the new labour codes" issued by the Institute of Chartered Accountants of India, in the Statement of Profit and Loss for the year ended and the Balance Sheet as at 31st March 2026.

6. The figures for the fourth quarter (ending March 31, 2026) are the derived balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year. Also, the figures up to the end of the third quarter were only reviewed by an independent Chartered Accountant and not subjected to audit.

7. Figures of previous period / year's have been regrouped wherever necessary to conform with current period/ year's figures.

**** Subject to C&AG Review***

एचएमटी लिमिटेड / HMT LIMITED
59. बेल्लारी रोड
59. Bellary Road

By order of the Board of Directors

(Ramesh Kumar N) 27/7/2026
Chairman and Managing Director
(Addl. Charge)

Place: Bangalore
Date: July 27, 2026

HMT LIMITED

No. 59, Bellary Road, Bangalore 560032

EXTRACT OF THE CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2026

CIN: L29230KA1953GOI000748

(Rs. In Lakhs)

	Particulars	Three months ended			Year ended	
		31-03-2026 Audited*	31-12-2025 Unaudited	31-03-2025 Audited	31-03-2026 Audited*	31-03-2025 Audited
1	Total income from Continuing Operations	8576	3608	6233	20110	20200
2	Net profit/ (loss) for the period (before tax, exceptional items)	(3485)	(2724)	(5911)	(12894)	(14006)
3	Net profit/ (loss) for the period before tax (after exceptional items)	(3486)	(2724)	(3276)	(12895)	(14007)
4	Net profit/ (loss) for the period after tax (after exceptional items)	(3745)	(2724)	(3575)	(13154)	(14306)
5	Net Profit/(Loss) from Discontinued Operations	-	-	-	-	-
6	Total Comprehensive Income for the period (comprising profit for the period and other comprehensive income(net of tax))	(3231)	(2802)	(3882)	(12877)	(14587)
7	Profit/(Loss) for the year attributable to :					
	Equity holder of the parent	(3745)	(2724)	(3575)	(13154)	(14306)
	Non-Controlling Interest	-	-	-	-	-
8	Other Comprehensive Income attributable to:					
	Equity holder of the parent	514	(78)	(307)	277	(281)
	Non-Controlling Interest	-	-	-	-	-
9	Total Other Comprehensive income for the year attributable to :					
	Equity holder of the parent	(3231)	(2802)	(3882)	(12877)	(14587)
	Non-Controlling Interest	-	-	-	-	-
10	Paid up Equity Share Capital (face value of Rs.10/- each)	35560	35560	35560	35560	35560
11	Other Equity	-	-	-	(238227)	(225350)
12	Earnings Per Share from continuing operations					
	(face value of Rs.10/- each)					
	Basic :	(1.05)	(0.77)	(1.01)	(3.70)	(4.02)
	Diluted :	(1.05)	(0.77)	(1.01)	(3.70)	(4.02)
	,					
	(face value of Rs.10/- each)					
	Basic :	0.00	0.00	0.01	0.00	0.00
	Diluted :	0.00	0.00	0.01	0.00	0.00

Note:

1. The above is an extract of the detailed format of Quarterly and yearly Financial Results filed with the Stock Exchanges under regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly and Yearly Financial Results are available on the websites of Stock Exchange of www.nseindia.com and www.bseindia.com and on the Company's website www.hmtindia.com

2. Figures of previous year have been regrouped wherever necessary.

** Subject to C&AG Review*

By order of the Board of Directors

27/7/2026

(Ramesh Kumar N)

Chairman and Managing Director

(Addl. Charge)

Place: Bangalore

Date: July 27, 2026

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF THE STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF HMT LIMITED

Qualified Opinion

We have audited the accompanying Statement of Standalone Financial Results of HMT LIMITED (the "Company"), for the quarter and year ended March 31, 2026 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the statement:

a. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and year then ended March 31, 2026.

Basis for Qualified Opinion

1) We draw attention to the audit report of Food Processing Machinery Unit, Aurangabad audited by M/S R. K. MULEY & CO., Chartered Accountants, which includes a qualification relating to inventory valuation. As stated in Note 2(ii)(j) of the Significant Accounting Policies, inventories of raw materials, stores, and spares are valued using the Weighted Average Cost method. However, the branch auditor was unable to verify the accuracy of rates and costs due to inadequate audit evidence. Consequently, we are unable to determine whether there is any material misstatement in the inventory valuation and its consequential impact, if any, on the financial statements.
2) At the Auxiliary Business Company, Bengaluru, the Company has valued inventories based on the Chartered Valuer's report without adequate supporting evidence for the rates used. This approach is inconsistent with the stated accounting policy of valuing raw materials, stores, and spares using the Weighted Average Cost method. In the absence of sufficient audit evidence and deviation from the stated policy, we are unable to determine whether adjustments, if any, are required to the reported inventory values.
3) The Auxiliary Business Company, Bengaluru is still in the process of reconciling the input tax credit under the Goods & Services Tax for the current as well as the past periods, as accounted in the books of accounts with the GST portal. Adjustment entries and reversal of ineligible input tax credit may be required upon completion of such reconciliation. In the absence of such reconciliation, we are unable to comment on the impact of the same on the result or financial position of the Company.
4) The Auxiliary Business Company, Bengaluru has not carried out the physical verification of Property, Plant and Equipment during the financial year 2025–26, although such verification was due as per its policy of verifying fixed assets once every three years. In the absence of physical verification, we were unable to obtain sufficient appropriate audit evidence regarding the existence and condition of the Property, Plant and Equipment. Consequently, we are unable to determine whether any adjustments are required to the carrying value of Property, Plant and Equipment and the related depreciation in the financial statements.
5) Ind AS 109 requires the application of an expected credit loss (ECL) model for measuring and recognising impairment of financial assets. However, based on the information and explanations provided, no ECL matrix was prepared during the audit period to determine the loss allowance. Consequently, we are unable to assess the potential impact, if any, on the Standalone Ind AS financial statements.

6) No allowance for expected credit losses has been made in respect of a outstanding receivable from a subsidiary HMT Machine Tools Limited, which in our opinion has significant credit risk in view of the subsidiary's continued losses and negative net worth. The non creation of the loss allowance results in overstatement of the assets and understatement of profit for the year to the extent of such loss, which is unascertained.
7) The Company has not obtained external confirmations for trade receivables, trade payables, other current liabilities, and other current assets. In the absence of such confirmations and alternative audit procedures, we were unable to obtain sufficient appropriate audit evidence regarding the accuracy, completeness, and existence of these balances. Accordingly, we are unable to determine whether any adjustments are required in respect of these items.

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the quarter and year ended March 31, 2026 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to the following matters under various notes (referred against each item) of the financial statements. Our opinion is not modified in respect of these matters.

1. We draw you attention to Note No. 49 of Standalone Ind AS financial statements for the financial year ended 31st March, 2026 wherein HMT Limited has invested Rs.15 lakh (50% of equity shares) comprising 1,50,000 equity shares of Rs.10 each fully paid up in Sudmo HMT Process Engineers (India) Ltd., Bengaluru (M/s. Sudmo - HMT). M/s. Sudmo-HMT has no operations. The Board of HMT Ltd has approved (February 2020) for closure of the defunct joint venture company (M/s. Sudmo- HMT) and submitted the closure proposal to Ministry of Heavy Industries, Government of India (July 2021) for approval.
2. We draw you attention to Note No. 50 of Standalone Ind AS financial statements for the financial year ended 31st March, 2026 wherein HMT Limited has invested Rs.20.84 lakh (39.86% of equity shares) comprising 20,84,050 equity shares of Rs.1 each fully paid up in Gujarat State Machine Tools Corporation Ltd., Bhavanagar (M/s. GSMTC). The Board of HMT Ltd gave (March 2021) in principle approval for liquidation of M/s. GSMTC and issued the consent letter to Gujarat Industrial Investment Corporation Limited (GIIC). GIIC approved (September 2021) liquidation of M/s. GSMTC subject to approval from Government of Gujarat, Industries & Mines Department. HMT Ltd is awaiting approval from Ministry of Heavy Inudstries, Government of India to initiate liquidation under the Insolvency & Bankruptcy Code, 2016.
3. We draw you attention to Note No. 51 of Standalone Ind AS financial statements for the financial year ended 31st March, 2026 wherein HMT Limited has invested 30,00,000 equity shares of 1 Naira each fully paid up in Nigeria Machine Tools Limited, Nigeria (M/s. NMTL). The Board of HMT Ltd gave (February 2020) approval for divestment of stake in M/s. NMTL and awaiting approval from Ministry of Heavy Inudstries, Government of India.
4. We draw your attention to Note No. 3C Additional information (e) and 34 (i) of Standalone Ind AS financial statements for the financial year ended 31st March, 2026 relating to transfer of land to Raman Research Institute(transferee) for Rs.926.64 Lakhs and Government of Uttarakhand (transferee) for

Rs.7202.10 Lakhs wherein the Company (transferor) has received entire sale consideration and has given the part-possession of the land and the registration of sale is pending due to procedural issues.

5. We draw attention to Note No.52 to the Financial Statements which states that the Auxiliary Business Company, Bengaluru, has recognised rental income and incurred maintenance expenses in respect of land and buildings that belong to a subsidiary under the previously implemented scheme of demerger/ subsidiarisation. These buildings are not reflected in the books of the Company as assets, though rental income is recognised. The Company has recognised rental income of Rs.847 lakhs and incurred expenses of Rs.630 lakhs during the year. This arrangement is not supported by a formal, legally enforceable agreement to clearly establish the terms of use, rights, and obligations between the Company and the subsidiary.
6. We draw attention to foot note No.2 of Note 3B of the financial statements, which states that the Company has not obtained a valuation of fair value of investment properties from a qualified valuer and disclosed only the guidance value of such investment properties of the Company.
7. We draw attention to Note No. 35(i) of the standalone financial statements that describes the non-redemption of preference share capital of Rs.3686 lakhs.
8. We draw attention to Note No.58 of the financial statements relating to non-renewal of expired lease agreements.

Management's Responsibilities for the Standalone Financial Results

This Statement, which includes the Standalone financial results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited Interim condensed standalone financial statements for the three months and year ended March 31, 2026. This responsibility includes preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2026 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors is responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise

GRSM & Associates Bangalore Chartered Accountants

from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

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

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

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

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Other Matters

1. We did not audit the financial statements/information of Food Processing Machinery Unit, Aurangabad included in these Standalone Ind AS financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 891.71 lakhs as at March 31,2026 and total revenues of Rs. 943.75 lakhs for the year ended on that date. The financial statements/ information of the branch has been audited by the branch auditor M/s R.K. Muley & Co, Chartered Accountants, Aurangabad whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, are based solely on the report of such branch auditor. The branch auditors have reported certain discrepancies under the "Other Matters" section of their report, rather than including them as the basis for a qualified opinion. As these observations pertain specifically to the branch, have not been classified as qualifications by the branch auditor, and are not considered material to the standalone financial statements of the Company, they have not been addressed in this report.

2. The standalone financial results include the results for the quarter ended March 31, 2026, being the derived balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were reviewed by a Chartered Accountant.

Our opinion is not modified in respect of these matters.

Place: Bangalore
Date: 27-07-2026

UDIN: 26208063IBGEAC5269

For GRSM & ASSOCIATES
Chartered Accountants
[FRN: 000863S]

GRSM & Associates ★ Bangalore ★ Chartered Accountants

GOPALKRISHNA HEGDE
Partner
M.No.208063

INDEPENDENT AUDITORS' REPORT ON AUDIT OF CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF HMT LIMITED

Qualified Opinion

We have audited the accompanying Statement of Consolidated Financial Results of HMT LIMITED (the "Company") its subsidiaries and a joint venture (the Company, its subsidiaries and joint venture together referred to as the "Group"), for the quarter and year ended March 31, 2026 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the Statement:

(i) includes the results of the following subsidiaries and joint ventures:
   a. HMT Machine Tools Limited
   b. HMT International Limited
   c. SUDMO-HMT Process Engineers (India) Limited

(ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and

(iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the consolidated net loss and consolidated total comprehensive loss and other financial information of the Group for the quarter and year ended March 31, 2026.

Basis for Qualified Opinion

Introduction: In forming our qualified opinion on the consolidated financial statements, we have taken into consideration the qualifications and other observations contained in the audit reports of the components included in the Group. While doing so, we have exercised professional judgment to present the matters in a manner relevant to the consolidated financial position and results. Accordingly, items that are common and already covered under group-level qualifications have not been repeated, matters not considered material at the group level have been excluded, and those that were found not to be significant or not in the nature of qualifications have been disregarded. The description below includes only those matters which, in our view, are material and relevant to the consolidated financial statements and form the basis for our qualified opinion.

Common Qualifications (Group-Level Issues):

1. Non-Compliance with Ind AS 109 – Expected Credit Loss Model:

Ind AS 109 requires the application of an Expected Credit Loss (ECL) model for the recognition and measurement of impairment on financial assets. However, based on the information and explanations provided to us, the Group has not prepared an ECL matrix or carried out any impairment assessment under this model during the audit period. Consequently, we were unable to assess the adequacy of any loss allowance that may be required.

2. Lack of External Confirmations for Party Balances:

The Group has not obtained external confirmations in respect of trade receivables, trade payables, other current assets, and other current liabilities. In the absence of such confirmations and alternative audit procedures, we were unable to obtain sufficient appropriate audit evidence to verify the existence, completeness, and accuracy of these balances. Accordingly, we are unable to determine whether any adjustments may be necessary in respect of these items.

3. Non-Compliance with Ind AS 2 – Valuation of Inventories:

At several locations, inventories have not been valued strictly in accordance with the Group's stated accounting policy, which is required to be in compliance with Ind AS 2 and also inadequate physical verifications. Due to the absence of reliable alternative procedures, we are unable to ascertain the extent of any potential misstatement in the value of inventories and its consequent impact on the financial statements.

4. Unreconciled Input Tax Credit under GST Law:

Most units of the Group are in the process of reconciling the input tax credit as recorded in the books with the balances available on the GST portal, for both the current and prior periods. The reconciliation process is incomplete as at the reporting date, and adjustment entries for reversals or corrections, if any, have not yet been accounted for. In the absence of a completed reconciliation, we are unable to assess the impact of any potential overstatement of input tax credit or its implications on the Group's financial position and results.

Specific Qualifications (Component-Level Issues):

5. Audit of HMT Machine Tools Limited ("MTL")

a) Delay in remitting the Statutory Dues: At several units of this subsidiary, there have been a general delay in remitting the statutory dues including PF, Gratuity, GST and TDS/TCS etc. While such delays may attract interest and penalties, no provision has been made in the financial statements on this account, and the potential impact has not been quantified. In the absence of such quantification, we are unable to determine whether any adjustments are required in this regard.

b) Loss sustained by PF Trust: The Company is obligated to compensate the loss sustained by the PF Trusts at its various units. However, in view of the non-completion of the accounting/ financial position of the PF Trusts for the year ended 31-3-2026, provision has been made on a provisional basis. If the actual loss varies, it will impact the results of the Company for the year. Accordingly, we are unable to determine whether any adjustments may be necessary in respect of these items.

c) Non-Compliance with Micro Small and Medium Enterprises Act, 2006: The Holding Company and its subsidiaries have not complied with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') in respect of dues to micro and small enterprises. The non-compliances observed across the Parent and these units include: (a) delay in payment to MSME vendors beyond the stipulated period without payment of the mandatory interest thereon; (b) computation of interest based on a minimum credit period (e.g., 45 days) exceeding the contractually agreed terms (e.g., 30 days); and (c) provision for interest on a simple interest basis instead of compound interest at three times the bank rate notified by the RBI on a monthly rest basis, as mandated under the MSMED Act, resulting in an understatement of Current Financial Liabilities and Net Loss for the year. Due to the absence of accurate and complete records, we are unable to ascertain the extent of impact on the financial statements.

1. Audit of HMT Machine Tools Limited ("MTL") - MTA, Ajmer

a) The Unit has defaulted in the settlement/payment of gratuity amounting to Rs. 302.07 lakhs in respect of employees who retired or separated from service. Additionally, no provision has been made towards interest for delayed payment of gratuity, which is not in compliance with the requirements of Ind AS 19 – Employee Benefits.

b) The Unit has not reversed the GST input tax credit in respect of supplies and services for which payment has been outstanding for more than 180 days as of March 31, 2026, amounting to Rs.5.78 lakhs. This is not in accordance with the provisions of the GST law, and consequently, the input tax credit receivable and liabilities are overstated to that extent.

2. Audit of HMT Machine Tools Limited ("MTL") - MTK - Kalamassery

a) The Unit has disclosed a claim recoverable of Rs. 199.92 lakhs as at March 31, 2026, which has remained outstanding for several years with no movement during the year. No supporting documentation, external

GRSM & Associates Chartered Accountants Bangalore confirmations, or correspondence was provided to substantiate the validity or recoverability of the amount. Further, no assessment has been made in accordance with the requirements of Ind AS 109 – Financial Instruments to determine any impairment loss, if applicable.

b) The Unit has provided certain infrastructure facilities—such as electricity, water, and land—to an external party operating a hotel business. However, no rental income has been recognised in respect of the use of such facilities. Moreover, the electricity and water charges incurred by the hotel have been paid by the Company and incorrectly classified under "Employee Benefit Expenses" in the financial statements. In our opinion, the non-recognition of income and the misclassification of expenditure is not in compliance with the applicable financial reporting framework. Due to the absence of adequate records, we are unable to quantify the financial impact of this matter.

c) As per the audit report of the Unit, the electricity bill issued by the Kerala State Electricity Board (KSEB) reflects an outstanding payable of Rs.950.43 lakhs as at March 31, 2026. However, the Company has recognised only Rs.623.13 lakhs towards this liability in its books. The balance amount of Rs.327.30 lakhs has neither been acknowledged nor provided for, and no formal dispute or legal action has been initiated by the Company against the demand. In the absence of any documentation to support that the liability is disputed, we are of the view that the unrecorded amount ought to have been recognised as a provision in accordance with the applicable financial reporting framework.

d) As per the audit report of the Unit, a demand for municipal tax arrears of Rs.116.12 lakhs was received and provision has been made only for Rs.57.49 lakhs. The balance of Rs.58.63 lakhs has not been provided for, but only disclosed as a contingent liability.

e) The Unit has not remitted Provident Fund contributions payable, Loan Recovery Payable and Voluntary Provident Fund Payable to the Provident Fund Trust on a regular basis from April 2024 onwards. As at March 31 2026, an amount of ₹290.78 lakhs remains outstanding and payable to the Trust. Although the unit remitted contributions pertaining to certain months, namely October 2024 (part payment), December 2024 (part payment), January 2025 and February 2025, the balance contributions due for the remaining periods have not been transferred.

f) As per the audit report of the Unit, there is no adequate system for identifying, quantifying and accounting for liquidated damages payable to customers under the terms of outward supply contracts/work orders. On random verification of selected documents, liquidated damages aggregating to Rs.87.02 lakhs were payable by the unit to customers as per the relevant contractual terms. However, the unit has not accounted for the said liability/provision in the books of account. Consequently, liabilities are understated and loss for the year is understated to the extent of Rs.87.02 lakhs. Further, in the absence of a comprehensive contract-wise assessment of liquidated damages payable to customers, the possible additional impact on the financial statements is presently unascertainable.

g) As per the terms of certain contracts for supply of CNC machines, the supply of material and installation and successful commissioning of the equipment are separate performance obligations in accordance with Ind AS 115, Revenue from Contracts with Customers. The payment terms also provide that a portion of the contract consideration is payable only upon successful installation and commissioning of the machines. However, the MTK Unit has recognized the full revenue on delivery of the machines, although installation and commissioning had not been completed in four cases as at the reporting date. We are of the opinion that revenue should have been recognized only to the extent of performance obligations completed. Accordingly, revenue has been overstated to that extent. Commissioning charges are not separately identifiable and hence the financial impact is presently unascertainable.

3. Audit of HMT Machine Tools Limited ("MTL") - MTH, Hyderabad

a) The unit has reported inventories of Rs. 2,512.71 lakhs where the Management has not carried out an adequate assessment of the Net Realisable Value of slow-moving, non-moving, and obsolete inventories nor provided sufficient supporting evidence for the valuation thereof. Further, we were unable to observe the physical verification of inventories or perform satisfactory alternative audit procedures. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the existence and valuation of inventories, and the possible effect of any necessary adjustments on the financial statements could not be determined.

4. Audit of HMT Machine Tools Limited ("MTL") - MBX, Bangalore

The auditor of the branch/ unit of this subsidiary has issued a disclaimer of opinion on account of significant limitations in audit evidence based on various matters, and we include only the relevant aspects based on the explanation under the initial introduction paragraph.

a) As per the audit report of the Unit, certain income and expenditure items pertaining to prior financial years were identified during the current period. Under the provisions of Ind AS 8, material prior-period errors must be corrected retrospectively by restating the comparative amounts for the prior period(s) presented and adjusting the opening balances of equity. However, management has accounted for these prior-period income and expense items prospectively in the current financial year's results instead of restating the comparative prior-year figures. This constitutes non-compliance with Ind AS 8.

b) Based on the information and explanations provided, raw materials (including consumables) have been valued at cost as per the ERP records; however, the basis of such cost has not been explained. The valuation of work-in-progress, finished goods, and goods in transit has been carried out using job cards and estimated costs, including overheads. In the absence of supporting documentation, the accuracy of inventory quantities and valuation could not be verified. The use of estimated cost for inventory valuation is not in compliance with Ind AS 2 – Inventories, which requires valuation at cost or net realisable value, whichever is lower, and is also inconsistent with the stated accounting policy 2(j). The unit auditor has pointed out his inability to verify the scrap records, the physical verification of inventories and provision for non-moving inventories.

c) The physical verification report of Fixed Assets provided by the Unit was unreliable, and the line items did not reconcile with the Fixed Asset Register. Consequently, we were unable to verify the existence and completeness of Fixed Assets.

d) The unit has a letter dated 4.11.2024 from Karnataka Forest Department regarding illegal occupation and possession of Forest Land which has been responded by the unit as can be made out from the extract of the minutes of the Board provided to us. But no further details of this was provided to us.
The unit's document of title mentions the original purchase or gifted quantity only and no title document is made available to show the balance quantities on hand under respective survey numbers after sale of lands and acquisition under Karnataka Municipal Corporation Act/other order.

e) The account wise details, balance confirmations and supporting documentation for the margin money deposits amounting to Rs 111.23 lakhs were not made available to us, and consequently, we were unable to determine whether any adjustments were necessary to these balances. The interest income earned or accrued on the margin money deposits for the Financial Year 2025–26 has not been recognized in the books of accounts. Due to the lack of supporting documentation, we were unable to ascertain the unrecorded interest amount and its corresponding impact on the profit/loss for the year.

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Bangalore Chartered Accountants

Emphasis of Matter

1. We draw attention to the fact that certain component auditors have included Emphasis of Matter paragraphs in their respective audit reports. The matters referred to therein are either already considered in the Basis for Qualified Opinion section of our report or are not relevant or material at the consolidated level, or no corresponding disclosures have been made in the Consolidated Financial Statements. Accordingly, these matters have not been reproduced as Emphasis of Matter in our report.

2. We draw attention to foot note (a) of Note No.3A, where in it is stated that the group has not carried out impairment assessment of its assets during the year in view of the fact that the same was carried out in 2023-24.

3. We draw attention to Note No.49 of the consolidated financial statements, which states that the Group has disclosed segment information as required under 'IND AS 108-Operating Segments'. However, the financial statements do not include a formal accounting policy outlining the basis of identification and measurement of segments.

4. We draw attention to foot note (additional information) (i) of Note 3B of the consolidated financial statements, which states that the Company has not obtained a valuation of fair value of investment properties from a qualified valuer and disclosed only the guidance value of such investment properties of the Company.

5. We draw attention to Note No. 39 of the consolidated financial statements that describes the non-redemption of preference share capital of Rs.3686 lakhs.

Our opinion is not modified in respect of the above matters.

Management's Responsibilities for the Consolidated Financial Results

This Statement which includes Consolidated financial results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the audited interim condensed consolidated financial statements for the three months and year ended March 31, 2026. This responsibility includes preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Ind AS, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

GRSM & Associates
Bangalore
Chartered Accountants

The respective Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors

GRSM & Associates Bangalore Chartered Accountants

in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

1. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 33,141.65 lakhs as at 31st March 2026, total revenues of Rs. 16,668.92 lakhs and net cash flows amounting to Rs. 4,043.41 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of 0.61 lakhs for the year ended 31st March, 2026, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements/ financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub – sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

2. The holding company has not received financial statements of two associates viz., "Gujarat Machine Tools Limited" and "Nigeria Machine Tools Limited" for the year ended March 31, 2026, and the same haves not been considered for the purpose of preparation of these Consolidated Ind AS financial statements.

Our opinion on the consolidated financial results is not modified in respect of the above matters.

Place: Bangalore
Date: 27-07-2026

UDIN: 26208063GWKGSG1106

For GRSM & ASSOCIATES
Chartered Accountants
[FRN: 000863S]

GRSM & Associates ★ Bangalore ★ Chartered Accountants

GOPALKRISHNA HEGDE
Partner
M.No.208063

HMT LIMITED
(STANDALONE)

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

Statement of Impact of Audit Qualifications for the Financial Year ended March 31, 2026
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sl.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total income (Rs. in Lakhs)	8386.98	8386.98
	2.	Total Expenditure (Rs. in Lakhs)	6548.98	6548.98
	3.	Net Profit /(Loss) (Rs. in Lakhs)	1674.65	1674.65
	4.	Earnings Per Share (in Rs.)	0.47	0.47
	5.	Total Assets (Rs. in Lakhs)	136009.61	136009.61
	6.	Total Liabilities(Rs. in Lakhs)	86842.25	86842.25
	7.	Net Worth (Rs in Lakhs)	49167.36	49167.36
	8.	Any other financial item (s) (as felt appropriate by the Management)	Nil	Nil

II Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification: As per Enclosure

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: As per Enclosure

d For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Nil

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of Audit Qualification: Nil

(ii) If Management is unable to estimate the impact, reasons for the same: As per enclosure

(iii) Auditors Comments on (i) or (ii) above:

Signatories :

- CEO/Managing Director / C & MD
- CFO
- Audit Committee Chairman
- Statutory Auditor

Place : Bengaluru/Nadiad

Date : 27-7-2026

GRSM & ASSOCIATES Bangalore Chartered Accountants

एचएमटी लिमिटेड / HMT LIMITED 59, बेल्लारी रोड 59, Bellary Road बेंगलूर / Bangalore - 560 032

HMT LIMITED
(CONSOLIDATED)

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

Statement of Impact of Audit Qualifications for the Financial Year ended March 31, 2026
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sl.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total income (Rs. in Lakhs)	20109.77	20109.77
	2.	Total Expenditure (Rs. in Lakhs)	33003.75	33003.75
	3.	Net Profit /(Loss) (Rs. in Lakhs)	(12876.83)	(12876.83)
	4.	Earnings Per Share (in Rs.)	(3.70)	(3.70)
	5.	Total Assets (Rs. in Lakhs)	53563.50	53563.50
	6.	Total Liabilities(Rs. in Lakhs)	256230.14	256230.14
	7.	Net Worth (Rs. in Lakhs)	(202666.64)	(202666.64)
	8.	Any other financial item (s) (as felt appropriate by the Management)	Nil	Nil

II **Audit Qualification (each audit qualification separately):**

a. Details of Audit Qualification: As per Enclosure

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: As per Enclosure

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Nil

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of Audit Qualification: Nil

(ii) If Management is unable to estimate the impact, reasons for the same: As per enclosure

(iii) Auditors Comments on (i) or (ii) above:

III **Signatories:**

- CEO/Managing Director / C&MD
- CFO
- Audit Committee Chairman
- Statutory Auditor

Place : Bengaluru/Nadiad

Date : 27-7-2026

QUALIFIED OPINION OF STATUTORY AUDITOR AND MANAGEMENT REPLIES STANDALONE FINANCIAL STATEMENTS – 2025-26 HMT LIMITED ("HMTL")		
Audit Observations	**Management Reply**	**Frequency of Qualification**
1. We draw attention to the audit report of Food Processing Machinery Unit, Aurangabad audited by M/S R. K. MULEY & CO., Chartered Accountants, which includes a qualification relating to inventory valuation. As stated in Note 2(ii)(j) of the Significant Accounting Policies, inventories of raw materials, stores, and spares are valued using the Weighted Average Cost method. However, the branch auditor was unable to verify the accuracy of rates and costs due to inadequate audit evidence. Consequently, we are unable to determine whether there is any material misstatement in the inventory valuation and its consequential impact, if any, on the financial statements.	The inventory is valued using the weighted average cost method Considering the nature of the inventory and the records maintained, the management is of the view that the inventory balances disclosed in the financial statements represent the best estimate based on available records.	Repeated
2. At the Auxiliary Business Company, Bengaluru, the Company has valued inventories based on the Chartered Valuer's report without adequate supporting evidence for the rates used. This approach is inconsistent with the stated accounting policy of valuing raw materials, stores, and spares using the Weighted Average Cost method. In the absence of sufficient audit evidence and deviation from the stated policy, we are unable to determine whether adjustments, if any, are required to the reported inventory values.	The inventories received from HMT Watches Ltd. during the year 2016 were segregated based on usability. Usable items are being utilised for manufacturing of watches, while non-usable items and items requiring further processing have been valued based on the lower of NRV/Fair Realisable Value. Inventories procured in recent years and watches assembled during FY 2025-26 have been valued considering material cost and conversion cost based on available records and management assessment. The valuation represents the best estimate of inventory value as at the reporting date.	Repeated
3. The Auxiliary Business Company, Bengaluru is still in the process of reconciling the input tax credit under the Goods & Services Tax for the current as well as the past periods, as accounted in the books of accounts with the	Noted, the reconciliations with GSTR 2B will be completed before filing 9 & 9 C Forms (i.e. on or before 31.12.2026) and necessary	Repeated

(N Ramesh Kumar) (Aparna L) (Sameena Kohli)

	GST portal. Adjustment entries and reversal of ineligible input tax credit may be required upon completion of such reconciliation. In the absence of such reconciliation, we are unable to comment on the impact of the same on the result or financial position of the Company.	adjustment entries if any, will be made as required.	
4.	The Auxiliary Business Company, Bengaluru has not carried out the physical verification of Property, Plant and Equipment during the financial year 2025–26, although such verification was due as per its policy of verifying fixed assets once every three years. In the absence of physical verification, we were unable to obtain sufficient appropriate audit evidence regarding the existence and condition of the Property, Plant and Equipment. Consequently, we are unable to determine whether any adjustments are required to the carrying value of Property, Plant and Equipment and the related depreciation in the financial statements.	Noted, The physical verification of all PPE will be carried out at the earliest, and in any case, before the finalization of the next audit	First Time
5.	Ind AS 109 requires the application of an expected credit loss (ECL) model for measuring and recognising impairment of financial assets. However, based on the information and explanations provided, no ECL matrix was prepared during the audit period to determine the loss allowance. Consequently, we are unable to assess the potential impact, if any, on the Standalone Ind AS financial statements.	The Auxiliary Business Company, Bengaluru, The trade receivables as at the reporting date are ₹37.10 lakh against annual turnover of ₹17.04 crore. Considering the low level of receivables, regular recovery pattern and management assessment of credit risk, the expected credit loss impact is not considered material. However, the Company is strengthening the ECL assessment and documentation process in line with the requirements of Ind AS 109.	Repeated
6.	No allowance for expected credit losses has been made in respect of a outstanding receivable from a subsidiary HMT Machine Tools Limited, which in our opinion has significant credit risk in view of the subsidiary's continued losses and negative net worth. The non creation of the loss allowance results in overstatement of the assets and understatement of profit for the year to the extent of such loss, which is unascertained.	HMT Machine Tools Limited has substantial land assets, the realizable value of which, even considering the applicable guidance value, is significantly higher than the outstanding receivable from the subsidiary. The management expects recovery of the outstanding amount from the proceeds arising out of monetisation of	Repeated

(N. Ramesh Kumar)

(Aparna R) (Sameera Kohli)

		these land assets. Accordingly, based on the assessment of recoverability and available security in the form of underlying assets, no ECL provision is considered necessary at this stage. The position will continue to be reviewed periodically in accordance with the requirements of Ind AS 109.	
7.	The Company has not obtained external confirmations for trade receivables, trade payables, other current liabilities, and other current assets. In the absence of such confirmations and alternative audit procedures, we were unable to obtain sufficient appropriate audit evidence regarding the accuracy, completeness, and existence of these balances. Accordingly, we are unable to determine whether any adjustments are required in respect of these items.	Letters were sent through e-mail and post to all parties requesting them to confirm the balance as on 31.03.2026. Reconciliations as per available records are carried out on an ongoing basis. Consequential adjustment and provision are made wherever required as per management assessment.	Repeated

27/7/2026
(R. RAMESH KUMAR)

(Aparna)

(Sameera Kohli)

HMT LIMITED
59, Bellary Road
Bengaluru

QUALIFIED OPINION OF STATUTORY AUDITOR AND MANAGEMENT REPLIES		
CONSOLIDATED FINANCIAL STATEMENTS – 2025-26		
Audit Observations	**Management Reply**	**Frequency of Qualification**
Common Qualifications (Group-Level Issues): 1. **Non-Compliance with Ind AS 109 – Expected Credit Loss Model:** Ind AS 109 requires the application of an Expected Credit Loss (ECL) model for the recognition and measurement of impairment on financial assets. However, based on the information and explanations provided to us, the Group has not prepared an ECL matrix or carried out any impairment assessment under this model during the audit period. Consequently, we were unable to assess the adequacy of any allowance loss that may be required.	The Group has recognised provision towards impairment of financial assets based on assessment of recoverability, ageing of receivables, past recovery experience and other relevant factors. The observation regarding preparation of a formal ECL matrix and supporting documentation has been noted, and the Group will further strengthen the ECL assessment process in line with the requirements of Ind AS 109 in subsequent reporting periods.	Repeated
2. **Lack of External Confirmations for Party Balances:** The Group has not obtained external confirmations in respect of trade receivables, trade payables, other current assets, and other current liabilities. In the absence of such confirmations and alternative audit procedures, we were unable to obtain sufficient appropriate audit evidence to verify the existence, completeness, and accuracy of these balances. Accordingly, we are unable to determine whether any adjustments may be necessary in respect of these items.	Trade receivables, trade payables, other current assets and other current liabilities are accounted for based on the books of account and are periodically reviewed by the Unit. Certain old outstanding balances are under review and necessary action, including write-off wherever considered appropriate after due approval, will be taken. Balance confirmations could not be obtained in all cases due to operational constraints; however, the Unit will continue to strengthen reconciliation, documentation and periodic review of these balances.	Repeated

27/7/2026
(N Ramesh Kumar)

(Aparna R) (Sameena Kohli)

3. Non-Compliance with Ind AS 2 – Valuation of Inventories: At several locations, inventories have not been valued strictly in accordance with the Group's stated accounting policy, which is required to be in compliance with Ind AS 2 and also inadequate physical verifications. Due to the absence of reliable alternative procedures, we are unable to ascertain the extent of any potential misstatement in the value of inventories and its consequent impact on the financial statements.	The Unit is presently operating at a significantly lower level than its normal production capacity due to business and operational constraints. At the current level of manpower, the fixed production overheads allocated based on normal capacity result in a higher factory cost. Consequently, the computed factory cost exceeds the Net Realisable Value (NRV). The valuation has been carried out in accordance with the applicable accounting policy, considering the lower of cost and NRV, and therefore no further adjustment is considered necessary.	Repeated
4. Unreconciled Input Tax Credit under GST Law: Most units of the Group are in the process of reconciling the input tax credit as recorded in the books with the balances available on the GST portal, for both the current and prior periods. The reconciliation process is incomplete as at the reporting date, and adjustment entries for reversals or corrections, if any, have not yet been accounted for. In the absence of a completed reconciliation, we are unable to assess the impact of any potential overstatement of input tax credit or its implications on the Group's financial position and results.	The Unit has filed the prescribed GST returns in Form GSTR-1 and Form GSTR-3B based on the books of accounts and has availed Input Tax Credit (ITC) only on eligible tax invoices in accordance with the provisions of the Central Goods and Services Tax Act, 2017. Reconciliation of ITC as per GSTR-2B with the books is a continuous process, as GSTR-2B is dependent on timely filing and subsequent amendments made by suppliers in their GST returns. Accordingly, complete reconciliation for all transactions as of the reporting date may not always be feasible. The Unit carries out periodic reviews of significant ITC balances, follows up with vendors for rectification of mismatches wherever identified, and accounts for material differences, if any, upon completion of reconciliation. Based on the records available and the controls exercised, the management believes that there is no material impact on the financial statements on account of unreconciled ITC balances.	Repeated

27/7/2026
(N Ramesh Kumar)

(Aparna R) (Sameera Kohli)

HMT LIMITED
59, Bellary Road
Bengaluru

5. Audit of HMT Machine Tools Limited ("MTL")		
a) Delay in remitting the Statutory Dues: At several units of this subsidiary, there have been a general delay in remitting the statutory dues including PF, Gratuity, GST and TDS/TCS etc. While such delays may attract interest and penalties, no provision has been made in the financial statements on this account, and the potential impact has not been quantified. In the absence of such quantification, we are unable to determine whether any adjustments are required in this regard.	a) Noted, all efforts will be made to ensure statutory compliance. However, the Company is facing severe financial constraints due to lack of working capital. Interest and penalties are accounted for as and when the payment is made.	Repeated
b) Loss sustained by PF Trust: The Company is obligated to compensate the loss sustained by the PF Trusts at its various units. However, in view of the non-completion of the accounting/ financial position of the PF Trusts for the year ended 31-3-2026, provision has been made on a provisional basis. If the actual loss varies, it will impact the results of the Company for the year. Accordingly, we are unable to determine whether any adjustments may be necessary in respect of these items.	b) Noted, as the PF trust accounts for the FY 2025-26 are not finalized. The necessary provision has been considered on a provisional basis. The Company regularly accounts for the actual losses, if any, during the next financial year. All efforts will be made to finalize the PF Trust Accounts before the completion of the Company's accounts in future.	Repeated
c) Non-Compliance with Micro Small and Medium Enterprises Act, 2006: The Holding Company and its subsidiaries have not complied with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') in respect of dues to micro and small enterprises. The non-compliances observed across the Parent and these units include: (a) delay in payment to MSME vendors beyond the stipulated period without payment of the mandatory interest thereon; (b) computation of interest based on a minimum credit period (e.g., 45 days) exceeding the contractually agreed terms (e.g., 30 days); and (c) provision for interest on a simple interest basis instead of compound interest at three times the bank rate notified by the RBI on a monthly rest basis, as mandated under the MSMED Act, resulting in an understatement of Current Financial Liabilities and Net Loss for the year. Due to the absence of accurate and complete records, we are unable to ascertain the extent of impact on the financial statements.	c) Noted, Payment to Vendors is delayed due to severe financial constraints faced by the unit. Terms and conditions for making payment may vary according to the Supplier. For MSME supplier, unit has provided interest for payment beyond 45 days and paid as per PO.	Repeated.

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(Aparna L) (Sanjana Kohli)

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6. Audit of HMT Machine Tools Limited ("MTL") - MTA, Ajmer a) The Unit has defaulted in the settlement/payment of gratuity amounting to Rs. 302.07 lakhs in respect of employees who retired or separated from service. Additionally, no provision has been made towards interest for delayed payment of gratuity, which is not in compliance with the requirements of Ind AS 19 – Employee Benefits.	a) Due to severe financial crunch, the unit is not in a position to make the gratuity payment at the time of retirement. Many employees are approaching ALC for the delayed Gratuity payment along with interest. Based on the ALC order, the company is making provision for interest for those employees.	Repeated
b) The Unit has not reversed the GST input tax credit in respect of supplies and services for which payment has been outstanding for more than 180 days as of March 31, 2026, amounting to Rs.5.78 lakhs. This is not in accordance with the provisions of the GST law, and consequently, the input tax credit receivable and liabilities are overstated to that extent.	b) GST ITC reversal is carried out only for those invoices where the payment remains completely outstanding. Such reversals are made on a timely basis in accordance with the applicable provisions of GST Act that is 180 days for fully unpaid invoices.	Repeated
7. Audit of HMT Machine Tools Limited ("MTL") - MTK - Kalamassery a) The Unit has disclosed a claim recoverable of Rs. 199.92 lakhs as at March 31, 2026, which has remained outstanding for several years with no movement during the year. No supporting documentation, external confirmations, or correspondence was provided to substantiate the validity or recoverability of the amount. Further, no assessment has been made in accordance with the requirements of Ind AS 109 – Financial Instruments to determine any impairment loss, if applicable.	a) As per our company's policy outstanding more 5 years are reviewed and provided. This will be reviewed and necessary provisions will be created in the FY 26-27	Repeated
b) The Unit has provided certain infrastructure facilities—such as electricity, water, and land—to an external party operating a hotel business. However, no rental income has been recognized in respect of the use of such facilities. Moreover, the electricity and water charges incurred by the hotel have been paid by the Company and incorrectly classified under "Employee Benefit Expenses" in the financial statements. In our opinion, the non-recognition of income and the misclassification of expenditure is not in compliance with the applicable financial reporting framework. Due to the absence of adequate records, we are unable to quantify the financial impact of this matter.	b) The Company does not have a direct agreement with the individual operating the hotel business, instead, the arrangement was established through a clear understanding and agreement with the Agricultural Cooperative Society. Under this agreement, the society was responsible for collecting and remitting rent, electricity charges, and water charges to HMT Machine Tools Limited. The Agricultural Cooperative Society has failed to fulfil its obligation. The Company has already initiated the formal procedure to seek full reimbursement of all outstanding	Repeated

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	electricity and water charges directly from the individual operating the hotel via Agriculture Cooperative Society. **Both parties have concluded the hearings in the proceedings-, and the matter now stands reserved for Orders by Estate Officer.** The provision of electricity to the ration shop and other associated societies is a long-standing practice undertaken as a directive welfare measure for our employees and the wider community within the factory premises. These facilities are essential for providing basic amenities and support service to our work force, contributing to their overall well-being and morale. This non-recovery is a deliberate decision aimed at fostering a supportive environment for our employees.	
c) As per the audit report of the Unit, the electricity bill issued by the Kerala State Electricity Board (KSEB) reflects an outstanding payable of Rs.950.43 lakhs as at March 31, 2026. However, the Company has recognised only Rs.623.13 lakhs towards this liability in its books. The balance amount of Rs.327.30 lakhs has neither been acknowledged nor provided for, and no formal dispute or legal action has been initiated by the Company against the demand. In the absence of any documentation to support that the liability is disputed, we are of the view that the unrecorded amount ought to have been recognised as a provision in accordance with the applicable financial reporting framework.	c) KSEB has just added Rs. 32730163 in the bill for Electricity charges during the month May -2024 without any proper justification and not yet provided the detailed bill/working of the said amount even after repeated reminders. Unit had raised objection for this unreasonable claim during the discussion with the Chairman KSEB and he instructed his staff for verification regarding this claim. The **remaining demand of Rs.327.30 lakhs has been disclosed as contingent liability on the ground that the matter was disputed before the electricity authority.**	Repeated,

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d) As per the audit report of the Unit, a demand for municipal tax arrears of Rs.116.12 lakhs was received and provision has been made only for Rs.57.49 lakhs. The balance of Rs.58.63 lakhs has not been provided for, but only disclosed as a contingent liability.	d) The demand notice issued by the Kalamassery Municipality for ₹1,16,12,406/- pertains to the period from FY 2011-12 to FY 2025-26 and is presently under examination by the Unit. Pending verification of the basis of assessment, applicability of the demand, and reconciliation of the amounts already provided and/or paid, the Unit has recognised building tax liability of ₹57,49,493/- in its books, representing the amount assessed as payable based on the available records. The balance demand of ₹58,62,913/- has not been recognised as a provision since the Unit has not concluded that a present obligation exists for the entire amount claimed but only disclosed as a contingent liability. .	Repeated
e) The Unit has not remitted Provident Fund contributions payable, Loan Recovery Payable and Voluntary Provident Fund Payable to the Provident Fund Trust on a regular basis from April 2024 onwards. As at March 31 2026, an amount of ₹290.78 lakhs remains outstanding and payable to the Trust. Although the unit remitted contributions pertaining to certain months, namely October 2024 (part payment), December 2024 (part payment), January 2025 and February 2025, the balance contributions due for the remaining periods have not been transferred.	e) Due to severe financial constraints, the Unit was unable to remit the monthly PF contributions to the PF Trust within the prescribed timelines. However, the Unit is committed to remitting the outstanding dues progressively, based on the availability of funds and cash flow generation.	First Time
f) As per the audit report of the Unit, there is no adequate system for identifying, quantifying and accounting for liquidated damages payable to customers under the terms of outward supply contracts/work orders. On random verification of selected documents, liquidated damages aggregating to Rs.87.02 lakhs were payable by the unit to customers as per the relevant contractual terms. However, the unit has not accounted for the said liability/provision in the books of account. Consequently, liabilities are understated and loss for the year is understated to the extent of Rs.87.02 lakhs. Further, in the absence of a comprehensive contract-wise assessment of liquidated damages payable to customers, the possible additional	f) Liquidated damages are accounted for only when the liability is determined and crystallized by the customer in accordance with the contractual terms. As on 31.03.2026, no such liability had crystallized in the cases pointed out by audit; hence, no provision was considered necessary.	First Time

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impact on the financial statements is presently unascertainable.		
g) As per the terms of certain contracts for supply of CNC machines, the supply of material and installation and successful commissioning of the equipment are separate performance obligations in accordance with Ind AS 115, Revenue from Contracts with Customers. The payment terms also provide that a portion of the contract consideration is payable only upon successful installation and commissioning of the machines. However, the MTK Unit has recognized the full revenue on delivery of the machines, although installation and commissioning had not been completed in four cases as at the reporting date. We are of the opinion that revenue should have been recognized only to the extent of performance obligations completed. Accordingly, revenue has been overstated to that extent. Commissioning charges are not separately identifiable and hence the financial impact is presently unascertainable.	g) The company maintains that the transfer of control, significant risks, and rewards of ownership of the CNC machines passed completely to the customers upon physical delivery at their sites. In accordance with past trade practices for these specific models, the subsequent installation and commissioning are considered routine, standard procedures that do not alter the core commercial substance of the equipment sale. While a portion of the payment is linked to commissioning as a credit term, the underlying revenue for the material supply was deemed fully earned upon delivery. Management is, however, reviewing the contract structures to more explicitly demarcate stand-alone selling prices in future agreements to better align with the explicit documentation requirements of Ind AS 115.	First Time
8. Audit of HMT Machine Tools Limited ("MTL") - MTH, Hyderabad a) The unit has reported inventories of Rs. 2,512.71 lakhs where the Management has not carried out an adequate assessment of the Net Realisable Value of slow-moving, non-moving, and obsolete inventories nor provided sufficient supporting evidence for the valuation thereof. Further, we were unable to observe the physical verification of inventories or perform satisfactory alternative audit procedures. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the existence and valuation of inventories, and the possible effect of any necessary adjustments on the financial statements could not be determined.	a) As management is following pre defined Foxpro database software for inventory management. The management has adequate process and systems in place to identify slow moving / non-moving / obsolete /damaged inventory/expired inventory. In our opinion, there is slow moving and non-moving inventories, hence appropriate provision is made.	First Time

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9. Audit of HMT Machine Tools Limited ("MTL") - MBX, Bangalore The auditor of the branch/ unit of this subsidiary has issued a *disclaimer of opinion* on account of significant limitations in audit evidence based on various matters, and we include only the relevant aspects based on the explanation under the initial *introduction* paragraph.		
a) As per the audit report of the Unit, certain income and expenditure items pertaining to prior financial years were identified during the current period. Under the provisions of Ind AS 8, material prior-period errors must be corrected retrospectively by restating the comparative amounts for the prior period(s) presented and adjusting the opening balances of equity. However, management has accounted for these prior-period income and expense items prospectively in the current financial year's results instead of restating the comparative prior-year figures. This constitutes non-compliance with Ind AS 8.	The observation has no impact on the Unit's cash profit. The necessary corrections have been incorporated in the financial statements for FY 2025–26.	First Time
b) Based on the information and explanations provided, raw materials (including consumables) have been valued at cost as per the ERP records; however, the basis of such cost has not been explained. The valuation of work-in-progress, finished goods, and goods in transit has been carried out using job cards and estimated costs, including overheads. In the absence of supporting documentation, the accuracy of inventory quantities and valuation could not be verified. The use of estimated cost for inventory valuation is not in compliance with Ind AS 2 – Inventories, which requires valuation at cost or net realisable value, whichever is lower, and is also inconsistent with the stated accounting policy 2(i). The unit auditor has pointed out his inability to verify the scrap records, the physical verification of inventories and provision for non-moving inventories.	b) The Unit is presently operating at a significantly lower level than its normal production capacity due to business and operational constraints. At the current level of manpower, the fixed production overheads allocated based on normal capacity result in a higher factory cost. Consequently, the computed factory cost exceeds the Net Realisable Value (NRV). The valuation has been carried out in accordance with the applicable accounting policy, considering the lower of cost and NRV, and therefore no further adjustment is considered necessary.	Repeated

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c) The physical verification report of Fixed Assets provided by the Unit was unreliable, and the line items did not reconcile with the Fixed Asset Register. Consequently, we were unable to verify the existence and completeness of Fixed Assets.	c) The physical verification of fixed assets has been carried out by the Unit; however, reconciliation of the physical verification records with the Fixed Asset Register is in progress due to legacy records and changes in asset identification. Necessary reconciliation and updation of records will be carried out to ensure consistency between the physical verification report and the Fixed Asset Register.	First Time
d) The unit has a letter dated 4.11.2024 from Karnataka Forest Department regarding illegal occupation and possession of Forest Land which has been responded by the unit as can be made out from the extract of the minutes of the Board provided to us. But no further details of this was provided to us. The unit's document of title mentions the original purchase or gifted quantity only and no title document is made available to show the balance quantities on hand under respective survey numbers after sale of lands and acquisition under Karnataka Municipal Corporation Act/other order.	d) This pertains to Peenya Plantation 1& 2 and Jarakebande Kaval 18 & 19. The Company has submitted all the relavant land details to the Forest Dept. Authorised Representative of the Company has attended the proceedings before Dy. Conservator of forest on several occupation to prove the ownership and occupation of land by HMT Machine Tools Ltd. There is only one mother title deed. After sale of piece of Land original title deed will not be updated. Original gift deed is with the custody of HMT Limited	First Time
e) The account wise details, balance confirmations and supporting documentation for the margin money deposits amounting to Rs 111.23 lakhs were not made available to us, and consequently, we were unable to determine whether any adjustments were necessary to these balances. The interest income earned or accrued on the margin money deposits for the Financial Year 2025–26 has not been recognized in the books of accounts. Due to the lack of supporting documentation, we were unable to ascertain the unrecorded interest amount and its corresponding impact on the profit/loss for the year.	e) The margin money deposits represent balances maintained with banks against various banking facilities availed by the Unit. The Unit is in the process of obtaining the necessary confirmations and reconciling the balances. Interest on such deposits will be accounted for on receipt of the relevant confirmations/statements and after due reconciliation.	First Time

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(N Ramesh Kumar)

(Aparna R)

(Sameena Kohli)