

LIMITED REVIEW REPORT

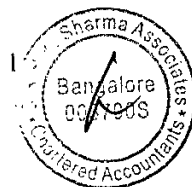
The Board of Directors
HMT Ltd
Bangalore

We have reviewed the accompanying un-audited Statements of financial results of HMT Limited for the Quarter and Nine months period ended the 31st December, 2011 except for the disclosures regarding 'Public Shareholding' and Promoter and Promoter Group Shareholding' which have been traced from disclosures made by management and have not been audited by us. The financial results incorporate the relevant returns of two Units reviewed by the Branch Auditors and returns of one Unit certified by the Unit Management.

These statements are the responsibility of the Management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of financial information consists principally of applying analytical procedures for financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. We have not performed an audit and accordingly, we do not express an audit opinion.

- 1. The Company has made long term investments aggregating to Rs 45.62 Crores in subsidiary companies, viz., HMT Watches Limited, HMT Chinar Watches Limited and HMT Bearings Limited whose net worth has eroded. In our opinion, there is a total decline in the value of these investments, which is other than temporary. No provision for above diminution is made as required by AS 13 prescribed under Companies (Accounting Standards) Rules, 2006.**
- 2. No provision has been made towards loans and advances due from the above subsidiaries amounting to Rs 538.01 Crores.**
- 3. No adjustments are carried out in respect of five acres of lease hold land with book value of Rs 0.03 Crores at Food Processing Unit, Aurangabad, which has been encroached.**



S.R.R.K. Sharma
Associates

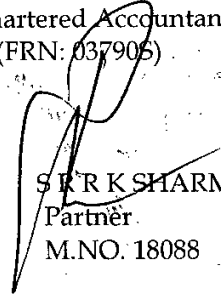
.R.R.K. Sharma Associates

4. **Identification of impaired assets, recognition and measurement of impairment loss as required by AS-28 has not been carried out. Consequential impact on the financial statements is indeterminate.**

5. **Certain balances under sundry creditors, other liabilities, sundry debtors, loans and advances are subject to confirmation and reconciliation. These balances include certain old balances requiring review and reconciliation. Consequential impact of the same on the financial statements is not ascertainable.**

Except to what has been stated above, based on our review conducted as above, nothing has come to our attention that causes us to believe that accompanying statement of un-audited financial results prepared in accordance with applicable Accounting Standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For SRRK SHARMA ASSOCIATES
Chartered Accountants
(FRN: 037905)


S R K SHARMA
Partner
M.NO. 18088



Place: Bangalore
Date: 25th January 2012