



ಹಿಂದೂಸ್ತಾನ್ ಏರೋನಾಟಿಕ್ಸ್ ಲಿಮಿಟೆಡ್  
ಪ್ರಧಾನ ಕಛೇರಿ  
ಹಿಂದುಸ್ತಾನ್ ಏರೋನಾಟಿಕ್ಸ್ ಲಿಮಿಟೆಡ್  
ಮುಖ್ಯಾಲಯ  
HINDUSTAN AERONAUTICS LIMITED  
CORPORATE OFFICE

CO/SEC/4(7)/2020/ BSE & NSE Filing/13

25<sup>th</sup> June, 2020

BSE Limited Listing Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd Listing Department Exchange Plaza, 5 <sup>th</sup> Floor, Plot No C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
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Dear Sir/ Madam,

**Sub: Audited Financial Results (Standalone and Consolidated) for the quarter/ year ended 31<sup>st</sup> March, 2020**

**Ref: BSE Scrip Code: 541154, NSE Symbol: HAL**

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The Board of Directors of the Company at its meeting held today has, *inter-alia*, approved the Audited Financial Results (Standalone and Consolidated) for the quarter/ year ended 31<sup>st</sup> March, 2020.

2. Pursuant to Regulation 33 of the Listing Regulations, we are enclosing herewith the following:

a) Statement showing the Audited Financial Results (Standalone and Consolidated) for the quarter/ year ended 31<sup>st</sup> March, 2020. (**Annexure-I**);

b) Auditors' Report on the Audited Financial Results (**Annexure-II & III**);

3. This is to inform that the Statutory Auditors, M/s. Maharaj N R Suresh and Co., Chartered Accountants (Firm Registration No. 001931S) have issued an Audit Report with unmodified opinion on the Annual Audited Financial Results (Standalone and Consolidated) for the quarter/ year ended 31<sup>st</sup> March, 2020 in terms of Regulation 33(3)(d) of the Listing Regulations.

15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, ಕರ್ನಾಟಕ, ಭಾರತ, 15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, ಕರ್ನಾಟಕ, ಭಾರತ

15/1, Cubbon Road, Bangalore - 560 001, Karnataka, India

ದೂರವಾಣಿ (ತೂಕಾಳಿ) Ph.: +91-80-2232 0001, 2232 0475, ಫ್ಯಾಕ್ಸ್ (ಫೆಕ್ಸ್) Fax: +91-80-2232 0758

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CIN: L35301KA1963GOI001622

4. We are also enclosing an extract of the aforementioned results, which would be published in the newspapers in accordance with Regulation 47 of the Listing Regulations (**Annexure-IV**).

5. The meeting of the Board of Directors of the Company commenced at 1100 hours and concluded at 1440 hours.

6. Kindly acknowledge the receipt.

Thanking you,

Yours Faithfully  
For Hindustan Aeronautics Ltd



(G V Seshu Reddy)  
Company Secretary & Compliance Officer

Encl: As stated above.

## HINDUSTAN AERONAUTICS LIMITED

Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001

CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Rs in Lakhs

Sl.No	Particulars	Standalone				
		Quarter ended			Year ended	
		31-Mar-20 (Audited)	31-Dec-19 (Audited)	31-Mar-19 (Audited)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
1	<b>Income from Operations</b>					
	(a) Revenue from operations	10,32,294	4,45,644	10,15,392	21,52,207	20,00,347
	(b) Other Income	15,952	3,272	11,818	29,332	37,551
	<b>Total Income</b>	<b>10,48,246</b>	<b>4,48,916</b>	<b>10,27,210</b>	<b>21,81,539</b>	<b>20,37,898</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	2,57,226	2,80,706	2,62,193	8,17,334	7,35,668
	(b) Purchase of stock-in-trade	28,657	9,208	12,276	58,715	30,749
	(c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap	2,41,053	-1,01,258	2,44,543	71,141	1,16,740
	(d) Employee benefits expense	1,45,218	1,27,280	1,27,146	4,76,397	4,29,517
	(e) Finance Costs	10,097	6,982	13,368	34,840	16,960
	(f) Depreciation and Amortisation Expense	51,059	20,247	49,996	99,762	1,02,447
	(g) Impairment Loss	3,144	-	24,334	3,179	24,909
	(h) Other expenses	49,306	31,786	50,948	1,44,542	1,61,326
	(i) Direct Input to WIP/Expenses Capitalised	5,778	4,020	14,839	17,921	30,258
	(j) Provisions	90,801	26,542	75,866	1,47,040	1,30,001
	<b>Total Gross Expenses</b>	<b>8,82,339</b>	<b>4,05,513</b>	<b>8,75,509</b>	<b>18,70,871</b>	<b>17,78,575</b>
	Less: Expenses relating to Capital and Other Accounts	38,361	16,818	57,240	73,497	1,14,964
	<b>Total Expenses</b>	<b>8,43,978</b>	<b>3,88,695</b>	<b>8,18,269</b>	<b>17,97,374</b>	<b>16,63,611</b>
3	<b>Profit/(Loss) before Exceptional items and Tax (1-2)</b>	<b>2,04,268</b>	<b>60,221</b>	<b>2,08,941</b>	<b>3,84,165</b>	<b>3,74,287</b>
4	Exceptional item	-	1,178	-	11,892	-
5	<b>Profit/(Loss) before tax (3+4)</b>	<b>2,04,268</b>	<b>61,399</b>	<b>2,08,941</b>	<b>3,96,057</b>	<b>3,74,287</b>
6	<b>Tax expenses</b>					
	(i) Current Tax	62,124	29,686	1,03,697	1,18,000	1,58,629
	(ii) Earlier Tax	-	-	982	-	982
	(iii) Deferred Tax	18,033	-10,818	-19,882	-7,645	-19,983
		80,157	18,868	84,797	1,10,355	1,39,628
7	<b>Net Profit / (Loss) for the period (5-6)</b>	<b>1,24,111</b>	<b>42,531</b>	<b>1,24,144</b>	<b>2,85,702</b>	<b>2,34,659</b>

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RAMAMURTHY SURESH  
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**HINDUSTAN AERONAUTICS LIMITED**  
 Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001  
 CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in  
**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Rs in Lakhs

Sl.No	Particulars	Standalone				
		Quarter ended		Year ended		
		31-Mar-20 (Audited)	31-Dec-19 (Audited)	31-Mar-19 (Audited)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
8	<b>Other Comprehensive Income (OCI)</b>					
	<b>A. Items that will not be reclassified to statement of Profit and Loss</b>					
	(i) Remeasurements of defined benefit plans	-38,951	-2,726	-1,993	-50,377	-8,962
	(ii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss	9,803	686	697	12,679	3,132
	<b>B. Items that will be reclassified to statement of Profit and Loss</b>					
	(i) Exchange differences in translating financial statements of foreign operations	-	-	-	-	9
	(ii) Income Tax relating to items that will be reclassified to statement of Profit and Loss	-	-	-	-	-3
	<b>Total Other Comprehensive Income (A+B)</b>	<b>-29,148</b>	<b>-2,040</b>	<b>-1,296</b>	<b>-37,698</b>	<b>-5,824</b>
9	<b>Total Comprehensive Income for the period (7 + 8)</b>	<b>94,963</b>	<b>40,491</b>	<b>1,22,848</b>	<b>2,48,004</b>	<b>2,28,835</b>
10	<b>Earnings per share (in Rupees) (EPS for quarter ended 31.03.2020 31.12.2019, 31.03.2019 is not annualised)</b>					
	(a) Basic	37.12	12.72	37.13	85.44	70.18
	(b) Diluted	37.12	12.72	37.13	85.44	70.18
11	<b>Paid-up Equity Share Capital (Face Value Rs.10 each)</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>
12	<b>Other Equity excluding Revaluation Reserves</b>				<b>12,88,073</b>	<b>11,74,107</b>
13	<b>Capital Redemption Reserve / Debenture Redemption Reserve</b>				<b>14,761</b>	<b>14,761</b>
14	<b>Net Worth (including Retained Earning)</b>				<b>13,21,512</b>	<b>12,07,546</b>
15	<b>Debt Service Coverage Ratio (times)</b>	<b>21.23</b>	<b>3.96</b>	<b>16.63</b>	<b>9.34</b>	<b>23.07</b>
16	<b>Interest Service Coverage Ratio (times)</b>	<b>21.23</b>	<b>9.63</b>	<b>16.63</b>	<b>12.03</b>	<b>23.07</b>
17	<b>Debt Equity Ratio</b>	<b>0.4:1</b>	<b>0.4:1</b>	<b>0.3:1</b>	<b>0.4:1</b>	<b>0.3:1</b>

NARASIMHA  
 RAMAMURTHY SURESH  
 CHARTERED ACCOUNTANTS

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## Audited Balance Sheet:

Rs. in lakhs

Particulars	Standalone	
	As at 31-Mar-20	As at 31-Mar-19
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	6,33,870	6,28,327
(b) Capital work - in progress	86,166	69,915
(c) Investment Property	3	4
(d) Goodwill on consolidation	-	-
(e) Other Intangible assets	1,00,686	1,17,099
(f) Intangible assets under development	1,18,269	79,986
(g) Investments in Joint Venture and Subsidiary	11,714	15,278
(h) Financial Assets		
(i) Investments	82,301	74,901
(ii) Trade receivables	-	-
(iii) Contract Assets	-	-
(iv) Loans	4,806	4,836
(v) Other Financial Assets	33,813	34,843
(h) Deferred tax assets	46,255	25,931
(i) Other non-current assets	61,855	53,167
<b>Total Non-current Assets</b>	<b>11,79,738</b>	<b>11,04,287</b>
<b>Current assets</b>		
(a) Inventories	19,46,003	19,76,451
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	11,50,740	12,44,652
(iii) Contract Assets	7,48,345	4,77,232
(iv) Cash and Cash Equivalents	27,783	1,133
(v) Bank balances other than cash and cash equivalents	2,008	8,405
(vi) Loans	2,095	2,721
(vii) Other Financial Assets	1,22,743	1,23,441
(c) Current Tax Assets	3,531	-
(d) Other Current Assets	1,29,063	1,37,111
<b>Total Current Assets</b>	<b>41,32,311</b>	<b>39,71,146</b>
<b>TOTAL ASSETS</b>	<b>53,12,049</b>	<b>50,75,433</b>



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## Audited Balance Sheet:

Rs. in lakhs

Particulars	Standalone	
	As at 31-Mar-20	As at 31-Mar-19
	(Audited)	(Audited)
<b><u>EQUITY AND LIABILITIES</u></b>		
<b><u>EQUITY</u></b>		
(a) Equity Share capital	33,439	33,439
(b) Other Equity	12,88,073	11,74,107
<b>Total Equity</b>	<b>13,21,512</b>	<b>12,07,546</b>
<b><u>LIABILITIES</u></b>		
<b><u>Non-current Liabilities</u></b>		
(a) Financial Liabilities		
(i) Borrowings	-	10,000
(ii) Trade Payables		
(iii) Other financial liabilities	41,927	38,632
(b) Provisions	1,51,439	1,51,611
(c) Deferred Tax Liabilities	-	-
(d) Other Non-Current Liabilities	7,05,654	8,41,652
<b>Total Non-Current Liabilities</b>	<b>8,99,020</b>	<b>10,41,895</b>
<b><u>Current Liabilities</u></b>		
(a) Financial Liabilities		
(i) Borrowings	5,77,518	4,01,620
(ii) Trade Payables		
Total outstanding dues of micro enterprises and small Enterprises	4,779	1,513
Total outstanding dues of creditors other than micro enterprises and Small Enterprises	4,04,185	2,61,676
(iii) Other Financial liabilities	2,61,885	1,79,180
(b) Other Current Liabilities	13,07,396	14,14,111
(c) Provisions	4,77,678	4,49,357
(d) Current Tax Liabilities	58,076	1,18,535
<b>Total Current Liabilities</b>	<b>30,91,517</b>	<b>28,25,992</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>53,12,049</b>	<b>50,75,433</b>

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## Standalone Statement of Cash Flows

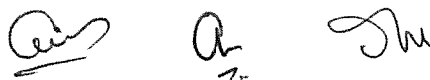
(Rs in Lakhs)

Sl. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A	<b>Cash flow from Operating activities</b>		
	Profit for the year	285702	234659
	<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>		
	Income Tax expense	110355	139628
	(Gain)/Loss on sale of Property, Plant & Equipment	-23	-58
	Finance cost	34840	16960
	Interest Income	-6438	-26020
	Dividend Income	-135	-182
	Net (Gain)/Loss on Fair Value Adjustment	37	37
	Depreciation, amortization and impairment expense	102941	127356
	Provision for Diminution in Value of Investments	3664	275
	Provision for Doubtful Debts	3767	719
	Provision for Doubtful Claims	4023	2153
	Provision for Replacement and Other charges	43995	51323
	Provision for Warranty	21384	22186
	Provision for Raw Materials and Components, Stores and Spare parts and Construction Materials	18061	9638
	Provision for Liquidated Damages	52146	43707
	<b>Operating Profit Before Working Capital Changes</b>	<b>674319</b>	<b>622381</b>
	<b>Adjustments for:</b>		
	(Increase)/decrease in Trade Receivables	-180968	-933033
	(Increase)/decrease in Loans, Financial Assets and Other Assets	-2863	2976
	(Increase)/decrease in Inventories	12387	19368
	Increase/(decrease) in Trade Payables	145775	96242
	Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities	-301767	-468073
	<b>Cash generated from Operations</b>	<b>346883</b>	<b>-660139</b>
	Income Taxes Paid	-181990	-109222
	<b>Net Cash (used in)/generated from Operating Activities (A)</b>	<b>164893</b>	<b>-769361</b>
B	<b>Cash flow from Investing activities</b>		
	Purchase of Property, Plant & Equipment	-89082	-108870
	Purchase of Intangible Assets	-49049	-30157
	Proceeds from sale of Property, Plant & Equipment	157	160
	Investment in Joint Ventures	-100	
	Investment in Subsidiary		-2000
	Purchase of other non current Investments	-7400	10483
	Proceeds from maturity of short term deposits	6397	633402
	Interest Received	6438	26020
	Dividend Received from Joint Ventures	135	182
	<b>Net Cash (used in)/generated from Investing Activities (B)</b>	<b>-132504</b>	<b>529220</b>
C	<b>Cash flow from Financing Activities</b>		
	Share application money paid	-1000	
	Proceeds from Borrowings-Current (Net)	164135	328894
	Payment of Lease Liabilities	-7	
	Interest paid	-34829	-16960
	Dividend Paid (including Dividend distribution Tax)	-134038	-79818
	<b>Net Cash (used in)/generated form Financing Activities (C)</b>	<b>-5739</b>	<b>232116</b>
D	Effect of Exchange differences on translation of foreign currency cash and cash equivalents		9
	<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C+D)</b>	<b>26650</b>	<b>-8025</b>
	Add: Cash and Cash Equivalents at the beginning of the year (Refer Note 16)	1133	9149
	<b>Cash and Cash Equivalents at the end of the year (Refer Note 16)</b>	<b>27783</b>	<b>1133</b>

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Standalone Financial Statements

Notes:

1. The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 "Statement of Cash Flow"





1. The above results have been reviewed and recommended by the Audit Committee in its meeting held on 25.06.2020 and approved by the Board of Directors in the meeting held on the same day.
2. The Financial Results have been audited by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have issued an unmodified opinion for the quarter/year ended 31<sup>st</sup> March, 2020.

3. COVID-19 Risk

Current year Impact:

The Company has considered the possible effects that may result from COVID 19 pandemic on the carrying amounts of Property, Plant and Equipment (PPE), Investments, Inventories, receivables and other current assets.

Impact due to COVID 19 will be minimal as major portion of the Company's Revenue is generated from Defense services. Further Ministry of Defense, vide letter no 4(4) (d) (ACQ/20 dated 12.06.2020 have extended the contractual delivery date for a period of 4 months i.e. 25th March 2020 to 24th July 2020 due to Force Majeure. Based on the business model, there is no material impairment which needs to be recognised on Plant Property Equipment, Receivables and Inventory.

Anticipated Future Impact:

The Company's revenue is mainly from Defense Services. Hence, impact on the future business in the long term is not anticipated currently. However, downsizing of Defense budget and the risk of economic recession may have an impact on the operations of the Company.

4. Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23<sup>rd</sup> February 2018 has exempted the Government companies engaged in defense production to the extent of application of Ind AS 108 on "Operating Segment".
5. The Company has adopted Ind AS 116 "Leases" effective 1<sup>st</sup> April, 2019, as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019, using the modified retrospective method. The adoption of this Standard did not have any material impact on the profit for the year ended 31<sup>st</sup> March, 2020.
6. Exceptional item of Rs.11892 Lakhs for the year ended 31<sup>st</sup> March 2020 (Previous Year Rs. Nil lakh) represents compensation received from the Office of Special Land Acquisition Officer, Bangalore under KIADB Act, on acquisition of 14,424.06 Sq. Mtrs (3.624 Acres) of HAL land at Beninganahalli Village, Bangalore by M/S Bangalore Metro Rail Corporation Ltd.
- 7.a. Hitherto, Deferred Tax Assets on Provisions for warranty, replacements, doubtful debts etc., amounting to Rs.106600 lakhs as on 31st March 2019 (31<sup>st</sup> March 2018- Rs.107637 lakhs) and (-) Rs.1037 lakhs for the year ended 31st March 2019 were not recognized since the temporary differences were not likely to reverse in the foreseeable future. The issue was referred to the Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India for their Expert Opinion. Pursuant to the EAC opinion and as advised by them, the deferred tax assets have been recognized by re-statement of the previous year financial statements in accordance with Ind AS 8.





7.b. In respect of certain contracts/customers, variable consideration in FPQ contracts relating to Vacation Leave, Gratuity and PRP for the years 2016-17 to 2018-19 hitherto not recognized pending approval/sanction have been recognized in these financial statements, in terms of Ind AS 115 and Ind AS 8.

7.c. Consequent to restatement the corresponding quarterly/ annual results of the previous year is restated. Reconciliation of the net profit/ other equity reported in accordance with previous audited financials for quarterly/ year ended 31.03.2019 is given below-

Rs in Lakhs				
S.NO	PARTICULARS	PROFIT RECONCILIATION		RESERVE RECONCILIATION
		STANDALONE		STANDALONE
		QUARTER ENDED	YEAR ENDED	AS AT
		31.03.2019	31.03.2019	31.03.2019
1	PAT as per audited accounts	117729	228244	1084852
2	Recognition of revenue in relation to Vacation leave and PRP for the Financial year 2018-19	11524	11524	24740
3	Reversal of depreciation on customer funded assets	402	402	402
4	Reversal of revenue recognised on customer funded assets	-402	-402	-402
5	Deferred tax on Replacement, Warranty, Doubtful debts, Claims and on SI No.2	-5109	-5109	97954
	Profit as per restated accounts	124144	234659	1207546

8. The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act 2019. Accordingly, the Company has recognized Provision for Income Tax and re-measured its Deferred Tax Assets the rate prescribed in the said section and an amount of Rs.7254 lakhs has been provided to tax expense for the year ended 31<sup>st</sup> March, 2020.
9. In the year 2019-20, an out of court settlement for sales tax has been reached between the Company and Government of Telengana. As per the settlement, the disputed tax demand has been reduced from Rs.81579 lakhs to Rs.13917 lakhs. The Company has paid Rs.8500 lakhs on 20<sup>th</sup> March, 2020 and balance amount will be paid in 2020-21. The amount so settled will be reimbursed by the Defense Customers.
10. The Company has set up exempted Provident Fund managed by Trust. As per the regulation, the Company has an obligation to make good shortfall, if any between return from the investments of the trust (including investment risk fall) and the notified interest rate.

In the current year, based on actuary report, the Company has provided Rs.32717 Lakhs, being the shortfall arising on account of asset diminution and change in re-measurement of defined benefit plans, which has been provided in Other Comprehensive Income".



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11. Consequent to the wage settlement with workmen reached on 10th December 2019, differential liability of Rs.21195 lakhs for the period from 01.01.2017 to 31.03.2019 is recognized in "Employee Benefit Expense" for the year ended 31<sup>st</sup> March, 2020.

Corresponding eligible sales of Rs.15291 lakhs is included in revenue.

12. The Commercial Papers (listed) issued by the Company outstanding as on 31<sup>st</sup> March, 2020 is Rs.150000 lakh (P.Y. Rs. Nil lakh).

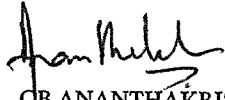
The credit rating is CARE AA+/STABLE and ICRA AA/Stable by Care Ratings Limited and ICRA Limited respectively.

13. The approved financial statements are subject to supplementary audit by C&AG under section 143 (6) (b) of the Companies Act, 2013.

14. The financial results include the results for the quarter ended 31st March 2020 being the balancing figures between the audited figures with respect to the full financial year and the published audited year-to-date figures up to the third quarter of the current financial year.

15. Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, where ever necessary.

For Maharaj N R Suresh and Co  
Chartered Accountants,  
Firm Registration No.001931S

  
CB ANANTHAKRISHNAN  
Director (Finance) & CFO  
DIN: 06761339

  
R MADHAVAN  
Chairman & Managing Director  
DIN: 08209860

CA N R Suresh  
Partner  
Membership No 021661  
Place: Bengaluru  
Date: 25.06.2020

  
G.V. SESH REDDY  
Company Secretary



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**HINDUSTAN AERONAUTICS LIMITED**  
 Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001  
 CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in  
**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Rs in Lakhs

Sl.No	Particulars	Consolidated				
		Quarter ended		Year ended		
		31-Mar-20 (Audited)	31-Dec-19 (Audited)	31-Mar-19 (Audited)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
<b>1</b>	<b>Income from Operations</b>					
	(a) Revenue from operations	10,32,300	4,45,635	10,15,379	21,52,186	20,00,323
	(b) Other Income	15,996	3,318	11,880	29,390	37,551
	<b>Total Income</b>	<b>10,48,296</b>	<b>4,48,953</b>	<b>10,27,259</b>	<b>21,81,576</b>	<b>20,37,874</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	2,56,672	2,80,564	2,62,102	8,16,453	7,35,543
	(b) Purchase of stock-in-trade	28,657	9,208	12,276	58,715	30,749
	(c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap	2,41,051	-1,01,255	2,44,544	71,142	1,16,754
	(d) Employee benefits expense	1,45,635	1,27,625	1,27,636	4,77,795	4,31,103
	(e) Finance Costs	10,099	6,983	13,368	34,846	16,960
	(f) Depreciation and Amortisation Expense	51,080	20,266	50,016	99,851	1,02,526
	(g) Impairment Loss	3,144	-	24,334	3,179	24,909
	(h) Other expenses	49,374	31,854	51,011	1,44,816	1,61,584
	(i) Direct Input to WIP/Expenses Capitalised	5,778	4,020	14,841	17,921	30,265
	(j) Provisions	90,047	23,084	75,866	1,42,828	1,30,001
	<b>Total Gross Expenses</b>	<b>8,81,537</b>	<b>4,02,349</b>	<b>8,75,994</b>	<b>18,67,546</b>	<b>17,80,394</b>
	Less: Expenses relating to Capital and Other Accounts	38,361	16,818	57,240	73,497	1,14,964
	<b>Total Expenses</b>	<b>8,43,176</b>	<b>3,85,531</b>	<b>8,18,754</b>	<b>17,94,049</b>	<b>16,65,430</b>
<b>3</b>	<b>Profit/(Loss) before Share of Profit/(Loss) of Joint Ventures, Exceptional items and Tax (1-2)</b>	<b>2,05,120</b>	<b>63,422</b>	<b>2,08,505</b>	<b>3,87,527</b>	<b>3,72,444</b>
<b>4</b>	<b>Share of Profit/(Loss) of Joint Ventures</b>	<b>104</b>	<b>332</b>	<b>238</b>	<b>702</b>	<b>75</b>
<b>5</b>	<b>Profit/(Loss) before Exceptional items and Tax (3+4)</b>	<b>2,05,224</b>	<b>63,754</b>	<b>2,08,743</b>	<b>3,88,229</b>	<b>3,72,519</b>
<b>6</b>	<b>Exceptional item</b>	<b>-</b>	<b>1,178</b>	<b>-</b>	<b>11,892</b>	<b>-</b>
<b>7</b>	<b>Profit/(Loss) before tax (5+6)</b>	<b>2,05,224</b>	<b>64,932</b>	<b>2,08,743</b>	<b>4,00,121</b>	<b>3,72,519</b>
<b>8</b>	<b>Tax expenses</b>					
	(i) Current Tax	62,124	29,686	1,03,697	1,18,000	1,58,629
	(ii) Earlier Tax	-	-	982	-	982
	(iii) Deferred Tax	18,033	-10,818	-19,882	-7,645	-19,983
		80,157	18,868	84,797	1,10,355	1,39,628
<b>9</b>	<b>Net Profit / (Loss) for the period (7-8)</b>	<b>1,25,067</b>	<b>46,064</b>	<b>1,23,946</b>	<b>2,89,766</b>	<b>2,32,891</b>

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**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Rs in Lakhs

Sl.No	Particulars	Consolidated				
		Quarter ended		Year ended		
		31-Mar-20 (Audited)	31-Dec-19 (Audited)	31-Mar-19 (Audited)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
10	<b>Other Comprehensive Income (OCI)</b>					
	<b>A. Items that will not be reclassified to statement of Profit and Loss</b>					
	(i) Remeasurements of defined benefit plans	-39,022	-2,708	-2,100	-50,296	-9,069
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method	21	-3	15	13	3
	(iii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss	9,803	686	697	12,679	3,132
	<b>B. Items that will be reclassified to statement of Profit and Loss</b>					
	(i) Exchange differences in translating financial statements of foreign operations	-	-	-	-	9
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method	-	-2	1	-1	6
	(iii) Income Tax relating to items that will be reclassified to statement of Profit and Loss	-	-	-	-	-3
	<b>Total Other Comprehensive Income (A+B)</b>	<b>-29,198</b>	<b>-2,027</b>	<b>-1,387</b>	<b>-37,605</b>	<b>-5,922</b>
11	<b>Total Comprehensive Income for the period (9 + 10)</b>	<b>95,869</b>	<b>44,037</b>	<b>1,22,559</b>	<b>2,52,161</b>	<b>2,26,969</b>
12	<b>Profit/(Loss) for the period attributable to-</b>					
	Owners of the Company	1,25,071	46,067	1,23,949	2,89,783	2,32,916
	Non Controlling interest	-4	-3	-3	-17	-25
13	<b>Other Comprehensive Income for the period attributable to-</b>					
	Owners of the Company	-29,198	-2,027	-1,387	-37,605	-5,922
	Non Controlling interest	-	-	-	-	-
14	<b>Total Comprehensive Income for the period attributable to-</b>					
	Owners of the Company	95,873	44,040	1,22,562	2,52,178	2,26,994
	Non Controlling interest	-4	-3	-3	-17	-25
15	<b>Earnings per share (in Rupees) (EPS for quarter ended 31.03.2020 31.12.2019, 31.03.2019 is not annualised)</b>					
	(a) Basic	37.40	13.78	37.07	86.66	69.65
	(b) Diluted	37.40	13.78	37.07	86.66	69.65
15	<b>Paid-up Equity Share Capital (Face Value Rs.10 each)</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>
16	<b>Other Equity excluding Revaluation Reserves</b>				<b>12,92,966</b>	<b>11,74,826</b>
17	<b>Capital Redemption Reserve / Debenture Redemption Reserve</b>				<b>14,761</b>	<b>14,761</b>



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 STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Rs in Lakhs

Sl.No	Particulars	Consolidated				
		Quarter ended			Year ended	
		31-Mar-20 (Audited)	31-Dec-19 (Audited)	31-Mar-19 (Audited)	31-Mar-20 (Audited)	31-Mar-19 (Audited)
18	Net Worth (including Retained Earning)				13,26,836	12,08,713
19	Debt Service Coverage Ratio (times)	21.32	4.17	16.62	9.43	22.96
20	Interest Service Coverage Ratio (times)	21.32	10.13	16.62	12.14	22.96
21	Debt Equity Ratio	0.4:1	0.4:1	0.3:1	0.4:1	0.3:1

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## Audited Balance Sheet:

Rs. in lakhs

Particulars	Consolidated	
	As at 31-Mar-20	As at 31-Mar-19
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	6,34,470	6,28,831
(b) Capital work - in progress	86,424	70,225
(c) Investment Property	3	4
(d) Goodwill on consolidation	-	-
(e) Other Intangible assets	1,00,687	1,17,100
(f) Intangible assets under development	1,18,269	79,986
(g) Investments accounted for using the equity method	15,754	15,230
(h) Financial Assets		
(i) Investments	83,326	75,734
(ii) Trade receivable	-	-
(iii) Contract Assets	-	-
(iv) Loans	4,806	4,836
(v) Other Financial Assets	34,513	35,543
(i) Deferred tax assets	46,255	25,931
(j) Other non-current assets	61,855	53,167
<b>Total Non-current Assets</b>	<b>11,86,362</b>	<b>11,06,587</b>
<b>Current assets</b>		
(a) Inventories	19,44,201	19,74,400
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	11,50,740	12,44,549
(iii) Contract Assets	7,48,345	4,77,232
(iv) Cash and Cash Equivalents	27,932	2,687
(v) Bank balances other than cash and cash equivalents	3,724	9,679
(vi) Loans	2,104	2,734
(vii) Other Financial Assets	1,22,764	1,23,035
(c) Current Tax Assets	3,531	-
(d) Other Current Assets	1,29,117	1,37,199
<b>Total Current Assets</b>	<b>41,32,458</b>	<b>39,71,515</b>
<b>TOTAL ASSETS</b>	<b>53,18,820</b>	<b>50,78,102</b>

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## Audited Balance Sheet:

Rs. in lakhs

Particulars	Consolidated	
	As at 31-Mar-20	As at 31-Mar-19
	(Audited)	(Audited)
<b><u>EQUITY AND LIABILITIES</u></b>		
<b><u>EQUITY</u></b>		
(a) Equity Share capital	33,439	33,439
(b) Other Equity	12,92,966	11,74,826
(c) Non Controlling Interest	431	448
<b>Total Equity</b>	<b>13,26,836</b>	<b>12,08,713</b>
<b><u>LIABILITIES</u></b>		
<b><u>Non-current Liabilities</u></b>		
(a) Financial Liabilities		
(i) Borrowings	-	10,000
(ii) Trade Payables		
(iii) Other financial liabilities	41,978	38,632
(b) Provisions	1,52,968	1,53,146
(c) Deferred Tax Liabilities	-	-
(d) Other Non-Current Liabilities	7,05,654	8,41,652
<b>Total Non-Current Liabilities</b>	<b>9,00,600</b>	<b>10,43,430</b>
<b><u>Current Liabilities</u></b>		
(a) Financial Liabilities		
(i) Borrowings	5,77,518	4,01,620
(ii) Trade Payables		
Total outstanding dues of micro enterprises and small Enterprises	4,779	1,513
Total outstanding dues of creditors other than micro enterprises and Small Enterprises	4,03,636	2,61,319
(iii) Other Financial liabilities	2,62,165	1,79,474
(b) Other Current Liabilities	13,07,458	14,14,113
(c) Provisions	4,77,752	4,49,385
(d) Current Tax Liabilities	58,076	1,18,535
<b>Total Current Liabilities</b>	<b>30,91,384</b>	<b>28,25,959</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>53,18,820</b>	<b>50,78,102</b>

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## Consolidated Statement of Cash Flows

(Rs in Lakhs)

SI. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A	<b>Cash flow from Operating activities</b>		
	Profit for the year	289766	232891
	<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>		
	Income Tax expense	110355	139628
	(Gain)/Loss on sale of Property, Plant & Equipment	-23	-58
	Finance cost	34846	16960
	Interest Income	-6628	-26198
	Share of Profit or Loss of Joint Venture	-702	-75
	Other Adjustments	22	24
	Net (Gain)/Loss on Fair Value Adjustment	37	37
	Depreciation and amortization expense	103030	127435
	Provision for Diminution in Value of Investments	133	275
	Provision for Doubtful Debts	3767	719
	Provision for Doubtful Claims	3342	2153
	Provision for Replacement and Other charges	43995	51323
	Provision for Warranty	21384	22186
	Provision for Raw Materials and Components, Stores and Spare parts and Construction Materials	18061	9638
	Provision for Liquidated Damages	52146	43707
	<b>Sub-total</b>		
	<b>Operating Profit Before Working Capital Changes</b>	<b>673531</b>	<b>620645</b>
	<b>Adjustments for:</b>		
	(Increase)/decrease in Trade Receivables	-181071	-932855
	(Increase)/decrease in Loans, Financial Assets and Other Assets	-4334	2528
	(Increase)/decrease in Inventories	12138	19660
	Increase/(decrease) in Trade Payables	145583	95885
	Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities	-301653	-466669
	<b>Cash generated from Operations</b>	<b>344194</b>	<b>-660806</b>
	Income Taxes Paid	-181990	-109222
	<b>Net Cash (used in)/generated from Operating Activities (A)</b>	<b>162204</b>	<b>-770028</b>
B	<b>Cash flow from Investing activities</b>		
	Purchase of Property, Plant & Equipment	-89117	-109346
	Purchase of Intangible Assets	-49049	-30158
	Proceeds from sale of Property, Plant & Equipment	157	160
	Investment in Joint Ventures	-100	
	Purchase of other non current Investments	-7592	9650
	Proceeds from maturity of short term deposits	5955	632722
	Interest Received	6628	26198
	Dividend Received from Joint Ventures	135	182
	<b>Net Cash (used in)/generated from Investing Activities (B)</b>	<b>-132983</b>	<b>529408</b>
C	<b>Cash flow from Financing Activities</b>		
	Share application money paid	-1000	
	Proceeds from Borrowings-Current (Net)	165898	328894
	Payment of Lease Liabilities	-7	
	Interest paid	-34829	-16960
	Transaction with Minority Interest		495
	Dividend Paid (including Dividend distribution Tax)	-134038	-79818
	<b>Net Cash (used in)/generated form Financing Activities (C)</b>	<b>-3976</b>	<b>232611</b>
D	Effect of Exchange differences on translation of foreign currency cash and cash equivalents		9
	<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C+D)</b>	<b>25245</b>	<b>-8009</b>
	Add: Cash and Cash Equivalents at the beginning of the year (Refer Note 16)	2687	10687
	<b>Cash and Cash Equivalents at the end of the year (Refer Note 16)</b>	<b>27932</b>	<b>2687</b>

Significant Accounting Policies and accompanying Notes No. 1 to 49 form an integral part of the Standalone Financial Statements

Notes:

1. The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 "Statement of Cash Flow"

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1. The above results have been reviewed and recommended by the Audit Committee in its meeting held on 25.06.2020 and approved by the Board of Directors in the meeting held on the same day.
2. The Financial Results have been audited by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have issued an unmodified opinion for the quarter/year ended 31<sup>st</sup> March, 2020.

3. COVID-19 Risk

Current year Impact:

The Group has considered the possible effects that may result from COVID 19 pandemic on the carrying amounts of Property, Plant and Equipment (PPE), Investments, Inventories, receivables and other current assets.

Impact due to COVID 19 will be minimal as major portion of the Group's Revenue is generated from Defense services. Further Ministry of Defense, vide letter no 4(4) (d) (ACQ/20 dated 12.06.2020 have extended the contractual delivery date for a period of 4 months i.e. 25th March 2020 to 24th July 2020 due to Force Majeure. Based on the business model, there is no material impairment which needs to be recognised on Plant Property Equipment, Receivables and Inventory.

Anticipated Future Impact:

The Group's revenue is mainly from Defense Services. Hence, impact on the future business in the long term is not anticipated currently. However, downsizing of Defense budget and the risk of economic recession may have an impact on the operations of the Group.

4. Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23<sup>rd</sup> February 2018 has exempted the Government companies engaged in defense production to the extent of application of Ind AS 108 on "Operating Segment".
5. The Group has adopted Ind AS 116 "Leases" effective 1<sup>st</sup> April, 2019, as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019, using the modified retrospective method. The adoption of this Standard did not have any material impact on the profit for the year ended 31<sup>st</sup> March, 2020.
6. Exceptional item of Rs.11892 Lakhs for the year ended 31<sup>st</sup> March 2020 (Previous Year Rs. Nil lakh) represents compensation received from the Office of Special Land Acquisition Officer, Bangalore under KIADB Act, on acquisition of 14,424.06 Sq. Mtrs (3.624 Acres) of HAL land at Beninganahalli Village, Bangalore by M/S Bangalore Metro Rail Corporation Ltd.
- 7.a. Hitherto, Deferred Tax Assets on Provisions for warranty, replacements, doubtful debts etc., amounting to Rs.106600 lakhs as on 31<sup>st</sup> March 2019 (31<sup>st</sup> March 2018- Rs.107637 lakhs) and (-) Rs.1037 lakhs for the year ended 31<sup>st</sup> March 2019 were not recognized since the temporary differences were not likely to reverse in the foreseeable future. The issue was referred to the Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India for their Expert Opinion. Pursuant to the EAC opinion and as advised by them, the deferred tax assets have been recognized by re-statement of the previous year financial statements in accordance with Ind AS 8.



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7.b. In respect of certain contracts/customers, variable consideration in FPQ contracts relating to Vacation Leave, Gratuity and PRP for the years 2016-17 to 2018-19 hitherto not recognized pending approval/sanction have been recognized in these financial statements, in terms of Ind AS 115 and Ind AS 8.

7.c. Consequent to restatement the corresponding quarterly/ annual results of the previous year is restated. Reconciliation of the net profit/ other equity reported in accordance with previous audited financials for quarterly/ year ended 31.03.2019 is given below-

Rs Lakhs

S.NO	PARTICULARS	PROFIT RECONCILIATION		RESERVE RECONCILIATION
		CONSOLIDATED		CONSOLIDATED
		QUARTER ENDED	YEAR ENDED	AS AT 31.03.2019
		31.03.2019	31.03.2019	
1	PAT as per audited accounts	117531	226476	1086019
2	Recognition of revenue in relation to Vacation leave and PRP for the Financial year 2018-19	11524	11524	24740
3	Reversal of depreciation on customer funded assets	402	402	402
4	Reversal of revenue recognised on customer funded assets	-402	-402	-402
5	Deferred tax on Replacement, Warranty, Doubtful debts, Claims and on SI No.2	-5109	-5109	97954
	Profit as per restated accounts	123946	232891	1208713

8. The Group elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act 2019. Accordingly, the Group has recognized Provision for Income Tax and re-measured its Deferred Tax Assets the rate prescribed in the said section and an amount of Rs.7254 lakhs has been provided to tax expense for the year ended 31<sup>st</sup> March, 2020.
9. In the year 2019-20, an out of court settlement for sales tax has been reached between the Group and Government of Telengana. As per the settlement, the disputed tax demand has been reduced from Rs.81579 lakhs to Rs.13917 lakhs. The Group has paid Rs.8500 lakhs on 20<sup>th</sup> March, 2020 and balance amount will be paid in 2020-21. The amount so settled will be reimbursed by the Defense Customers.
10. The Group has set up exempted Provident Fund managed by Trust. As per the regulation, the Group has an obligation to make good shortfall, if any between return from the investments of the trust (including investment risk fall) and the notified interest rate.

In the current year, based on actuary report, the Group has provided Rs.32717 Lakhs, being the shortfall arising on account of asset diminution and change in re-measurement of defined benefit plans, which has been provided in Other Comprehensive Income".



*Ans*

*Q*

*Jm*

11. Consequent to the wage settlement with workmen reached on 10th December 2019, differential liability of Rs.21195 lakhs for the period from 01.01.2017 to 31.03.2019 is recognized in "Employee Benefit Expense" for the year ended 31<sup>st</sup> March, 2020.

Corresponding eligible sales of Rs.15291 lakhs is included in revenue.

12. The Commercial Papers (listed) issued by the Group outstanding as on 31<sup>st</sup> March, 2020 is Rs.150000 lakh (P.Y. Rs. Nil lakh).

The credit rating is CARE AA+/STABLE and ICRA AA/Stable by Care Ratings Limited and ICRA Limited respectively.

13. The approved financial statements are subject to supplementary audit by C&AG under section 143 (6) (b) of the Companies Act, 2013.

14. Notes specific to Joint Ventures

(i) In respect of HATSOFF Helicopter Training Private Limited

Going Concern

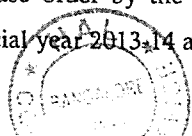
The Company has made a net loss of Rs.2041.12 Lakhs during the period ended 31<sup>st</sup> March, 2020 and, as of that date, the Company's current liabilities exceeded its current assets. In addition to this, as at the balance sheet date, the Company has significant accumulated losses which have resulted in erosion of the net worth. The networth of the Company as at 31st March 2020 is negative by Rs.5283.08 Lakhs (as at 31st March 2019 negative by Rs.3241.96 Lakhs). However, these financial statements have been prepared on a going concern basis, notwithstanding the above factors in view of the following:

- 1) Board has affirmed that Company has the ability to meet all the obligation.
- 2) The Company is able to get multiyear contracts from Defense forces with increased training hours.
- 3) The Company along with the shareholders are presently pursuing several options with the Company's bankers ,viz., ICICI Bank.
- 4) The Company has paid ECB loan interest upto 05th March 2020 and continues to service interest commitments regularly. Besides interest payment, ECB principal of Rs.1499.20 Lakhs (US\$ 2,300,000) in April 2018 has been repaid against ECB overdue instalments.
- 4) The ECB Loan is classified as Non-Performing Asset by the lending bank in view of non payment of installments due. The bankers has not recalled the loan.

Considering the promoters ability to fund the Companies requirements and procure orders for execution, management is of the opinion that Company is a going concern.

(ii) In respect of HAL-Edgewood Technologies Private Limited

- a) The company has developed the prototype of OSAMC units and has treated the initial development expenses as "Intangible Asset". Consequentially, the Company has treated the initial development cost of Rs. 6,95,36,553 as internally generated Intangible asset against the development order for 11 prototype units and further series upgrade order for 154 units. The series upgrade order for 154 units is yet to be secured by way of purchase order by the Company from the Customer. The Company has delivered three units during the financial year 2013-14 and one each OSAMC prototype during the financial year 2014-15, 2015-16 and 2016-



17 respectively to the customer. The company would manufacture 165 OSAMC units including prototype and series upgrade with the Intangible asset.

b) The Company has developed OSAMC units by conducting the research and development based on the order received from the Customer. The conception and development of the OSAMC units took additional time and costs than originally anticipated at the time of acceptance of the order from Customer thereby materially affecting the operational results and cash flows of the Company. The Company has continuously implemented the measures in improving operational efficiencies and cost control measures to improve the Companies operating results and cash flows.

c) The Company has accumulated losses of Rs.1,317.37 Lakhs as at 31 March 2020 and its networth as at that date is negative Rs.588.99 Lakhs. Company is of the view that, expenditure incurred towards research and development phase is towards creation of assets (Mission Computer), which should be evaluated independently. The Company owes money to the vendors and are outstanding for longer periods than stated in the purchase orders/ agreements. Although these conditions may cast significant doubt on the Company's ability to continue as a going concern, it has detailed plans for speed up the assembling operations and discharge the financial commitments.

d) The Company continues to explore various options to raise finance in order to meet its financial obligations. Based on the detailed evaluation of the current situation and plans formulated, the Company is confident of raising adequate finance and receiving continued support from the Customer. Accordingly the Companies financial statement have been prepared on a going concern basis whereby the realization of assets and discharge of liabilities are expected to occur in the normal course of business and that no adjustments are required to the carrying value of assets and liabilities.

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The Company has the following conditions that may cast doubt on its ability to continue as a going concern viz., Net liability position (Rs.1202.08 lakhs as at 31 March 2020 and Rs.1085.80 lakhs as at March 31 2019); Net current liability position (Rs.1281.71 lakhs for the year ended 31 March 2020 and Rs.1109.77 lakhs for the year ended 31 March 2019). Despite these conditions, its current liability to creditor, though recorded, isn't payable immediately, as they are yet to complete part performance of their obligation and being a shareholder-joint venture partner themselves, the Company has drawn up financial plans to liquidate the liability in a phased manner. The Company, based on its estimated future growth as per the business plans and projected cash flow, is confident of funding its operating and capital expenditure and continue business operations in the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

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During the year both the joint ventures of the Company, M/s Tata Technologies Limited and Hindustan Aeronautics Limited expressed their respective Board decisions for voluntary winding up of the Company. The matter has been discussed during the Board Meeting of the Company held on 09th March 2020 during which the Board has accorded in principle approval for closure of the operations of the Company on 31st March, 2020 except for pending work related to Purchase Order from HAL. Considering the above fact the



*[Handwritten signatures]*

accounts have been prepared on a non-going concern basis and assets have been valued at the amount which the Company expects to realize an assets and liabilities are stated at the amount which the Company expects to settle the liability. The accounts for the Financial Year ended 31st March 2019 have been prepared on a going concern basis.

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During the year ended March 31,2020, the management has re-evaluated the Company's recognition process of unbilled revenue, revenue from services contracts and its related provisions over a period. The management's procedure was more emphasised on re computation of revenue, cost, unbilled revenue and the provision for its prior period based on the correspondence with the customer, the actual cost incurred and percentage of completion of service contracts as per Ind AS.

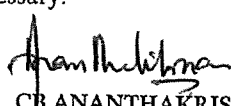
On assessment of the revenue recognition made in prior years, the management noted an error in recognition of revenue, cost, unbilled revenue and provision for the year 2018-19 and prior periods. Accordingly, for each prior period, the Company have presented in the financial statements, the amount of correction for each financial statement line item affected and the amount of the correction at the beginning of the earliest prior period. The management believes that these errors are solely due to mistake in application of accounting policies. The consolidated financial statement are not restated, impact being not material to the group.

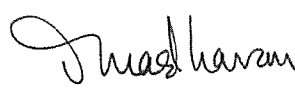
(vi) In respect of Helicopter Engines MRO Private Ltd

Pursuant to the decision of Board of Directors of the Company vide Board Resolution dated 05 May 2020 to down size the operations of the Company with effect from 31 May 2020, these financial statements of the Company have been prepared on the basis of a going concern. In making this assessment, the Management have considered several positive indicators including the plan provided by Safran and HAL, the joint venture partner, to provide support in the foreseeable future for meeting financial obligations and continuing technical, operational and management support being provided by them.

15. The financial results include the results for the quarter ended 31st March 2020 being the balancing figures between the audited figures with respect to the full financial year and the published audited year-to-date figures up to the third quarter of the current financial year.
16. Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, where ever necessary.

For Maharaj N R Suresh and Co  
Chartered Accountants,  
Firm Registration No.001931S

  
CB ANANTHAKRISHNAN  
Director (Finance) & CFO  
DIN: 06761339

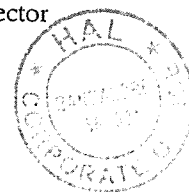
  
R MADHAVAN  
Chairman & Managing Director  
DIN: 08209860

CA N R Suresh  
Partner  
Membership No 021661  
Place: Bengaluru  
Date: 25.06.2020

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RAMAMURTHY SURESH

  
G.V. SESA REDDY  
Company Secretary



## INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF HINDUSTAN AERONAUTICS LIMITED

Report on the audit of the Standalone Financial Results

### Opinion

We have audited the accompanying Standalone quarterly Financial results of Hindustan Aeronautics Limited ("the company") for the quarter ended 31<sup>st</sup> March 2020, and the year to date results for the period from 01.04.2019 to 31.03.2020 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these Standalone Financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March 2020 as well as the year to date results for the period from 01.04.2019 to 31.03.2020.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (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 together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the *Code of Ethics*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**Emphasis of Matter**

Attention is invited to Notes to the Financial Results extracted below:

**a) Note:3**

The Company has considered the possible effects that may result from COVID -19 pandemic on the carrying amounts of Property, Plant and Equipment (PPE), Investments, Inventories, Receivables and other current assets

Impact due to Covid 19 will be minimal as major portion of company's revenue is generated from Defense services. Further Ministry of Defense, vide letter no 4(4)(d)(ACQ/20 dated 12.06.2020 have extended the contractual delivery date for a period of 4 months i.e. 25<sup>th</sup> March 2020 to 24<sup>th</sup> July 2020 due to Force Majeure. Based on the business model, there is no material impairment that needs to be recognised on Property, Plant and Equipment (PPE), Investments, Inventories, Receivables and other current assets

**b) Note no 7**

We have verified the adjustments, as described in Notes No 7 a,b,& c to the Statements, which have been made to the comparative financial information presented for the periods prior to quarter and year ended 31<sup>st</sup> March 2019, in accordance with the requirements of applicable Ind AS. In our opinion, such adjustments are appropriate and have been properly applied.

**c) Note no 11**

Consequent to settlement reached with workmen on 10<sup>th</sup> December 2019, the differential 21195 lakhs for the period from 01.1.2017 to 31.03.2019 is recognized in " Employee benefit Expenses" for the year ended 31<sup>st</sup> March 2020.

Corresponding eligible sales of Rs 15 291 lakhs' is included in revenue.

Our opinion is not modified in respect of these matters.

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## Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date Standalone Financial Results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results 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 Indian Accounting Standard 34, 'Interim Financial Reporting' 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 Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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 are also responsible for overseeing the Company's financial reporting process.

## 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 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 these standalone financial results.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 control 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 the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 Company's ability 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 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 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 financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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**

The Financial Results also include the audited Financial Results and financial information of 27 Divisions of the Company, whose financial statements / financial information reflect the total revenue of Rs 21 31 041lakhs, net profit of Rs 2 80 271 lakhs for the Year ended 31<sup>st</sup> March 2020, as considered in the Financial Results which have been audited by the respective independent auditors. The Independent Auditors Reports on the financial statements / financial information of these Divisions have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these Divisions, are based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion is not modified in respect of these matters.

For Maharaj N R Suresh and Co  
Chartered Accountants  
FRN NO:001931S

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Place:Chennai  
Date: 25.06.2020

N R Suresh  
Partner  
M.NO 0121661  
UDIN:20021661AAAABF3513

**INDEPENDENT AUDITOR'S REPORT**

TO THE BOARD OF DIRECTORS OF HINDUSTAN AERONAUTICS LIMITED

Report on the audit of the Consolidated Financial Results

**Opinion**

We have audited the accompanying Statement of Consolidated Financial Results of Hindustan Aeronautics Limited ("Holding company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group"), its associates and joint ventures for the year ended 31.03.2020 attached herewith, being submitted by the holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements/ financial results /financial information of subsidiaries, associates and joint ventures, the Statement:

- a. Includes the annual financial results of the following entities:

SL No	Subsidiaries
1	Naini Aerospace Limited
2	Indo Russian Helicopters Limited (IRHL)
	<b>Joint Ventures</b>
1	BAe-HAL Software Ltd
2	Safran HAL Aircraft Engines Private Ltd
3	Indo Russian Aviation Ltd
4	HALBIT Avionics Pvt. Ltd
5	HAL Edgewood Technologies Pvt. Ltd
6	SAMTEL HAL Display Systems Ltd
7	INFOTECH HAL Ltd
8	HATSOFF Helicopter Training Pvt. Ltd.
9	TATA HAL Technologies Ltd
10	International Aerospace Manufacturing Pvt.Ltd.
11	Multirole Transport Aircraft Ltd

12	Aerospace & Aviation Sector Skill Council
13	Helicopter Engines MRO Pvt. Ltd
14	Defence Innovation Organisation

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, in this regard; and
- c. gives a true and fair view, in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the group for the year ended 31<sup>st</sup> March, 2020.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (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, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the *Code of Ethics*. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

Attention is invited to Notes to Financial Results extarxted below:

#### a) Note : 3

The Group has considered the possible effects that may result from COVID -19 pandemic on the carrying amounts of Property, Plant and Equipment (PPE), Investments, Inventories, Receivables and other current assets

Impact due to Covid 19 will be minimal as major portion of company's revenue is generated from Defense services. Further Ministry of Defense, vide letter no 4(4)(d)(ACQ/20 dated 12.06.2020 have extended the contractual delivery date for a period of 4 months i.e. 25th March 2020 to 24th July 2020 due to Force Majeure. Based on the business model, there is no material impairment that needs to be recognised on Property, Plant and Equipment (PPE), Investments, Inventories, Receivables and other current assets

#### b) Note no 7

We have verified the adjustment, as described in Note Nos 7 a,b & c to the Financial results, which have been made to the comparative financial information presented for the periods prior to quarter and year ended 31<sup>st</sup> March 2019,in accordance with the

requirements of applicable Ind AS. In our opinion, such adjustments are appropriate and have been properly applied.

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Consequent to settlement with workmen reached on 10th December 2019, the differential 21195 lakhs for the period from 01.1.2017 to 31.03.2019 is recognized in "Employee benefit Expenses" for the year ended 31st March 2020.

Corresponding eligible sales of Rs 15 291 lakhs' is included in revenue.

Our opinion is not modified in respect of these matters.

### **d) Note no14**

#### **- Notes to Specific to Joint Ventures**

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##### **Going Concern**

The Company has made a net loss of Rs.2041.12 Lakhs during the period ended 31st March, 2020 and, as of that date, the Company's current liabilities exceeded its current assets. In addition to this, as at the balance sheet date, the Company has significant accumulated losses which have resulted in erosion of the net worth. The networth of the Company as at 31st March 2020 is negative by Rs.5283.08 Lakhs (as at 31st March 2019 negative by Rs.3241.96 Lakhs). However, these financial statements have been prepared on a going concern basis, notwithstanding the above factors in view of the following:

- 1) Board has affirmed that Company has the ability to meet all the obligation.
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- 4) The ECB Loan is classified as Non-Performing Asset by the lending bank in view of non payment of installments due. The bankers has not recalled the loan.

Considering the promoters ability to fund the Companies requirements and procure orders for execution, management is of the opinion that Company is a going concern.

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The Company has the following conditions that may cast doubt on its ability to continue as a going concern viz., Net liability position (Rs.1202.08 lakhs as at 31 March 2020 and Rs.1085.80 lakhs as at March 31 2019); Net current liability position (Rs.1281.71 lakhs for the year ended 31 March 2020 and Rs.1109.77 lakhs for the year ended 31 March 2019). Despite these conditions, its current liability to creditor, though recorded, isn't payable immediately, as they are yet to complete part performance of their obligation and being a shareholder-joint venture partner themselves, the Company has drawn up financial plans to liquidate the liability in a phased manner. The Company, based on its estimated future growth as per the business plans and projected cash flow, is confident of funding its operating and capital expenditure and continue business operations in the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

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During the year ended March 31,2020, the management has re-evaluated the Company's recognition process of unbilled revenue, revenue from services contracts and its related provisions over a period. The management's procedure was more emphasised on re computation of revenue, cost, unbilled revenue and the provision for its prior period based on the correspondence with the customer, the actual cost incurred and percentage of completion of service contracts as per Ind AS.

On assessment of the revenue recognition made in prior years, the management noted an error in recognition of revenue, cost, unbilled revenue and provision for the year 2018-19 and prior periods. Accordingly, for each prior period, the Company have presented in the financial statements, the amount of correction for each financial statement line item affected and the amount of the correction at the beginning of the earliest prior period. The management believes that these errors are solely due to mistake in application of accounting policies. The Consolidated financial statements are restated, impact being not material to the group.

The accompanying financial statements as at and for the year ended March 31, 2020 as regards the loss and consequent erosion of net worth of the Company thereby indicating the existence of a material uncertainty about the Company's ability to continue as a going concern which is dependent on establishing profitable operations and obtaining continuing financial support from its shareholders. The Company incurred a net loss of INR 2,667,493 during the year ended March 31, 2020 and has accumulated losses of INR 70,627,234 including other comprehensive income as at March 31, 2020. Also, as of that date, the company's current and non-current liabilities exceeded its total assets by INR 30,627,234. These events or conditions indicate that a material uncertainty exists that may cast significant doubts on the Company's ability to continue as a going concern.

**(vi) In respect of Helicopter Engines MRO Private Ltd**

Pursuant to the decision of Board of Directors of the Company vide Board Resolution dated 05 May 2020 to down size the operations of the Company with effect from 31 May 2020, these financial statements of the Company have been prepared on the basis of a going concern. In making this assessment, the Management have considered several positive indicators including the plan provided by Safran and HAL, the joint venture partner, to provide support in the foreseeable future for meeting financial obligations and continuing technical, operational and management support being provided by them.

Our opinion is not modified in respect of the above matters

**Board of Directors Responsibilities for the Consolidated Financial Results**

These Consolidated financial results have been prepared on the basis of the Consolidated annual financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net

profit and other comprehensive income and other financial information of the Group including its associates and joint ventures in accordance with the Indian Accounting Standards 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. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint ventures 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 the Consolidated Financial results by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial results, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures 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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

### **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 these Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under section 143(3)(i) of the act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 and its associates and joint venture 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 and its associates and joint venture 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.
- Obtain sufficient appropriate audit evidence regarding the financial results/ financial information of the entities within the Group and its associates and jointly controlled entities 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. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding 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. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

### Other Matters

The consolidated Financial Results include the audited Financial Results of two subsidiaries, and fourteen joint ventures, whose Financial Statements/ Financial Results/ financial information reflect Group's share of total assets of Rs. 5 083 Lakhs as at 31.03.2020 , Group's share of total revenue of Rs.609 lakhs and Rs 825 lakhs and Group's share of total net loss after tax of Rs. 6 lakhs and Rs.942 lakhs for the quarter ended 31.03.2020 and for the period from 01.04.2019 to 31.03.2020 respectively, as considered in the Consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on Financial Statements/ Financial Results/ financial information of

these entities have been furnished to us and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

The consolidated Financial Results include the audited Financial Results of fourteen joint ventures, whose Financial Statements/ Financial Results/ financial information reflect Group's share of total net loss after tax of Rs. 104 lakhs and Rs.702 Lakhs for the quarter ended 31.03.2020 and for the period from 01.04.2019 to 31.03.2020 respectively, as considered in the Consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on Financial Statements/ Financial Results/ financial information of these entities have been furnished to us and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the Consolidated Financial Results 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 Results/ financial information certified by the Board of Directors.

The financial Results include the results for the quarter ended 31<sup>st</sup> March, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the current financial year.

**NARASIMHA  
RAMAMURTHY  
SURESH**

Digitally signed by NARASIMHA  
RAMAMURTHY SURESH  
DN: cn=NARASIMHA RAMAMURTHY  
SURESH, o=MAHARAJ N R SYRESH AND  
CO, ou=PARTNER,  
email=sureshgreen@gmail.com, c=IN  
Date: 2020.06.25 13:21:01 +05'30'

For Maharaj N R Suresh and Co  
Chartered Accountants  
FRN NO:001931S

Place:Chennai  
Date: 25.06.2020

N R Suresh  
Partner  
M.NO 0121661  
UDIN:20021661AAAABG7531

## HINDUSTAN AERONAUTICS LIMITED

Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001

CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in

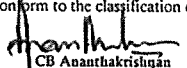
## STATEMENT OF AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

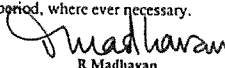
Rs in Lakhs

S. No.	Particulars	Standalone			Consolidated		
		Quarter ended		Year ended	Quarter ended		Year ended
		Audited 31-Mar-20	Audited 31-Mar-19	Audited 31-Mar-20	Audited 31-Mar-20	Audited 31-Mar-19	Audited 31-Mar-20
1	Total Income from Operations	10,32,294	10,15,392	21,52,207	10,32,300	10,15,379	21,52,186
2	Other Income	15,952	11,818	29,332	15,996	11,880	29,390
3	Income from Operations	10,48,246	10,27,210	21,81,539	10,48,296	10,27,259	21,81,576
4	Net Profit/(Loss) for the period (before Tax and Exceptional Items)	2,04,268	2,08,941	3,84,165	2,05,224	2,08,743	3,88,229
5	Net Profit/(Loss) for the period before Tax (after Exceptional Items)#	2,04,268	2,08,941	3,96,057	2,05,224	2,08,743	4,00,121
6	Net Profit/(Loss) for the period after Tax (after Exceptional Items)	1,24,111	1,24,144	2,85,702	1,25,067	1,23,946	2,89,766
7	Total Comprehensive Income for the period (Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax))	94,963	1,22,848	2,48,004	95,869	1,22,559	2,52,161
8	Earnings Per Share (Face value of Rs.10/- each) (EPS for quarter ended 31.03.2020, 31.03.2019 is not annualised) (in Rs.)						
	(i) Basic	37.12	37.13	85.44	37.40	37.07	86.66
	(ii) Diluted	37.12	37.13	85.44	37.40	37.07	86.66
9	Paid-up Equity Share Capital (Face value - Rs.10 each)	33,439	33,439	33,439	33,439	33,439	33,439
10	Other Equity excluding revaluation reserves			12,88,073			12,92,966
11	Capital Redemption Reserve / Debenture Redemption Reserve	0	0	14761	0	0	14761
12	Net Worth (including Retained Earning)	0	0	1321512	0	0	1326336
13	Debt Service Coverage Ratio	21.23	16.63	9.34	21.32	16.62	9.43
14	Interest Service Coverage Ratio	21.23	16.63	12.03	21.32	16.62	12.14
15	Debt Equity Ratio	0.4:1	0.3:1	0.4:1	0.4:1	0.3:1	0.4:1

## Notes:

- The above is an extract of the detailed format of Quarterly and year ended Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites i.e. www.bseindia.com & www.ncsindia.com and also on the Company's website www.hal-india.co.in.
- The Company has prepared these standalone and consolidated financial results in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.
- The Statutory Auditors have issued unmodified opinion on the standalone and consolidated financial statements of the Company for the period ended 31<sup>st</sup> March 2020.
- COVID-19 Risk**  
Current year impact:  
The Company has considered the possible effects that may result from COVID 19 pandemic on the carrying amounts of Property, Plant and Equipment (PPE), Investments, Inventories, receivables and other current assets.  
Impact due to COVID 19 will be minimal as major portion of the Company's Revenue is generated from Defense services. Further Ministry of Defense, vide letter no 4(4) (d) (ACQ/20 dated 12.06.2020) have extended the contractual delivery date for a period of 4 months i.e. 25th March 2020 to 24th July 2020 due to Force Majeure. Based on the business model, there is no material impairment which needs to be recognised on Plant Property Equipment, Receivables and Inventory.  
Anticipated Future Impact:  
The Company's revenue is mainly from Defense Services. Hence, impact on the future business in the long term is not anticipated currently. However, downsizing of Defense budget and the risk of economic recession may have an impact on the operations of the Company.
- # Exceptional item of Rs. 11892 Lakhs for the year ended 31st March 2020 (Previous Year - Rs. NIL lakhs) represents compensation received from the Office of Special Land Acquisition Officer, Bangalore under KIADB Act, on acquisition of 14,424.06 Sq. Mtrs (3.624 Acres) of HAL land at Benanganahalli Village, Bangalore by M/S Bangalore Metro Rail Corporation Ltd.
- The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act 2019. Accordingly, the Company has recognized Provision for Income Tax and re-measured its Deferred Tax Assets the rate prescribed in the said section and an amount of Rs.7254 lakhs has been provided to tax expense for the year ended 31<sup>st</sup> March, 2020.
- Hitherto, Deferred Tax Assets on Provisions for warranty, replacements, doubtful debts etc., amounting to Rs.106600 lakhs as on 31st March 2019 (31st March 2018- Rs.107637 lakhs) and (-) Rs.1037 lakhs for the year ended 31st March 2019 were not recognized since the temporary differences were not likely to reverse in the foreseeable future. The issue was referred to the Expert Advisory Committee (EAC) of Institute of Chartered Accountants of India for their Expert Opinion. Pursuant to the EAC opinion and as advised by them, the deferred tax assets have been recognized by re-statement of the previous year financial statements in accordance with Ind AS 8.
- In the year 2019-20, an out of court settlement for sales tax has been reached between the Company and Government of Telengana. As per the settlement, the disputed tax demand has been reduced from Rs.81579 lakhs to Rs.13917 lakhs. The Company has paid Rs.8500 lakhs on 20th March, 2020 and balance amount will be paid in 2020-21. The amount so settled will be reimbursed by the Defense Customers.
- The Company has adopted Ind AS 116 "Leases" effective 1st April, 2019, as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019, using the modified retrospective method. The adoption of this Standard did not have any material impact on the profit for the year ended 31st March, 2020.
- The approved financial statements are subject to supplementary audit by C&AG under section 143 (6) (b) of the Companies Act, 2013.
- The Company hereby declares that the Auditors have issued their Audit Report for Standalone Financial statements with unmodified opinion for the period ended 31st March, 2020.
- Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, where ever necessary.

Place: Bengaluru  
Date: 25.06.2020
  
 CB Ananthkrishnan  
 Director (Finance) & CFO  
 DIN: 06761339

  
 R Madhavan  
 Chairman & Managing Director  
 DIN: 08209860

 NARASIMHA  
 RAMAMURTHY  
 SURESH

 Digitally signed by NARASIMHA  
 RAMAMURTHY SURESH  
 DN: cn=NARASIMHA RAMAMURTHY  
 SURESH, o=MAHARAJ N R SYRESH AND  
 CO, ou=PARTNER,  
 email=sureshgreen@gmail.com, c=IN  
 Date: 2020.06.25 12:32:56 +05'30'