

CO/SEC/4(7)/2021-22/ BSE & NSE Filing/16

28th June, 2021

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| ಬಿಎಸ್‌ಇ ಲಿಮಿಟೆಡ್ BSE Limited ಲಿಸ್ಟಿಂಗ್ ವಿಭಾಗ Listing Department ಫಿರೋಜ್ ಜಿಜೀಭಾಯ್ ಟೌರ್ಸ್ Phiroze Jeejeebhoy Towers, ದಲಾಲ ಸ್ಟ್ರೀಟ್ Dalal Street, ಮುಂಬೈ Mumbai – 400 001 | ನೇಷನಲ್ ಸ್ಟಾಕ್ ಎಕ್ಸ್‌ಚೇಂಜ್ ಆಫ್ ಇಂಡಿಯಾ ಲಿಮಿಟೆಡ್ National Stock Exchange of India Ltd ಲಿಸ್ಟಿಂಗ್ ವಿಭಾಗ Listing Department ಎಕ್ಸ್‌ಚೇಂಜ್ ಪ್ಲಾಜಾ, 5 th ಫ್ಲೋರ್, ಪ್ಲಾಟ್ ನಂ. ಸಿ/1 Exchange Plaza, 5 th Floor, Plot No C/1, ಜಿ ಬ್ಲಾಕ್, ಬಾಂದ್ರಾ-ಕುರ್ಲಾ ಕಾಂಪ್ಲೆಕ್ಸ್, ಬಾಂದ್ರಾ (ಪೂರ್ವ) G Block, Bandra-Kurla Complex, Bandra (E), ಮುಂಬೈ Mumbai – 400051 |
|---|--|

ಪ್ರಿಯ ಮಹೋದಯ/ ಮಹೋದಯಾ Dear Sir/ Madam,

ವಿಷಯ: ದಿನಾಂಕ 31 ಮಾರ್ಚ್, 2021 ಕ್ಕೆ ಸಮಾಪ್ತ ತಿಮಾಹಿ ಎಂವ್ ವರ್ಷ ಹೇತು
ಲೇಖಾಪರೀಕ್ಷಿತ ವರ್ತಮಾನ ಪರಿಣಾಮ (ಸ್ಟೆಂಡ್‌ಅಲೋನ್ ಎಂವ್ ಸಮೇಕಿತ)

Sub: Audited Financial Results (Standalone and Consolidated) for the quarter and
year ended 31st March, 2021

ಸಂದರ್ಭ: ಬಿಎಸ್‌ಇ ಸಕ್ರಿಪ್ ಕೋಡ್: 541154, ಎನ್‌ಎಸ್‌ಇ ಸಿಂಢ್ಬೊಲ್: ಎಚ್‌ಎಲ್

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

ಕಂಪನಿ ಕೇ ನಿರ್ದೇಶಕ ಮಂಡಲ ನೇ ಆಜ್ ಹುಡ್ ಅಪನಿ ಬೆಠಕ ಮೇ ದಿನಾಂಕ 31 ಮಾರ್ಚ್, 2021 ಕ್ಕೆ ಸಮಾಪ್ತ
ತಿಮಾಹಿ ಎಂವ್ ವರ್ಷ ಹೇತು, ಅನ್ಯ ಬಾತೆ ಕೇ ಸಾಥ್-ಸಾಥ್, ಲೇಖಾಪರೀಕ್ಷಿತ ವರ್ತಮಾನ ಪರಿಣಾಮೆ (ಸ್ಟೆಂಡ್‌ಅಲೋನ್ ಎಂವ್ ಸಮೇಕಿತ)
ಕೇ ಸಂಬಂಧ ಮೇ ಅನುಮೋದನ ಪ್ರದಾನ ಕಿಯಾ |

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 and
year ended 31st March, 2021.

2. ಲಿಸ್ಟಿಂಗ್ ವಿನಿಯಮ ಕೇ ವಿನಿಯಮ 33 ಕೇ ಅನುಸರಣ ಮೇ, ಹಮ ನಿಮ್ನಲಿಖಿತ ಸೂಚನಾಂ ಕೇ ಸಂಲಗ್ನ
ಕರ ರಹೇ ಹೇ:

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

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

ಇ ಮೇಲ್ (ಇ) Email : cosec@hal-india.co.in

CIN: L35301KA1963GOI001622

- a) दिनांक 31 मार्च, 2021 को समाप्त तिमाही एवं वर्ष हेतु लेखापरीक्षित वित्तीय परिणामों (स्टैंडअलोन एवं समेकित) से संबंधित विवरण (अनुबंध-I)

Statement showing the Audited Financial Results (Standalone and Consolidated) for the **quarter and year ended 31st March, 2021**. (Annexure-I);

- b) लेखापरीक्षित वित्तीय परिणामों से संबंधित लेखापरीक्षा रिपोर्ट (अनुबंध-II एवं III)
Auditors' Report on the Audited Financial Results (Annexure-II & III);

3. सूचित किया जाता है कि लिस्टिंग विनियमों के विनियम 33(3) के संदर्भ में, सांविधिक लेखापरीक्षक, मेसर्स महाराज एन आर सुरेश एंड कंपनी, शासपत्रित लेखाकार (संस्था पंजीकरण सं. 001931S) ने दिनांक 31 मार्च, 2021 को समाप्त तिमाही एवं वर्ष हेतु लेखापरीक्षित वित्तीय परिणामों (स्टैंडअलोन एवं समेकित) के संबंध में असंशोधित राय के साथ लेखापरीक्षा रिपोर्ट जारी की है।

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 Audited Financial Results (Standalone and Consolidated) for the **quarter and year ended 31st March, 2021** in terms of Regulation 33(3) of the Listing Regulations.

4. हम उपर्युक्त परिणामों का सार (अनुबंध-IV) संलग्न कर रहे हैं, जो लिस्टिंग विनियम के विनियम 47 के अनुसरण में समाचार पत्रों में प्रकाशित किया जाएगा।

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. कंपनी के निदेशक मंडल की बैठक 12:00 बजे प्रारंभ हुई तथा 15:05 बजे समाप्त हुई।

The meeting of the Board of Directors of the Company commenced at 1200 hours and concluded at 1505 hours.

6. कृपया पावती भेजें । Kindly acknowledge the receipt.

धन्यवाद Thanking you,

भवदीय Yours Faithfully

कृते हिन्दुस्तान एरोनॉटिक्स लिमिटेड
For Hindustan Aeronautics Ltd



(जी वी शेषा रेड्डी G V Sessa Reddy)

कंपनी सचिव एवं अनुपालन अधिकारी
Company Secretary & Compliance Officer

संलग्नक Encl: उपरोक्त 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 31ST MARCH, 2021

Rs in Lakhs

| Sl.No | Particulars | Standalone | | | | |
|-------|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| | | Quarter ended | | Year ended | | |
| | | 31-Mar-21 (Audited) | 31-Dec-20 (Audited) | 31-Mar-20 (Audited) | 31-Mar-21 (Audited) | 31-Mar-20 (Audited) |
| 1 | Income from Operations | | | | | |
| | (a) Revenue from operations | 10,73,821 | 5,42,558 | 10,25,166 | 22,75,458 | 21,44,537 |
| | (b) Other Income | 13,178 | 9,217 | 16,219 | 35,867 | 29,599 |
| | Total Income | 10,86,999 | 5,51,775 | 10,41,385 | 23,11,325 | 21,74,136 |
| 2 | Expenses | | | | | |
| | (a) Cost of materials consumed | 2,63,739 | 2,00,790 | 2,57,226 | 7,77,176 | 8,17,334 |
| | (b) Purchase of stock-in-trade | 35,873 | 33,321 | 28,657 | 82,116 | 58,715 |
| | (c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap | 3,08,458 | 39,625 | 2,33,479 | 2,45,827 | 63,567 |
| | (d) Employee benefits expense | 1,05,861 | 1,06,009 | 1,45,180 | 4,29,102 | 4,76,359 |
| | (e) Finance Costs | 2,983 | 5,321 | 10,070 | 25,911 | 34,840 |
| | (f) Depreciation and Amortisation Expense | 66,789 | 17,889 | 51,616 | 1,17,758 | 99,763 |
| | (g) Impairment Loss | 4,601 | 441 | 3,144 | 6,385 | 3,179 |
| | (h) Other expenses | 37,942 | 31,290 | 49,391 | 1,21,372 | 1,44,600 |
| | (i) Direct Input to WIP/Expenses Capitalised | 13,256 | 3,102 | 5,686 | 25,977 | 17,829 |
| | (j) Provisions | 73,096 | 28,420 | 93,286 | 1,46,208 | 1,49,539 |
| | Total Gross Expenses | 9,12,598 | 4,66,208 | 8,77,735 | 19,77,832 | 18,65,725 |
| | Less: Expenses relating to Capital and Other Accounts | 41,389 | 21,301 | 38,361 | 93,394 | 73,497 |
| | Total Expenses | 8,71,209 | 4,44,907 | 8,39,374 | 18,84,438 | 17,92,228 |
| 3 | Profit/(Loss) before Exceptional items and Tax (1-2) | 2,15,790 | 1,06,868 | 2,02,011 | 4,26,887 | 3,81,908 |
| 4 | Exceptional item | 202 | - | - | 202 | 11,892 |
| 5 | Profit/(Loss) before tax (3+4) | 2,15,992 | 1,06,868 | 2,02,011 | 4,27,089 | 3,93,800 |
| 6 | Tax expense | | | | | |
| | (i) Current Tax | 55,000 | 9,500 | 62,124 | 64,500 | 1,18,000 |
| | (ii) Earlier Tax Refund | - | -4,933 | - | -4,933 | - |
| | (iii) Deferred Tax | -488 | 16,974 | 17,277 | 44,226 | -8,401 |
| | | 54,512 | 21,541 | 79,401 | 1,03,793 | 1,09,599 |
| 7 | Net Profit / (Loss) for the period (5-6) | 1,61,480 | 85,327 | 1,22,610 | 3,23,296 | 2,84,201 |
| 8 | Other Comprehensive Income (OCI) | | | | | |
| | A. Items that will not be reclassified to statement of Profit and Loss | | | | | |
| | (i) Remeasurements of defined benefit plans | 2,041 | -8,275 | -38,951 | -9,733 | -50,377 |
| | (ii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss | -513 | 2,082 | 9,803 | 2,450 | 12,679 |
| | B. Items that will be reclassified to statement of Profit and Loss | | | | | |
| | (i) Exchange differences in translating financial statements of foreign operations | - | - | - | - | - |
| | (ii) Income Tax relating to items that will be reclassified to statement of Profit and Loss | - | - | - | - | - |
| | Total Other Comprehensive Income (A+B) | 1,528 | -6,193 | -29,148 | -7,283 | -37,698 |
| 9 | Total Comprehensive Income for the period (7 + 8) | 1,63,008 | 79,134 | 93,462 | 3,16,013 | 2,46,503 |
| 10 | Paid-up Equity Share Capital (Face Value Rs.10 each) | 33,439 | 33,439 | 33,439 | 33,439 | 33,439 |
| 11 | Other Equity excluding Revaluation Reserves | | | | 15,02,216 | 12,86,519 |
| 12 | Capital Redemption Reserve / Debenture Redemption Reserve | | | | 14,761 | 14,761 |
| 13 | Earnings per share (in Rupees) (EPS for the quarter are not annualised) | | | | | |
| | (a) Basic | 48.29 | 25.52 | 36.67 | 96.68 | 84.99 |
| | (b) Diluted | 48.29 | 25.52 | 36.67 | 96.68 | 84.99 |
| 14 | Net Worth (including Retained Earning) | | | | 15,35,655 | 13,19,958 |
| 15 | Debt Service Coverage Ratio (times) | 73.34 | 21.08 | 21.06 | 17.48 | 9.29 |
| 16 | Interest Service Coverage Ratio (times) | 73.34 | 21.08 | 21.06 | 17.48 | 11.96 |
| 17 | Debt Equity Ratio (Debt for the purpose of debt equity ratio includes short term borrowings) | 0:1 | 0.2:1 | 0.4:1 | 0:1 | 0.4:1 |

Audited Balance Sheet:

Rs. in lakhs

| Particulars | Standalone | |
|--|--------------------|--------------------|
| | As at 31-Mar-21 | As at 31-Mar-20 |
| | (Audited) | (Audited) |
| ASSETS | | |
| Non-current assets | | |
| (a) Property, Plant and Equipment | 6,53,908 | 6,34,459 |
| (b) Capital work - in progress | 79,038 | 85,742 |
| (c) Investment Property | 3 | 3 |
| (d) Goodwill on consolidation | - | - |
| (e) Other Intangible assets | 94,407 | 1,00,686 |
| (f) Intangible assets under development | 1,28,627 | 1,18,269 |
| (g) Investments in Joint Venture and Subsidiary | 10,569 | 11,714 |
| (h) Financial Assets | | |
| (i) Investments | 88,345 | 82,301 |
| (ii) Trade receivables | - | - |
| (iii) Contract Assets | - | - |
| (iv) Loans | 4,613 | 4,796 |
| (v) Other Financial Assets | 33,776 | 33,813 |
| (i) Deferred tax assets (Net) | 5,235 | 47,011 |
| (j) Other non-current assets | 70,686 | 62,940 |
| Total Non-current Assets | 11,69,207 | 11,81,734 |
| Current assets | | |
| (a) Inventories | 16,56,033 | 19,45,392 |
| (b) Financial Assets | | |
| (i) Investments | - | - |
| (ii) Trade receivables | 5,63,936 | 11,23,473 |
| (iii) Contract Assets | 8,34,616 | 7,84,173 |
| (iv) Cash and Cash Equivalents | 7,14,148 | 27,783 |
| (v) Bank balances other than cash and cash equivalents | 2,485 | 2,008 |
| (vi) Loans | 1,456 | 1,934 |
| (vii) Other Financial Assets | 1,05,771 | 1,21,882 |
| (c) Current Tax Assets (Net) | - | 3,531 |
| (d) Other Current Assets | 1,39,512 | 1,29,057 |
| Total Current Assets | 40,17,957 | 41,39,233 |
| TOTAL ASSETS | 51,87,164 | 53,20,967 |

Audited Balance Sheet:

Rs. in lakhs

| Particulars | Standalone | |
|--|--------------------|--------------------|
| | As at 31-Mar-21 | As at 31-Mar-20 |
| | (Audited) | (Audited) |
| <u>EQUITY AND LIABILITIES</u> | | |
| <u>EQUITY</u> | | |
| (a) Equity Share capital | 33,439 | 33,439 |
| (b) Other Equity | 15,02,216 | 12,86,519 |
| Total Equity | 15,35,655 | 13,19,958 |
| <u>LIABILITIES</u> | | |
| <u>Non-current Liabilities</u> | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | - | - |
| (ii) Trade Payables | - | - |
| (iii) Other financial liabilities | 49,503 | 55,156 |
| (b) Provisions | 1,20,073 | 1,27,346 |
| (c) Deferred Tax Liabilities (Net) | - | - |
| (d) Other Non-Current Liabilities | 9,30,769 | 7,05,654 |
| Total Non-Current Liabilities | 11,00,345 | 8,88,156 |
| <u>Current Liabilities</u> | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 907 | 5,88,650 |
| (ii) Trade Payables | | |
| Total outstanding dues of micro enterprises and small Enterprises | 4,698 | 4,779 |
| Total outstanding dues of creditors other than micro enterprises and Small Enterprises | 2,19,917 | 4,04,144 |
| (iii) Other Financial liabilities | 1,96,448 | 2,50,259 |
| (b) Other Current Liabilities | 16,89,381 | 13,02,827 |
| (c) Provisions | 3,97,559 | 5,04,118 |
| (d) Current Tax Liabilities (Net) | 42,254 | 58,076 |
| Total Current Liabilities | 25,51,164 | 31,12,853 |
| TOTAL EQUITY AND LIABILITIES | 51,87,164 | 53,20,967 |

Standalone Statement of Cash Flow

7/35

(Rs in Lakhs)

| Sl. No. | Particulars | For the | |
|---------|--|----------------------------|----------------------------|
| | | Year ended 31st March 2021 | Year ended 31st March 2020 |
| A | Cash flow from Operating activities | | |
| | Profit for the year | 323296 | 284201 |
| | Adjustments to reconcile net profit to net cash provided by operating activities | | |
| | Income Tax expense | 103793 | 109599 |
| | (Gain)/Loss on sale of Property, Plant & Equipment | -12 | -23 |
| | Finance cost | 25911 | 34840 |
| | Interest Income | -8802 | -6439 |
| | Dividend Income | -111 | -135 |
| | Net (Gain)/Loss on Fair Value Adjustment | 64 | 37 |
| | Depreciation, amortization and impairment expense | 124143 | 102942 |
| | Provision for Impairment in Value of Investments | 1145 | 3664 |
| | Provision for Doubtful Debts | 1426 | 3767 |
| | Provision for Doubtful Claims | 3017 | 4023 |
| | Provision for Replacement and Other charges | 21175 | 46328 |
| | Provision for Warranty | 32561 | 21384 |
| | Provision for Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials and Inventory - Warranty | 43009 | 18213 |
| | Provision for Liquidated Damages | 43875 | 52160 |
| | Provision for Onerous Contract | -32183 | -20721 |
| | Operating Profit Before Working Capital Changes | 682307 | 653840 |
| | Adjustments for: | | |
| | (Increase)/decrease in Trade Receivables | 507668 | -188278 |
| | (Increase)/decrease in Loans, Financial Assets and Other Assets | -22104 | -3294 |
| | (Increase)/decrease in Inventories | 246350 | 4872 |
| | Increase/(decrease) in Trade Payables | -184308 | 145642 |
| | Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities | 368908 | -277127 |
| | Cash generated from Operations | 1598821 | 335655 |
| | Income Taxes Paid | -71858 | -181990 |
| | Net Cash (used in)/generated from Operating Activities (A) | 1526963 | 153665 |
| B | Cash flow from Investing activities | | |
| | Purchase of Property, Plant & Equipment | -76190 | -88988 |
| | Purchase of Intangible Assets | -55430 | -49049 |
| | Proceeds from sale of Property, Plant & Equipment | 123 | 157 |
| | Investment in Joint Ventures | | -100 |
| | Purchase of other non current Investments | -6044 | -7400 |
| | Purchase of other current Investments | | |
| | Proceeds from maturity of short term deposits | -477 | 6397 |
| | Interest Received | 8802 | 6439 |
| | Dividend Received from Joint Ventures | 111 | 135 |
| | Share application money refunded/(paid) by Joint Venture | 1000 | -1000 |
| | Net Cash (used in)/generated from Investing Activities (B) | -128105 | -133409 |
| C | Cash flow from Financing Activities | | |
| | Repayment of Borrowings-Current (Net) | -585980 | 175267 |
| | Payment of Lease Liabilities | -297 | -6 |
| | Interest paid | -25900 | -34829 |
| | Dividend Paid | -100316 | -134038 |
| | Net Cash (used in)/generated from Financing Activities (C) | -712493 | 6394 |
| D | Effect of Exchange differences on translation of foreign currency cash and cash equivalents | | |
| | Net increase/(decrease) in Cash and Cash Equivalents (A+B+C+D) | 686365 | 26650 |
| | Add: Cash and Cash Equivalents at the beginning of the year | 27783 | 1133 |
| | Cash and Cash Equivalents at the end of the year | 714148 | 27783 |

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"

2. Cash & Cash equivalent include Short Term Deposits with Bank

3. Purchase of Fixed Assets are stated inclusive of capital work-in-progress between the beginning and end of the period

4. Previous year figures are rearranged or regrouped wherever necessary

5.. Cash and Cash Equivalents are available fully for use

Standalone Notes:

1. The above results have been reviewed and recommended by the Audit Committee in its meeting held on-28.06.2021 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 and year ended 31 March, 2021.
3. COVID-19 Impact

Current year Impact:

Due to lockdown imposed to contain the spread of COVID-19 pandemic, the Company's manufacturing facilities were temporarily shut down during April 2020. The activities resumed from 28th April 2020 with precautions, reduced availability of manpower and disrupted supply chain, resulting in lower turnover and consequent lower profit during the first half of the financial year 2020-21. However during the second half of the financial year 2020-21 near normalcy is restored in the operations. The Company improved its turnover and profitability as compared to the financial year 2019-20.

Anticipated Future Impact:

Based on the information available (internal as well as external) up to the date of approval of this financial result, Company expects to recover the carrying amount of Intangible assets, Inventories, Property, Plant and Equipment's, Lease, Financial Instruments, Trade Receivables etc. Efforts are being made to minimize the impact. The Company will continue to closely monitor the developments, the future economic and business outlook and its impact on Company's future financial statements with a view to minimize the Covid impact.

Second Wave of Covid-19 Impact:

Second wave of Covid-19 has forced the Company to declare for a phased lockdown at various Divisions on substitution basis during April and May 2021. The employees will put in additional hours for the hours lost during lockdown period. It is, therefore, expected that the lost man hours will be recovered in the coming months, hence, no significant impact is anticipated.

4. Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23rd February 2018 has exempted the Government companies engaged in defence production to the extent of application of Ind AS 108 on "Operating Segment".
5. Revision of pay scales of executives and workmen, with effect from 01.01.2017 was implemented in accordance with the guidance issued by DPE vide OM dated 03.08.2017 for Executives and in accordance with the Wage Agreement entered between Management and Employees Union representative in 2019-20 in respect of Workmen.
On an interpretation on pay refixation and pursuant to the directives of the Administrative Ministry, the pay fixation is being revised and the excess amount paid is to be recovered from the employees.
This has resulted in reduction of salaries and wages by Rs.14450 lakhs and a consequential reduction in sales revenue by Rs.5677 lakhs.

As the effect of the above is given in the quarter ended 31 March, 2021, further amount of Rs.3691 lakhs relating to first three quarters of the current year are adjusted in the quarter ended 31.03.2021.

6. Consequent to restatement, the corresponding annual results of the previous year is restated. Reconciliation of the net profit/ other equity reported in accordance with previous audited financials for year ended 31.03.2020 is given below-

| S.NO | PARTICULARS | Rs in Lakhs | |
|------|--|-----------------------|------------------------|
| | | PROFIT RECONCILIATION | RESERVE RECONCILIATION |
| | | STANDALONE | STANDALONE |
| | | YEAR ENDED 31.03.2020 | AS AT 31.03.2020 |
| 1 | PAT as per audited accounts | 283236 | 1318993 |
| 2 | Recognition of Revenue on repair of Accessories and supply of Spares pertaining to 2019-20 | 965 | 965 |
| 3 | Profit as per restated accounts | 284201 | 1319958 |

7. The Commercial Papers (listed) issued by the Company outstanding as on March 31, 2021 is Rs. Nil lakhs (As on March 31, 2020: Rs.150000 lakhs). Details of listed commercial papers in terms of the requirements of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as follows-

| Sl No | ISIN No | Credit Rating | Previous Due Date (01.04.2020 to 31.03.2021) | | | Next Due Date | | |
|-------|--------------|--------------------|---|----------|---------------------------|---------------|----------|---------------------------|
| | | | Principal | Interest | Whether paid on due dates | Principal | Interest | Whether paid on due dates |
| 1 | INE066F14023 | ICRA A1+, CARE A1+ | 17-06-2020 | NA | YES | - | - | - |
| 2 | INE066F14031 | ICRA A1+, CARE A1+ | 15-09-2020 | NA | YES | - | - | - |
| 3 | INE066F14049 | ICRA A1+, CARE A1+ | 14-12-2020 | NA | YES | - | - | - |
| 4 | INE066F14056 | CARE A1+, ICRA A1+ | 15-03-2021 | NA | YES | - | - | - |

8. The Government of India, on 27/08/2020 – 28/08/2020 made an offer for sale (OFS) upto 15% of the paid up equity share capital, out of its shareholding of 89.97%, in order to achieve the mandatory threshold of 25% minimum public shareholding by a listed Company. Consequent to the OFS, the Government of India shareholding stands at 75.15%.

9. Pursuant to the Order passed giving effect to the orders of the Appellate authority, Rs.4933 lakhs provision no longer required was credited under Tax expense and consequent interest income of Rs.4792 lakhs was included in other income for the quarter ended 31 December, 2020.
10. The profit after tax for the year ended 31 March, 2021 is not comparable with profit after tax for the year ended 31 March, 2020 due to the following reasons-
 - a) Profit for the year ended 31 March, 2020 includes an additional provisioning of Rs.21195 lakhs, consequent to settlement of workmen wage revision, for the period 01.01.2017 to 31.03.2019 and the same was recognized in "Employee Benefit Expense".
 - b) The Profit after Tax (PAT) for the year ended 31.03.2020, is after a onetime write back of Rs.20150 lakhs of deferred tax liability consequent to the reduction in applicable tax rate.
11. The Board of Directors of the Company, at its meeting held on 9 December, 2020 and 26 February, 2021, declared first and second interim dividend of Rs.15 per equity share respectively i.e a total interim dividend of Rs.30 per equity share of Rs.10 each fully paid up (300%) for the Financial Year 2020-21.
12. The approved financial statements are subject to supplementary audit by C&AG under section 143 (6) (b) of the Companies Act, 2013.
13. The financial results include the results for the quarter ended 31st March 2021 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.
14. Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, where ever necessary.

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For Maharaj N R Suresh and Co., LLP

Chartered Accountants,

Firm Registration

No.01931S/S000020

CA N R Suresh

Partner

Membership No. 021661

Place: Bengaluru

Date: 28.06.2021

CHINAKAVANAM
BHOOPATHI
ANANTHAKRISH
NAN

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CB ANANTHAKRISHNAN

Director (Finance) & CFO

DIN: 06761339

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MADHAVAN

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R MADHAVAN

Chairman & Managing Director

DIN: 08209860

Gajjala
Venkata
Sesha Reddy

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Sesha Reddy
Date: 2021.06.28 13:34:29 +05'30'

G.V. SESA 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 31ST MARCH, 2021

Rs in Lakhs

| Sl.No | Particulars | Consolidated | | | | |
|-------|---|------------------|-----------------|------------------|------------------|------------------|
| | | Quarter ended | | Year ended | | |
| | | 31-Mar-21 | 31-Dec-20 | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| | | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) |
| 1 | Income from Operations | | | | | |
| | (a) Revenue from operations | 10,73,874 | 5,42,546 | 10,25,172 | 22,75,454 | 21,44,516 |
| | (b) Other Income | 13,150 | 9,151 | 16,263 | 35,823 | 29,657 |
| | Total Income | 10,87,024 | 5,51,697 | 10,41,435 | 23,11,277 | 21,74,173 |
| 2 | Expenses | | | | | |
| | (a) Cost of materials consumed | 2,63,165 | 2,00,705 | 2,56,672 | 7,76,472 | 8,16,453 |
| | (b) Purchase of stock-in-trade | 35,873 | 33,321 | 28,657 | 82,116 | 58,715 |
| | (c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap | 3,08,458 | 39,625 | 2,33,477 | 2,45,814 | 63,568 |
| | (d) Employee benefits expense | 1,06,168 | 1,06,368 | 1,45,602 | 4,30,517 | 4,77,762 |
| | (e) Finance Costs | 2,985 | 5,322 | 10,072 | 25,917 | 34,846 |
| | (f) Depreciation and Amortisation Expense | 66,811 | 17,910 | 51,637 | 1,17,828 | 99,852 |
| | (g) Impairment Loss | 4,601 | 441 | 3,144 | 6,385 | 3,179 |
| | (h) Other expenses | 38,011 | 31,344 | 49,454 | 1,21,603 | 1,44,869 |
| | (i) Direct Input to WIP/Expenses Capitalised | 13,256 | 3,102 | 5,686 | 25,977 | 17,829 |
| | (j) Provisions | 73,063 | 28,065 | 92,532 | 1,45,026 | 1,45,327 |
| | Total Gross Expenses | 9,12,391 | 4,66,203 | 8,76,933 | 19,77,655 | 18,62,400 |
| | Less: Expenses relating to Capital and Other Accounts | 41,389 | 21,301 | 38,361 | 93,394 | 73,497 |
| | Total Expenses | 8,71,002 | 4,44,902 | 8,38,572 | 18,84,261 | 17,88,903 |
| 3 | Profit/(Loss) before Share of Profit/(Loss) of Joint Ventures, Exceptional items and Tax (1-2) | 2,16,022 | 1,06,795 | 2,02,863 | 4,27,016 | 3,85,270 |
| 4 | Share of Profit/(Loss) of Joint Ventures (JV) accounted using Equity Method | 464 | 92 | 104 | 481 | 702 |
| 5 | Profit/(Loss) before Exceptional items and Tax (3+4) | 2,16,486 | 1,06,887 | 2,02,967 | 4,27,497 | 3,85,972 |
| 6 | Exceptional item | 202 | - | - | 202 | 11,892 |
| 7 | Profit/(Loss) before tax (5+6) | 2,16,688 | 1,06,887 | 2,02,967 | 4,27,699 | 3,97,864 |
| 8 | Tax expense | | | | | |
| | (i) Current Tax | 55,000 | 9,500 | 62,124 | 64,500 | 1,18,000 |
| | (ii) Earlier Tax Refund | - | -4,933 | - | -4,933 | - |
| | (iii) Deferred Tax | -488 | 16,974 | 17,277 | 44,226 | -8,401 |
| | | 54,512 | 21,541 | 79,401 | 1,03,793 | 1,09,599 |
| 9 | Net Profit / (Loss) for the period (7-8) | 1,62,176 | 85,346 | 1,23,566 | 3,23,906 | 2,88,265 |
| 10 | Other Comprehensive Income (OCI) | | | | | |
| | A. Items that will not be reclassified to statement of Profit and Loss | | | | | |
| | (i) Remeasurements of defined benefit plans | 2,034 | -8,257 | -39,022 | -9,687 | -50,296 |
| | (ii) Share of Other Comprehensive Income of JV's accounted using Equity Method | -16 | -1 | 21 | -17 | 13 |
| | (iii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss | -513 | 2,082 | 9,803 | 2,450 | 12,679 |
| | B. Items that will be reclassified to statement of Profit and Loss | | | | | |
| | (i) Exchange differences in translating financial statements of foreign operations | - | - | - | - | - |
| | (ii) Share of Other Comprehensive Income of JV's accounted using Equity Method | - | -1 | - | - | -1 |
| | (iii) Income Tax relating to items that will be reclassified to statement of Profit and Loss | - | - | - | - | - |
| | Total Other Comprehensive Income (A+B) | 1,505 | -6,177 | -29,198 | -7,254 | -37,605 |
| 11 | Total Comprehensive Income for the period (9 + 10) | 1,63,681 | 79,169 | 94,368 | 3,16,652 | 2,50,660 |
| 12 | Profit/(Loss) for the period attributable to- | | | | | |
| | Owners of the Company | 1,62,210 | 85,347 | 1,23,570 | 3,23,946 | 2,88,282 |
| | Non Controlling interest | -34 | -1 | -4 | -40 | -17 |
| 13 | Other Comprehensive Income for the period attributable to- | | | | | |
| | Owners of the Company | 1,505 | -6,177 | -29,198 | -7,254 | -37,605 |
| | Non Controlling interest | - | - | - | - | - |
| 14 | Total Comprehensive Income for the period attributable to- | | | | | |
| | Owners of the Company | 1,63,715 | 79,170 | 94,372 | 3,16,692 | 2,50,677 |
| | Non Controlling interest | -34 | -1 | -4 | -40 | -17 |

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 31ST MARCH, 2021

Rs in Lakhs

| Sl.No | Particulars | Consolidated | | | | |
|-------|--|------------------------|------------------------|------------------------|------------------------|------------------------|
| | | Quarter ended | | Year ended | | |
| | | 31-Mar-21 (Audited) | 31-Dec-20 (Audited) | 31-Mar-20 (Audited) | 31-Mar-21 (Audited) | 31-Mar-20 (Audited) |
| 15 | Paid-up Equity Share Capital (Face Value Rs.10 each) | 33,439 | 33,439 | 33,439 | 33,439 | 33,439 |
| 16 | Other Equity excluding Revaluation Reserves | | | | 15,07,788 | 12,91,412 |
| 17 | Capital Redemption Reserve / Debenture Redemption Reserve | | | | 14,761 | 14,761 |
| 18 | Earnings per share (in Rupees) (EPS for the quarter are not annualised) | | | | | |
| | (a) Basic | 48.50 | 25.52 | 36.95 | 96.87 | 86.21 |
| | (b) Diluted | 48.50 | 25.52 | 36.95 | 96.87 | 86.21 |
| 19 | Net Worth (including Retained Earning) | | | | 15,41,618 | 13,25,282 |
| 20 | Debt Service Coverage Ratio (times) | 73.52 | 21.08 | 21.15 | 17.49 | 9.38 |
| 21 | Interest Service Coverage Ratio (times) | 73.52 | 21.08 | 21.15 | 17.49 | 12.08 |
| 22 | Debt Equity Ratio (Debt for the purpose of debt equity ratio includes short term borrowings) | 0:1 | 0.2:1 | 0.4:1 | 0:1 | 0.4:1 |

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Audited Balance Sheet:

Rs. in lakhs

| Particulars | Consolidated | |
|--|--------------------|--------------------|
| | As at 31-Mar-21 | As at 31-Mar-20 |
| | (Audited) | (Audited) |
| ASSETS | | |
| Non-current assets | | |
| (a) Property, Plant and Equipment | 6,54,701 | 6,35,059 |
| (b) Capital work - in progress | 79,156 | 86,000 |
| (c) Investment Property | 3 | 3 |
| (d) Goodwill on consolidation | - | - |
| (e) Other Intangible assets | 94,407 | 1,00,687 |
| (f) Intangible assets under development | 1,28,627 | 1,18,269 |
| (g) Invesments accounted for using the equity method | 16,096 | 15,754 |
| (h) Financial Assets | | |
| (i) Investments | 89,455 | 83,326 |
| (ii) Trade receivable | - | - |
| (iii) Contract Assets | - | - |
| (iv) Loans | 4,613 | 4,796 |
| (v) Other Financial Assets | 34,476 | 34,513 |
| (i) Deferred tax assets (Net) | 5,235 | 47,011 |
| (j) Other non-current assets | 70,686 | 62,940 |
| Total Non-current Assets | 11,77,455 | 11,88,358 |
| Current assets | | |
| (a) Inventories | 16,54,477 | 19,43,590 |
| (b) Financial Assets | | |
| (i) Investments | - | - |
| (ii) Trade receivables | 5,63,786 | 11,23,473 |
| (iii) Contract Assets | 8,34,616 | 7,84,173 |
| (iv) Cash and Cash Equivalents | 7,14,615 | 27,932 |
| (v) Bank balances other than cash and cash equivalents | 3,120 | 3,724 |
| (vi) Loans | 1,470 | 1,943 |
| (vii) Other Financial Assets | 1,05,510 | 1,21,903 |
| (c) Current Tax Assets (Net) | - | 3,531 |
| (d) Other Current Assets | 1,39,541 | 1,29,111 |
| Total Current Assets | 40,17,135 | 41,39,380 |
| TOTAL ASSETS | 51,94,590 | 53,27,738 |

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Audited Balance Sheet:

Rs. in lakhs

| Particulars | Consolidated | |
|--|--------------------|--------------------|
| | As at 31-Mar-21 | As at 31-Mar-20 |
| | (Audited) | (Audited) |
| <u>EQUITY AND LIABILITIES</u> | | |
| <u>EQUITY</u> | | |
| (a) Equity Share capital | 33,439 | 33,439 |
| (b) Other Equity | 15,07,788 | 12,91,412 |
| (c) Non-Controlling Interest | 391 | 431 |
| Total Equity | 15,41,618 | 13,25,282 |
| <u>LIABILITIES</u> | | |
| Non-current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | - | - |
| (ii) Trade Payables | - | - |
| (iii) Other financial liabilities | 49,560 | 55,207 |
| (b) Provisions | 1,21,572 | 1,28,875 |
| (c) Deferred Tax Liabilities (Net) | - | - |
| (d) Other Non-Current Liabilities | 9,30,769 | 7,05,654 |
| Total Non-Current Liabilities | 11,01,901 | 8,89,736 |
| Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 907 | 5,88,650 |
| (ii) Trade Payables | | |
| Total outstanding dues of micro enterprises and small Enterprises | 4,698 | 4,779 |
| Total outstanding dues of creditors other than micro enterprises and Small Enterprises | 2,19,404 | 4,03,595 |
| (iii) Other Financial liabilities | 1,96,748 | 2,50,539 |
| (b) Other Current Liabilities | 16,89,422 | 13,02,889 |
| (c) Provisions | 3,97,638 | 5,04,192 |
| (d) Current Tax Liabilities (Net) | 42,254 | 58,076 |
| Total Current Liabilities | 25,51,071 | 31,12,720 |
| TOTAL EQUITY AND LIABILITIES | 51,94,590 | 53,27,738 |

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Consolidated Statement of Cash Flow

(Rs in Lakhs)

| SI. No. | Particulars | For the | |
|---------|--|-------------------------------|-------------------------------|
| | | Year ended 31st March 2021 | Year ended 31st March 2020 |
| A | Cash flow from Operating activities | | |
| | Profit for the year | 323906 | 288265 |
| | Adjustments to reconcile net profit to net cash provided by operating activities | | |
| | Income Tax expense | 103793 | 109599 |
| | (Gain)/Loss on sale of Property, Plant & Equipment | -12 | -23 |
| | Finance cost | 25917 | 34846 |
| | Interest Income | -8923 | -6629 |
| | Share of Profit or Loss of Joint Venture | -481 | -702 |
| | Other Adjustments | -14 | 22 |
| | Net (Gain)/Loss on Fair Value Adjustment | 64 | 37 |
| | Depreciation, amortization and impairment expense | 124213 | 103031 |
| | Provision for Impairment in Value of Investments | 25 | 133 |
| | Provision for Doubtful Debts | 1426 | 3767 |
| | Provision for Doubtful Claims | 2955 | 3342 |
| | Provision for Replacement and Other charges | 21175 | 46328 |
| | Provision for Warranty | 32561 | 21384 |
| | Provision for Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials and Inventory - Warranty | 43009 | 18213 |
| | Provision for Liquidated Damages | 43875 | 52160 |
| | Provision for Onerous Contract | -32183 | -20721 |
| | Operating Profit Before Working Capital Changes | 681306 | 653052 |
| | Adjustments for: | | |
| | (Increase)/decrease in Trade Receivables | 507818 | -188381 |
| | (Increase)/decrease in Loans, Financial Assets and Other Assets | -21740 | -3002 |
| | (Increase)/decrease in Inventories | 246104 | 4623 |
| | Increase/(decrease) in Trade Payables | -184272 | 145450 |
| | Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities | 368914 | -277013 |
| | Cash generated from Operations | 1598130 | 334729 |
| | Income Taxes Paid | -71858 | -181990 |
| | Net Cash (used in)/generated from Operating Activities (A) | 1526272 | 152739 |
| B | Cash flow from Investing activities | | |
| | Purchase of Property, Plant & Equipment | -76298 | -89023 |
| | Purchase of Intangible Assets | -55430 | -49049 |
| | Proceeds from sale of Property, Plant & Equipment | 123 | 157 |
| | Investment in Joint Ventures | | -100 |
| | Purchase of other non current Investments | -6129 | -7592 |
| | Purchase of other current Investments | | |
| | Proceeds from maturity of short term deposits | 604 | 5955 |
| | Interest Received | 8923 | 6629 |
| | Dividend Received from Joint Ventures | 111 | 135 |
| | Share application money refunded/(paid) by Joint Venture | 1000 | -1000 |
| | Net Cash (used in)/generated from Investing Activities (B) | -127096 | -133888 |
| C | Cash flow from Financing Activities | | |
| | Repayment of Borrowings-Current (Net) | -585980 | 175267 |
| | Payment of Lease Liabilities | -297 | -6 |
| | Interest paid | -25900 | -34829 |
| | Dividend Paid | -100316 | -134038 |
| | Net Cash (used in)/generated from Financing Activities (C) | -712493 | 6394 |
| D | Effect of Exchange differences on translation of foreign currency cash and cash equivalents | | |
| | Net increase/(decrease) in Cash and Cash Equivalents (A+B+C+D) | 686683 | 25245 |
| | Add: Cash and Cash Equivalents at the beginning of the year | 27932 | 2687 |
| | Cash and Cash Equivalents at the end of the year | 714615 | 27932 |

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"

2. Cash & Cash equivalent include Short Term Deposits with Bank

3. Purchase of Fixed Assets are stated inclusive of capital work-in-progress between the beginning and end of the period

4. Previous year figures are rearranged or regrouped wherever necessary

5.. Cash and Cash Equivalents are available fully for use

Consolidated Notes:

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1. The above results have been reviewed and recommended by the Audit Committee in its meeting held on 28.06.2021 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 year ended 31 March, 2021.
3. COVID-19 Impact

Current year Impact:

Due to lockdown imposed to contain the spread of COVID-19 pandemic, the Group's manufacturing facilities were temporarily shut down during April 2020. The activities resumed from 28th April 2020 with precautions, reduced availability of manpower and disrupted supply chain, resulting in lower turnover and consequent lower profit during the first half of the financial year 2020-21. However during the second half of the financial year 2020-21 near normalcy is restored in the operations. The Group improved its turnover and profitability as compared to the financial year 2019-20.

Anticipated Future Impact:

Based on the information available (internal as well as external) up to the date of approval of this financial result, Group expects to recover the carrying amount of Intangible assets, Inventories, Property, Plant and Equipment's, Lease, Financial Instruments, Trade Receivables etc. Efforts are being made to minimize the impact. The Group will continue to closely monitor the developments, the future economic and business outlook and its impact on Group's future financial statements with a view to minimize the Covid impact.

Second Wave of Covid-19 Impact:

Second wave of Covid-19 has forced the Group to declare for a phased lockdown at various Divisions on substitution basis during April and May 2021. The employees will put in additional hours for the hours lost during lockdown period. It is, therefore, expected that the lost man hours will be recovered in the coming months, hence, no significant impact is anticipated.

4. Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23rd February 2018 has exempted the Government companies engaged in defence production to the extent of application of Ind AS 108 on "Operating Segment".
5. Revision of pay scales of executives and workmen, with effect from 01.01.2017 was implemented in accordance with the guidance issued by DPE vide OM dated 03.08.2017 for Executives and in accordance with the Wage Agreement entered between Management and Employees Union representative in 2019-20 in respect of Workmen.

On an interpretation on pay refixation and pursuant to the directives of the Administrative Ministry, the pay fixation is being revised and the excess amount paid is to be recovered from the employees.

This has resulted in reduction of salaries and wages by Rs.14450 lakhs and a consequential reduction in sales revenue by Rs.5677 lakhs.

17/35

As the effect of the above is given in the quarter ended 31 March, 2021, further amount of Rs.3691 lakhs relating to first three quarters of the current year are adjusted in the quarter ended 31.03.2021.

6. Consequent to restatement, the corresponding annual results of the previous year is restated. Reconciliation of the net profit/ other equity reported in accordance with previous audited financials for year ended 31.03.2020 is given below-

| S.NO | PARTICULARS | Rs in Lakhs | |
|------|--|-----------------------|------------------------|
| | | PROFIT RECONCILIATION | RESERVE RECONCILIATION |
| | | CONSOLIDATED | CONSOLIDATED |
| | | YEAR ENDED 31.03.2020 | AS AT 31.03.2020 |
| 1 | PAT as per audited accounts | 287300 | 1324317 |
| 2 | Recognition of Revenue on repair of Accessories and supply of Spares pertaining to 2019-20 | 965 | 965 |
| 3 | Profit as per restated accounts | 288265 | 1325282 |

7. The Commercial Papers (listed) issued by the Group outstanding as on March 31, 2021 is Rs. Nil lakhs (As on March 31, 2020: Rs.150000 lakhs). Details of listed commercial papers in terms of the requirements of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as follows-

| Sl No | ISIN No | Credit Rating | Previous Due Date (01.04.2020 to 31.03.2021) | | | Next Due Date | | |
|-------|--------------|--------------------|---|----------|---------------------------|---------------|----------|---------------------------|
| | | | Principal | Interest | Whether paid on due dates | Principal | Interest | Whether paid on due dates |
| 1 | INE066F14023 | ICRA A1+, CARE A1+ | 17-06-2020 | NA | YES | - | - | - |
| 2 | INE066F14031 | ICRA A1+, CARE A1+ | 15-09-2020 | NA | YES | - | - | - |
| 3 | INE066F14049 | ICRA A1+, CARE A1+ | 14-12-2020 | NA | YES | - | - | - |
| 4 | INE066F14056 | CARE A1+, ICRA A1+ | 15-03-2021 | NA | YES | - | - | - |

8. Notes specific to Joint Ventures

(i) In respect of HATSOFF Helicopter Training Private Limited

Going Concern

The Company has made a net profit of Rs.1086.86 Lakhs during the period ended 31 March, 2021 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 31 March, 2021 is negative by Rs.4196.22 Lakhs (as at 31 March, 2020 negative by Rs.5283.08 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 multi-year 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 September 2020 and continues to service interest commitments regularly. Besides interest payment, ECB principal of Rs.1222.26 Lakhs (US\$ 1,635,452.39) in August 2020 and Rs.398.61 Lakhs (US\$ 545,000) in April 2021 has been repaid against ECB overdue instalments.
- 5) 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 Company's requirements and procure orders for execution, management is of the opinion that Company is a going concern.

(ii) In respect of HALBIT Avionics Private Ltd

The Company has the following conditions that may cast doubt on its ability to continue as a going concern viz., Net liability position (Rs.1164 lakhs as at 31 March, 2021 and Rs.1202 lakhs as at March 31, 2020); Net current liability position (Rs.1239 lakhs for the year ended 31 March, 2021 and Rs.1281 lakhs for the year ended 31 March, 2020). 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.

(iii) In respect of TATA HAL Technologies Ltd

During the year 2019-20 both the joint venturers 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 09 March, 2020 during which the Board has accorded in principle approval for closure of the operations of the Company on 31 March, 2020 except for pending work related to Purchase Order from HAL. Considering the above fact the

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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 Company expects to settle the liability. The accounts for the corresponding previous period ended 31 March, 2020 have been prepared on a going concern basis.

(iv) In respect of Infotech HAL Ltd

On July 22, 2020, the Board decided to discontinue the operations of the Company after completion of all ongoing projects and as of now, the management has no intention of reviving the operations or for exploring other business opportunities.

The Company has discontinued its operations and has no intention to revive the business. Accordingly, these financial statements have been prepared under the liquidation basis of accounting. The carrying values of all assets are presented at their estimated realizable values and all liabilities are presented at their estimated settlement amounts as at March 31, 2021 as determined by the Company's management, which are subject to change upon actual realization / settlement.

(v) 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.

9. HAL Edgewood Technologies Private Limited , is a Joint venture company of Hindustan Aeronautics Limited, has vide their letter dated 09.07.2020, intimated their employees regarding the official closure of the company with immediate effect due to the spread of Covid 19-Pandemic.
The Joint Venture Company has not prepared the financial statements for the year ended March 31, 2021 due to the abovementioned reason.
Hence, HAL Edgewood Technologies Private Limited, has not been considered for consolidation for the year ended March 31, 2021, in the Consolidated Financial Statements.
The impact of non-consolidation, however, is not material.
10. The Government of India, on 27/08/2020 – 28/08/2020 made an offer for sale (OFS) upto 15% of the paid up equity share capital, out of its shareholding of 89.97%, in order to achieve the mandatory threshold of 25% minimum public shareholding by a listed Company. Consequent to the OFS, the Government of India shareholding stands at 75.15%.
11. Pursuant to the Order passed giving effect to the orders of the Appellate authority, Rs.4933 lakhs provision no longer required was credited under Tax expense and consequent interest income of Rs.4792 lakhs was included in other income for the quarter ended 31 December, 2020.

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12. The profit after tax for the year ended 31 March, 2021 is not comparable with profit after tax for the year ended 31 March, 2020 due to the following reasons-
 - a) Profit for the year ended 31 March, 2020 includes an additional provisioning of Rs.21195 lakhs, consequent to settlement of workmen wage revision, for the period 01.01.2017 to 31.03.2019 and the same was recognized in "Employee Benefit Expense".
 - b) The Profit after Tax (PAT) for the year ended 31.03.2020, is after a onetime write back of Rs.20150 lakhs of deferred tax liability consequent to the reduction in applicable tax rate.
13. The Board of Directors of the Company, at its meeting held on 9 December, 2020 and 26 February, 2021, declared first and second interim dividend of Rs.15 per equity share respectively i.e a total interim dividend of Rs.30 per equity share of Rs.10 each fully paid up (300%) for the Financial Year 2020-21.
14. The approved financial statements are subject to supplementary audit by C&AG under section 143 (6) (b) of the Companies Act, 2013.
15. The financial results include the results for the quarter ended 31st March 2021 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.

CHINAKAVANA
M BHOOPATHI
ANANTHAKRISHNAN
HNAN

RAJAGOPALAN
AN
MADHAVAN

For Maharaj N R Suresh and Co., LLP

CB ANANTHAKRISHNAN

R MADHAVAN

Chartered Accountants,

Director (Finance) & CFO

Chairman & Managing Director

Firm Registration.

DIN: 06761339

DIN: 08209860

No.01931S/S000020

NARASIMHA
RAMAMURTHY SURESH

CA N R Suresh

Partner

Membership No. 021661

Place: Bengaluru

Date: 28.06.2021

Gajjala
Venkata Seshu
Reddy

G.V. SETHA 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 31st March 2021, and the year to date results for the period from 01.04.2020 to 31.03.2021 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 31st March 2021 as well as the year to date results for the period from 01.04.2020 to 31.03.2021.

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.



Emphasis of Matter

1) **Due to Covid – 19 pandemic - Second Wave**, lockdown and restrictions on travel and resources deployment were imposed by the Central / State Government, State Local authorities during the period of Audit. As a result, complete onsite (physical) audit could not be conducted in certain divisions and therefore, we have relied on the schedules / notes / approvals/ other supporting evidences that were made available to us through e-mails and other technology platforms to complete the audit . Consequently, we relied on alternate audit procedure as per Standards on Auditing prescribed by ICAI.

Our opinion on Standalone financial results is not modified in respect of the above matter.

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

a) Note:3

COVID-19 Impact

Current year Impact:

Due to lockdown imposed to contain the spread of COVID-19 pandemic, the Company's manufacturing facilities were temporarily shut down during April 2020. The activities resumed from 28th April 2020 with precautions, reduced availability of manpower and disrupted supply chain, resulting in lower turnover and consequent lower profit during the first half of the financial year 2020-21. However during the second half of the financial year 2020-21 near normalcy is restored in the operations. The Company improved its turnover and profitability as compared to the financial year 2019-20.

Anticipated Future Impact:

Based on the information available (internal as well as external) up to the date of approval of this financial result, Company expects to recover the carrying amount of Intangible assets, Inventories, Property, Plant and Equipment's, Lease, Financial Instruments, Trade Receivables etc. Efforts are being made to minimize the impact. The Company will continue to closely monitor the developments, the future economic and business outlook and its impact on Company's future financial statements with a view to minimize the Covid impact.



Second wave of Covid impact

Second wave of Covid-19 has forced the company to declare for a phased Lockdown at various divisions on substitution basis during April and May 2021. The Employees will put in additional hours for the lost hours during lockdown period. It is therefore, expected that the lost man hours will be recovered in the coming months, hence no significant impact is anticipated.

c) Note no 5

Revision of pay scales of executives and workmen, with effect from 01.01.2017 was implemented in accordance with the guidance issued by DPE vide OM dated 03.08.2017 for Executives and in accordance with the Wage Agreement entered between Management and Employees Union representative in 2019-20 in respect of Workmen.

On an interpretation on Pay refixation and pursuant to the directives of Administrative Ministry, the pay fixation is being revised and the excess amount paid is to be recovered from Employees.

This has resulted in reduction of Salaries and wages by Rs.14450 lakhs and a Consequential reduction in sales revenue by Rs 5677 Lakhs.

As the effect of the above is given in the Quarter ended March 2021, further amount of Rs 3691 Lakhs relating to first three quarters of the Current year are adjusted in the Quarter ended 31.03.2021.

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

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 there under 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.

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.

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 77 916 lakhs, net profit of Rs 4 02 472 lakhs for the Year ended 31st March 2021, 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.



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Our opinion is not modified in respect of these matters.

For Maharaj N R Suresh and Co LLP
Chartered Accountants
FRN NO:001931S/S000020

NARASIMHA
RAMAMURTHY
SURESH

Digitally signed by NARASIMHA
RAMAMURTHY SURESH
Date: 2021.06.28 13:42:09
+05'30'

Place:Chennai
Date:28.06.2021

N R Suresh
Partner
M.NO 0121661
UDIN:21021661AAAAAW5567



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 Quarter ended 31st March 2021 and the year to date results for the period from 01.04.2020 to 31.03.2021, 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) |
| | Joint Ventures |
| 1 | BAe-HAL Software Ltd |
| 2 | Safran HAL Aircraft Engines Private Ltd |
| 3 | Indo Russian Aviation Ltd |
| 4 | HALBIT Avionics Pvt. Ltd |
| 5 | SAMTEL HAL Display Systems Ltd |
| 6 | INFOTECH HAL Ltd |
| 7 | HATSOFF Helicopter Training Pvt. Ltd. |
| 8 | TATA HAL Technologies Ltd |
| 9 | International Aerospace Manufacturing Pvt.Ltd. |
| 10 | Multirole Transport Aircraft Ltd |
| 11 | Helicopter Engines MRO Pvt. Ltd |

- 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 consolidated total comprehensive income and other financial information of the group for the Quarter ended 31st March 2021 and the year to date results for the period from 01.04.2020 to 31.03.2021.



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

1) Due to Covid – 19 pandemic - Second Wave, lockdown and restrictions on travel and resources deployment were imposed by the Central / State Government, State Local authorities during the period of Audit. As a result, complete onsite (physical) audit could not be conducted in certain divisions of the parent company and therefore, we have relied on the schedules / notes / approvals/ other supporting evidence that were made available to us through e-mails and other technology platforms to complete the audit. Consequently, we relied on alternate audit procedure as per Standards on Auditing prescribed by ICAI.

Our opinion on Standalone financial results is not modified in respect of the above matter.

2) Attention is invited to Notes to Financial Results extracted below:

a) Note : 3

COVID-19 Impact

Current year Impact:

Due to lockdown imposed to contain the spread of COVID-19 pandemic, the Company's manufacturing facilities were temporarily shut down during April 2020. The activities resumed from 28th April 2020 with precautions, reduced availability of manpower and disrupted supply chain, resulting in lower turnover and consequent lower profit during the first half of the financial year 2020-21. However during the second half of the financial year 2020-21 near normalcy is restored in the operations. The Company improved its turnover and profitability as compared to the financial year 2019-20.

Anticipated Future Impact:

Based on the information available (internal as well as external) up to the date of approval of this financial result, Company expects to recover the carrying amount of Intangible assets, Inventories, Property, Plant and Equipment's, Lease, Financial Instruments, Trade Receivables etc. Efforts are being made to minimize the impact. The Company will continue to closely monitor the developments, the future economic and business outlook and its impact on Company's future financial statements with a view to minimize the Covid impact.



Second wave of Covid impact

Second wave of Covid-19 has forced the company to declare for a phased Lockdown at various divisions on substitution basis during April and May 2021. The Employees will put in additional hours for the hours lost during lockdown period. It is therefore, expected that the lost man hours will be recovered in the coming months, hence no significant impact is anticipated.

b) Note no 5

Revision of pay scales of executives and workmen, with effect from 01.01.2017 was implemented in accordance with the guidance issued by DPE vide OM dated 03.08.2017 for Executives and in accordance with the Wage Agreement entered between Management and Employees Union representative in 2019-20 in respect of Workmen.

On an interpretation on Pay refixation and pursuant to the directives of Administrative Ministry, the pay fixation is being revised and the excess amount paid is to be recovered from Employees.

This has resulted in reduction of Salaries and wages by Rs.14450 lakhs and a Consequential reduction in sales revenue by Rs 5677 Lakhs.

As the effect of the above is given in the Quarter ended March 2021, further amount of Rs 3691 Lakhs relating to first three quarters of the Current year are adjusted in the Quarter ended 31.03.2021.

c) Note no 8

- Notes to Specific to Joint Ventures

(i) In respect of HATSOFF Helicopter Training Private Limited

Going Concern

The Company has made a net profit of Rs.1086.86 Lakhs during the period ended 31 March, 2021 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 31 March, 2021 is negative by Rs.4196.22 Lakhs (as at 31 March, 2020 negative by Rs.5283.08 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 multi-year 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 up to 05th September 2020 and continues to service interest commitments regularly. Besides interest payment, ECB principal of Rs.1222.26 Lakhs (US\$ 1,635,452.39) in August 2020 and Rs.398.61 Lakhs (US\$ 545,000) in April 2021 has been repaid against ECB overdue instalments.
- 5) 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 Company's requirements and procure orders for execution, management is of the opinion that Company is a going concern.

(ii) In respect of HALBIT Avionics Private Ltd

The Company has the following conditions that may cast doubt on its ability to continue as a going concern viz., Net liability position (Rs.1164 lakhs as at 31 March, 2021 and Rs.1202 lakhs as at March 31, 2020); Net current liability position (Rs.1239 lakhs for the year ended 31 March, 2021 and Rs.1281 lakhs for the year ended 31 March, 2020). 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.

(iii) In respect of TATA HAL Technologies Ltd

During the year 2019-20 both the joint venturers 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 09 March, 2020 during which the Board has accorded in principle approval for closure of the operations of the Company on 31 March, 2020 except for pending work related to Purchase Order from HAL. Considering the above fact the 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 Company expects to settle the liability. The accounts for the corresponding previous period ended 31 March, 2020 have been prepared on a going concern basis.

(iv) In respect of Infotech HAL Ltd

On July 22, 2020, the Board decided to discontinue the operations of the Company after completion of all ongoing projects and as of now, the management has no intention of reviving the operations or for exploring other business opportunities.

The Company has discontinued its operations and has no intention to revive the business. Accordingly, these financial statements have been prepared under the liquidation basis of accounting. The carrying values of all assets are presented at their estimated realizable values and all liabilities are presented at their estimated settlement amounts as at March 31, 2021 as determined by the Company's management, which are subject to change upon actual realization / settlement.

(v) 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.

(vi) HAL Edgewood Technologies Private Limited, is a Joint venture company of Hindustan Aeronautics Limited, has vide their letter dated 09.07.2020, intimated their



employees regarding the official closure of the company with immediate effect due to the spread of Covid 19-Pandemic.

The Joint Venture Company has not prepared the financial statements for the year ended March 31, 2021 due to the abovementioned reason.

Hence, HAL Edgewood Technologies Private Limited, has not been considered for consolidation for the year ended March 31, 2021, in the Consolidated Financial Statements.

The impact of non-consolidation, however, is not material.

Our opinion is not modified in respect of the above matters

Management 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 Recognition and measurement principles laid down in 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, whose Financial Statements/ Financial Results/ financial information reflects Group's share of total assets of Rs. 4414 Lakhs as at 31.03.2021, Group's share of total revenue of Rs.417 lakhs and Rs 593 lakhs and Group's share of total net loss after tax of Rs (38) lakhs and Rs. (1184) lakhs for the quarter ended 31.03.2021 and for the period from 01.04.2020 to 31.03.2021 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. 464 lakhs and Rs.481 Lakhs for the quarter ended 31.03.2021 and for the period from 01.04.2020 to 31.03.2021 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.



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The financial Results include the results for the quarter ended 31st 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.

For Maharaj N R Suresh and Co LLP
Chartered Accountants
FRN NO:001931S/S000020

NARASIMHA RAMAMURTHY
SURESH

Digitally signed by NARASIMHA RAMAMURTHY
SURESH
Date: 2021.06.28 13:40:53 +05'30'

N R Suresh
Partner

Place:Chennai
Date:28.06.2021

M.NO 0121661

UDIN:21021661AAAAAX6146



HINDUSTAN AERONAUTICS LIMITED
 Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001
 CIN : L3501KA1963GOI001622, 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, 2021

| S. No | Particulars | Standalone | | | Consolidated | | |
|-------|--|---------------|-----------|------------|---------------|-----------|------------|
| | | Quarter ended | | Year ended | Quarter ended | | Year ended |
| | | Audited | Audited | Audited | Audited | Audited | Audited |
| | | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 | 31-Mar-21 | 31-Mar-20 | 31-Mar-21 |
| 1 | Total Income from Operations | 10,73,821 | 10,25,166 | 22,75,458 | 10,73,874 | 10,25,172 | 22,75,454 |
| 2 | Other Income | 13,178 | 16,219 | 35,867 | 13,150 | 16,263 | 35,823 |
| 3 | Income from Operations | 10,86,999 | 10,41,385 | 23,11,325 | 10,87,024 | 10,41,435 | 23,11,277 |
| 4 | Net Profit/(Loss) for the period (before Tax and Exceptional Items) | 2,15,790 | 2,02,011 | 4,26,887 | 2,16,486 | 2,02,967 | 4,27,497 |
| 5 | Net Profit/(Loss) for the period before Tax (after Exceptional Items) | 2,15,992 | 2,02,011 | 4,27,089 | 2,16,688 | 2,02,967 | 4,27,699 |
| 6 | Net Profit/(Loss) for the period after Tax (after Exceptional Items) | 1,61,480 | 1,22,610 | 3,23,296 | 1,62,176 | 1,23,566 | 3,23,906 |
| 7 | Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)] | 1,63,008 | 93,462 | 3,16,013 | 1,63,681 | 94,368 | 3,16,652 |
| 8 | Paid-up Equity Share Capital (Face value - Rs.10 each) | 33,439 | 33,439 | 33,439 | 33,439 | 33,439 | 33,439 |
| 9 | Other Equity excluding revaluation reserves | - | - | 15,02,216 | - | - | 15,07,788 |
| 10 | Capital Redemption Reserve / Debenture Redemption Reserve | - | - | 14,761 | - | - | 14,761 |
| 11 | Earnings Per Share (Face value of Rs.10/- each) (EPS for the quarter are not annualised) (in Rs.) | | | | | | |
| | (i) Basic | 48.29 | 36.67 | 96.68 | 48.50 | 36.95 | 96.87 |
| | (ii) Diluted | 48.29 | 36.67 | 96.68 | 48.50 | 36.95 | 96.87 |
| 12 | Net Worth (including Retained Earning) | - | - | 15,35,655 | - | - | 15,41,618 |
| 13 | Debt Service Coverage Ratio (times) | 73.34 | 21.06 | 17.48 | 73.52 | 21.15 | 17.49 |
| 14 | Interest Service Coverage Ratio (times) | 73.34 | 21.06 | 17.48 | 73.52 | 21.15 | 17.49 |
| 15 | Debt Equity Ratio (Debt for the purpose of debt equity ratio includes short term borrowings) | 0:1 | 0.4:1 | 0:1 | 0:1 | 0.4:1 | 0:1 |

Notes:

- The above is an extract of the detailed format of quarterly and year end audited 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 audited financial results are available on the Stock Exchange websites i.e. www.bseindia.com & www.nseindia.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 quarter and year ended 31st March 2021.
- COVID-19 Impact**
Current year Impact:
 Due to lockdown imposed to contain the spread of COVID-19 pandemic, the Company's manufacturing facilities were temporarily shut down during April 2020. The activities resumed from 28th April 2020 with precautions, reduced availability of manpower and disrupted supply chain, resulting in lower turnover and consequent lower profit during the first half of the financial year 2020-21. However during the second half of the financial year 2020-21 near normalcy is restored in the operations. The Company improved its turnover and profitability as compared to the financial year 2019-20.
Anticipated Future Impact:
 Based on the information available (internal as well as external) up to the date of approval of this financial result, Company expects to recover the carrying amount of Intangible assets, Inventories, Property, Plant and Equipment's, Lease, Financial Instruments, Trade Receivables etc. Efforts are being made to minimize the impact. The Company will continue to closely monitor the developments, the future economic and business outlook and its impact on Company's future financial statements with a view to minimize the Covid impact.
Second Wave of Covid-19 Impact:
 Second wave of Covid-19 has forced the Company to declare for a phased lockdown at various Divisions on substitution basis during April and May 2021. The employees will put in additional hours for the hours lost during lockdown period. It is, therefore, expected that the lost man hours will be recovered in the coming months, hence, no significant impact is anticipated.
- The Government of India, on 27/08/2020 – 28/08/2020 made an offer for sale (OFS) upto 15% of the paid up equity share capital, out of its shareholding of 89.97%, in order to achieve the mandatory threshold of 25% minimum public shareholding by a listed Company. Consequent to the OFS, the Government of India shareholding stands at 75.15%.
- Revision of pay scales of executives and workmen, was implemented with effect from 01.01.2017. On an interpretation on pay refixation and pursuant to the directives of the Administrative Ministry, the pay fixation is being revised and the excess amount paid is to be recovered from the employees.
 This has resulted in reduction of salaries and wages by Rs.14450 lakhs and a consequential reduction in sales revenue by Rs.5677 lakhs.
 As the effect of the above is given in the quarter ended 31 March, 2021, further amount of Rs.3691 lakhs relating to first three quarters of the current year are adjusted in the quarter ended 31.03.2021.
- The profit after tax for the year ended 31 March, 2021 is not comparable with profit after tax for the year ended 31 March, 2020 due to the following reasons-
 a) Profit for the year ended 31 March, 2020 includes an additional provisioning of Rs.21195 lakhs, consequent to settlement of workmen wage revision, for the period 01.01.2017 to 31.03.2019 and the same was recognized in "Employee Benefit Expense".
 b) The Profit after Tax (PAT) for the year ended 31.03.2020, is after a onetime write back of Rs.20150 lakhs of deferred tax liability consequent to the reduction in applicable tax rate.
- The Board of Directors of the Company, at its meeting held on 9 December, 2020 and 26 February, 2021, declared first and second interim dividend of Rs.15 per equity share respectively i.e a total interim dividend of Rs.30 per equity share of Rs.10 each fully paid up (300%) for the Financial Year 2020-21.
- The approved financial statements are subject to supplementary audit by C&AG under section 143 (6) (b) of the Companies Act, 2013.
- Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, where ever necessary.