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

CO/SEC/4(7)/2019/ BSE & NSE Filing/16

13th August, 2019

BSE Limited Listing Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd Listing Department Exchange Plaza, 5 th 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 ended 30th June, 2019**

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

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 ended 30th June, 2019.

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

- Statement showing the Audited Financial Results (Standalone and Consolidated) for the quarter ended 30th June, 2019. (Annexure-I);
- Auditors' Report on the Audited Financial Results (Standalone and Consolidated) (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 ended 30th June, 2019 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 (ದೂರವಾಣಿ) Ph. : +91-80-2232 0001, 2232 0475, ಫ್ಯಾಕ್ಸ್ (ಫ್ಯಾಕ್ಸ್) Fax : +91-80-2232 0758

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CIN:L35301KA1963GOI001622

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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 1200 hours and concluded at 1800 hours for the day. The meeting will resume tomorrow for discussing remaining Agenda items.
6. Kindly acknowledge the receipt.

Thanking you,

Yours Faithfully
For Hindustan Aeronautics Ltd



(G V Sesa Reddy)
Company Secretary & Compliance Officer

Encl: As stated above.

HINDUSTAN AERONAUTICS LIMITED

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

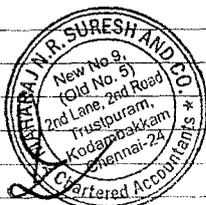
Annexure - I

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

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

Rs in Lakhs

Sl.No	Particulars	Standalone			
		Quarter ended			Year ended
		30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
		(Audited)	(Audited)	(Audited)	(Audited)
1	Income from Operations				
	(a) Revenue from operations	3,29,164	10,04,457	2,81,396	19,89,412
	(b) Other Income	5,931	11,878	13,009	37,611
	Total Income	3,35,095	10,16,335	2,94,405	20,27,023
2	Expenses				
	(a) Cost of materials consumed	1,24,855	2,62,193	1,01,036	7,35,668
	(b) Purchase of stock-in-trade	8,842	12,276	2,372	30,749
	(c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap	-35,841	2,44,543	-12,268	1,16,740
	(d) Employee benefits expense	1,02,835	1,27,146	1,05,362	4,29,517
	(e) Finance Costs	7,671	13,368	624	16,960
	(f) Depreciation and Amortisation Expense	11,832	50,398	15,098	1,02,849
	(g) Impairment Loss	5	24,334	131	24,909
	(h) Other expenses	33,075	51,194	47,393	1,61,572
	(i) Direct Input to WIP/Expenses Capitalised	3,500	14,839	7,475	30,258
	(j) Provisions	13,363	75,866	13,648	1,30,001
	Total Gross Expenses	2,70,137	8,76,157	2,80,871	17,79,223
	Less: Expenses relating to Capital and Other Accounts	6,860	57,240	38,207	1,14,964
	Total Expenses	2,63,277	8,18,917	2,42,664	16,64,259
3	Profit/(Loss) before Share of Profit/(Loss) of Joint Ventures, Exceptional items and Tax (1-2)	71,818	1,97,418	51,741	3,62,764
4	Profit/(Loss) before Exceptional items and Tax	71,818	1,97,418	51,741	3,62,764
5	Exceptional items	10,163			
6	Profit/(Loss) before tax (4+5)	81,981	1,97,418	51,741	3,62,764
7	Tax expense				
	(i) Current Tax	21,830	1,03,697	16,919	1,58,629
	(ii) Earlier Tax	-	982	-	982
	(iii) Deferred Tax	3,537	-24,990	-1,232	-25,091
		25,367	79,689	15,687	1,34,520



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HINDUSTAN AERONAUTICS LIMITED

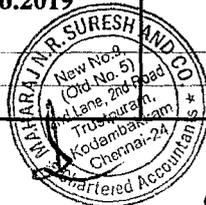
Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001

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

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

Rs in Lakhs

Sl.No	Particulars	Standalone			
		Quarter ended			Year ended
		30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
		(Audited)	(Audited)	(Audited)	(Audited)
8	Net profit / (Loss) for the period (5-6)	56,614	1,17,729	36,054	2,28,244
9	Other Comprehensive Income (OCI)				
	A. Items that will not be reclassified to statement of Profit and Loss				
	(i) Remeasurements benefit of defined benefit plans	-8,100	-1,993	-1,195	-8,962
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method				
	(iii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss	2,830	697	418	3,132
	B. Items that will be reclassified to statement of Profit and Loss				
	(i) Exchange differences in translating financial statements of foreign operations	1	-	-4	9
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method				
	(iii) Income Tax relating to items that will be reclassified to statement of Profit and Loss	-	-	1	-3
		-5,269	-1,296	-780	-5,824
10	Total comprehensive income for the period (7 + 8)	51,345	1,16,433	35,274	2,22,420
11	Paid-up Equity Share Capital (Face Value Rs.10 each)	33,439	33,439	33,439	33,439
12	Other Equity excluding Revaluation Reserves				10,51,413
13	Earnings per share (in Rupees) (EPS for quarter ended 30.06.2019 31.03.2019 and 30.06.2018 is not annualised)				
	(a) Basic	16.93	35.21	10.78	68.26
	(b) Diluted	16.93	35.21	10.78	68.26



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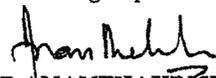
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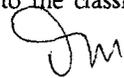
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Stand alone Notes:

1. The above results have been reviewed & recommended by the Audit Committee in its meeting held on 13.08.2019 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.
3. Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23rd February 2018 has exempted the government companies engaged in defense production to the extent of application of Accounting Standard 108- "Segment Reporting".
4. 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 quarter ended 30th June, 2019.
5. Exceptional item of Rs. 10163 Lakhs represents compensation received from the Office of Special Land Acquisition Officer, Bangalore under KIADB Act, on acquisition of 12,304.64 Sq. Mtrs (3.04 Acres) of HAL land at Beninganahalli Village, Bangalore by M/S Bangalore Metro Rail Corporation Ltd.
6. The Company hereby declares that the Auditors have issued their Audit Report for Standalone Financial statements with unmodified opinion for the period ended 30th June, 2019.
7. Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, where 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


G.V. SESA REDDY
Company Secretary

Membership No 021661
Place: Bangalore
Date: 13th August, 2019



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HINDUSTAN AERONAUTICS LIMITED

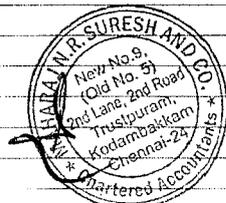
Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001

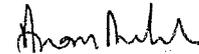
CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

Rs in Lakhs

Sl.No	Particulars	Consolidated			
		Quarter ended			Year ended
		30-Jun-19 (Audited)	31-Mar-19 (Audited)	30-Jun-18 (Audited)	31-Mar-19 (Audited)
1	Income from Operations				
	(a) Revenue from operations	3,29,144	10,04,444	2,81,382	19,89,388
	(b) Other Income	5,973	11,940	12,929	37,611
	Total Income	3,35,117	10,16,384	2,94,311	20,26,999
2	Expenses				
	(a) Cost of materials consumed	1,24,797	2,62,102	1,01,245	7,35,543
	(b) Purchase of stock-in-trade	8,842	12,276	2,372	30,749
	(c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap	-35,841	2,44,544	-12,254	1,16,754
	(d) Employee benefits expense	1,03,211	1,27,636	1,05,743	4,31,103
	(e) Finance Costs	7,671	13,368	624	16,960
	(f) Depreciation and Amortisation Expense	11,844	50,418	15,114	1,02,928
	(g) Impairment Loss	5	24,334	131	24,909
	(h) Other expenses	33,142	51,257	47,458	1,61,830
	(i) Direct Input to WIP/Expenses Capitalised	3,500	14,840	7,475	30,264
	(j) Provisions	13,363	75,866	13,648	1,30,001
	Total Gross Expenses	2,70,534	8,76,641	2,81,556	17,81,041
	Less: Expenses relating to Capital and Other Accounts	6,860	57,240	38,207	1,14,964
	Total Expenses	2,63,674	8,19,401	2,43,349	16,66,077
3	Profit/(Loss) before Share of Profit/(Loss) of Joint Ventures, Exceptional items and Tax (1-2)	71,443	1,96,983	50,962	3,60,922
4	Share of Profit/(Loss) of Joint Ventures	230	238	-556	75
5	Profit/(Loss) before Exceptional items and Tax (3+4)	71,673	1,97,221	50,406	3,60,997
6	Exceptional items	10,163			
7	Profit/(Loss) before tax (5+6)	81,836	1,97,221	50,406	3,60,997
8	Tax expense				
	(i) Current Tax	21,830	1,03,697	16,919	1,58,629
	(ii) Earlier Tax	-	982	-	982
	(iii) Deferred Tax	3,537	-24,990	-1,232	-25,091
		25,367	79,689	15,687	1,34,520
9	Net profit / (Loss) for the period (5-6)	56,469	1,17,532	34,719	2,26,477
10	Other Comprehensive Income (OCI)				




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HINDUSTAN AERONAUTICS LIMITED

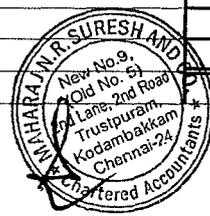
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STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

Rs in Lakhs

Sl.No	Particulars	Consolidated			
		Quarter ended			Year ended
		30-Jun-19 (Audited)	31-Mar-19 (Audited)	30-Jun-18 (Audited)	31-Mar-19 (Audited)
	A. Items that will not be reclassified to statement of Profit and Loss				
	(i) Remeasurements benefit of defined benefit plans	-8,145	-2,100	-1,195	-9,069
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method	-5	15	-1	3
	(iii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss	2,830	697	418	3,132
	B. Items that will be reclassified to statement of Profit and Loss				
	(i) Exchange differences in translating financial statements of foreign operations	1	-	-4	9
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method	2	1	11	6
	(iii) Income Tax relating to items that will be reclassified to statement of Profit and Loss	-	-	1	-3
		-5,317	-1,387	-770	-5,922
11	Total comprehensive income for the period (7 + 8)	51,152	1,16,145	33,949	2,20,555



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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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

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Rs in Lakhs

Sl.No	Particulars	Consolidated			
		Quarter ended			Year ended
		30-Jun-19 (Audited)	31-Mar-19 (Audited)	30-Jun-18 (Audited)	31-Mar-19 (Audited)
12	Profit/(Loss) for the period attributable to-				
	Owners of the Company	56,474	1,17,535	34,725	2,26,502
	Non Controlling interest	-5	-3	-6	-25
13	Other Comprehensive Income for the period attributable to-				
	Owners of the Company	-5,317	-1,387	-770	-5,922
	Non Controlling interest	-	-	-	-
14	Total Comprehensive Income for the period attributable to-				
	Owners of the Company	51,157	1,16,148	33,955	2,20,580
	Non Controlling interest	-5	-3	-6	-25
15	Paid-up Equity Share Capital (Face Value Rs.10 each)	33,439	33,439	33,439	33,439
16	Other Equity excluding Revaluation Reserves				10,52,132
17	Earnings per share (in Rupees) (EPS for quarter ended 30.06.2019 31.03.2019 and 30.06.2018 is not annualised)				
	(a) Basic	16.89	35.15	10.38	67.73
	(b) Diluted	16.89	35.15	10.38	67.73



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Consolidated Notes:

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1. The above results have been reviewed & recommended by the Audit Committee in its meeting held on 13.08.2019 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.
3. Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23rd February 2018 has exempted the government companies engaged in defense production to the extent of application of Accounting Standard 108- "Segment Reporting".
4. The Group 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 quarter ended 30th June, 2019.
5. Exceptional item of Rs. 10163 Lakhs represents compensation received from the Office of Special Land Acquisition Officer, Bangalore under KIADB Act, on acquisition of 12,304.64 Sq. Mtrs (3.04 Acres) of HAL land at Beninganahalli Village, Bangalore by M/S Bangalore Metro Rail Corporation Ltd.

6. 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.33.06 Lakhs during the period ended 30th June 2019 and, as of that date, the Company's current liabilities exceeded its current assets by Rs.8701.46 Lakhs (previous year Rs.8981.68 Lakhs). 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 net worth of the Company as at 30th June 2019 is negative by Rs.3208.90 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 along with the shareholders are presently pursuing several options with the company's bankers, viz., ICICI Bank.
- 3) The Company has paid ECB loan interest upto 05th March 2019 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, hence the same is classified under Long Term Borrowings.

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 Private Limited



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- a) The working capital loans in the nature of demand loan and cash credit has been obtained from State Bank of India and is secured by charge on trade receivables and un encumbered stocks of the Company. The interest is payable as per the terms of the sanction letter. There were defaults in repayment of the loan pursuant to which the bank has classified the loan facility as non performing assets.
- Further, the State Bank of India, Stressed Assets Recovery Branch has introduced a scheme for one time settlement of non performing assets in manufacturing, trade & service sector. Pursuant to such scheme, the Company was offered to pay an amount of Rs. 82.06 lakhs against the outstanding principal and interest amounts on or before 23 July 2017. The Company has made payment of Rs. 20.52 lakhs during January and February of 2017 and the balance amount of Rs.61.54 lakhs paid in July 2017. The Company has made the full payment of Rs 82.06 lakhs in accordance with the scheme of OTS. There is no liability on the Company towards demand loan and cash credit from State Bank of India.
- (b) The amortisation of Intangible treatment is done in accordance with Unit of Production Method. In the opinion of the Management that, the Company is confident of receiving Purchase order from its Customer for further series upgrade for 154 OSAMC units on delivery of existing order of 11 prototype OSAMC units to its Customer and the intention of development of OSAMC units is to manufacture and deliver the series upgrade 154 OSAMC units to Customers.
- c) The Company has developed OSMAC units by conducting the research and development based on the order received from the Customer. The conception and development of the OSMAC 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.
- d) The Company has accumulated losses of Rs.1,088.65 lakhs as at 30th June 2019 and its networth as at that date is negative Rs 488.65 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 Bank which has provided the cash credit and overdraft facility has recalled the debt from the Company. 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.
- e) 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, rescheduling debt 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.
- f) The Independent auditors of the Joint Venture have issued Qualified opinion on the ability of the Joint Venture to continue as a going concern.
- g) However, in the opinion of the Management, the impact of the above is not material considering the total assets/ total liabilities/ total revenues/ net profits of the Group as well as that of the Parent.

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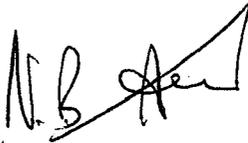
iii) In respect of HALBIT Avionics Private Limited

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The Company has the following conditions that may cast a doubt on its ability to continue as a going concern viz., Net liability position (Rs.1,104.13 lakhs for the quarter ended 30th June 2019 and Rs.1141.49 lakhs for the year ended 31st March 2019); Net current liability position (Rs.1,128.98 lakhs for the quarter ended 30th June 2019 and Rs.1,165.46 lakhs for the period ended 31st 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.

7. The Company hereby declares that the Auditors have issued their Audit Report for Consolidated Financial statements with unmodified opinion for the period ended 30th June, 2019.
8. Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, where necessary.

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

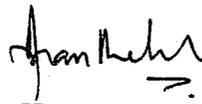


CA N R Suresh
Partner

Membership No021661

Place:Bangalore

Date:13thAugust, 2019



CB ANANTHAKRISHNAN
Director (Finance) & CFO
DIN: 06761339



R-MADHAVAN
Chairman & Managing Director
DIN: 08209860



G.V. SESA REDDY
Company Secretary





Chartered Accountants

9, (Old 5), II Lane, II Main Road, Trustpuram, Chennai - 600 024.

Tel. : (044) 24837583, 24801322 Fax : 044-24813734 e-mail : mnrssuresh56@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF HINDUSTAN AERONAUTICS LIMITED

Report on the audit of the Standalone Financial Results

Opinion

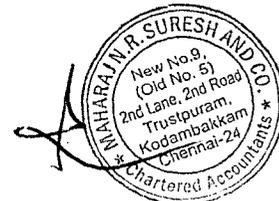
We have audited the accompanying standalone quarterly financial results of Hindustan Aeronautics Limited for the quarter ended 30th June 2019, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 30th June 2019 .

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.



Management's Responsibilities for the Standalone Financial Results

These quarterly 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.

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.

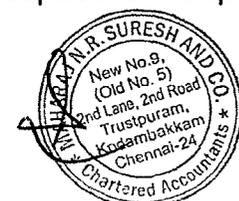
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies 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 38 Divisions of the Company, whose financial statements / financial information reflect the total revenue of Rs 3,43,775 lakhs, net profit of Rs 87,733 lakhs for the quarter ended 30th June 2019, as considered in the Financial Results which have been audited by the respective independent



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auditors. The Independent auditors Reports on the interim 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 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



N R Suresh
Chartered Accountants
M.NO 0121661



UDIN: 19021661AAAAAN2

Place: Bangalore
Date: 13.08.2019



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 jointly controlled entities for the quarter ended 30.06.2019 ("the Statement"), 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"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30.06.2018, as reported in these financial results have been approved by the holding company's Board of Directors, but have not been subjected to audit/review and no quarterly results were submitted in the previous year.

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 financial statements/ financial information of subsidiaries, associates and jointly controlled entities, the Statement:

a. Includes the 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	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. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; 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 (comprising of net profit and other comprehensive income) and other financial information of the Group for the quarter ended 30th June 2019.

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 jointly controlled entities 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

We draw attention to note no 6 of Consolidated financial results

" 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.33.06 Lakhs during the period ended 30th June 2019 and, as of that date, the Company's current liabilities exceeded its current assets by Rs.8701.46 Lakhs (previous year Rs.8981.68 Lakhs). 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



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Company as at 30th June 2019 is negative by Rs.3208.90 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 along with the shareholders are presently pursuing several options with the company's bankers ,viz,. ICICI Bank.
- 3) The Company has paid ECB loan interest up to 05th March 2019 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 installments.
- 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, hence the same is classified under Long Term Borrowings.

Considering the promoter's 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 Private Limited

(a) The working capital loans in the nature of demand loan and cash credit has been obtained from State Bank of India and is secured by charge on trade receivables and un encumbered stocks of the Company. The interest is payable as per the terms of the sanction letter. There were defaults in repayment of the loan pursuant to which the bank has classified the loan facility as non performing assets.

Further, the State Bank of India, Stressed Assets Recovery Branch has introduced a scheme for one time settlement of non performing assets in manufacturing, trade & service sector. Pursuant to such scheme, the Company was offered to pay an amount of Rs. 82.06 lakhs against the outstanding principal and interest amounts on or before 23 July 2017. The Company has made payment of Rs. 20.52 lakhs during January and February of 2017 and the balance amount of Rs.61.54 lakhs paid in July 2017. The Company has made the full payment of Rs 82.06 lakhs in accordance with the scheme of OTS. There is no liability on the Company towards demand loan and cash credit from State Bank of India.



(b) The amortisation of Intangible treatment is done in accordance with Unit of Production Method. In the opinion of the Management that, the Company is confident of receiving Purchase order from its Customer for further series upgrade for 154 OSAMC units on delivery of existing order of 11 prototype OSAMC units to its Customer and the intention of development of OSAMC units is to manufacture and deliver the series upgrade 154 OSAMC units to Customers.

c) The Company has developed OSMAC units by conducting the research and development based on the order received from the Customer. The conception and development of the OSMAC units took additional time and costs than originally anticipated at the time of acceptance of the order from Customer there by 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.

d) The Company has accumulated losses of Rs.1,088.65 lakhs as at 30th June 2019 and its networth as at that date is negative Rs 488.65 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 Bank which has provided the cash credit and overdraft facility has recalled the debt from the Company. 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.

e) 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, rescheduling debt 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.

f) The Independent auditors of the Joint Venture have issued qualified opinion on the ability of the Joint Venture to continue as a going concern.

g) However, in the opinion of management the impact of the above is not material considering the total assets/ total liabilities/ total revenues/ net profits of the Group as well as that of the Parent.



(iii) In respect of HALBIT Avionics Private Ltd

The Company has the following conditions that may cast a doubt on its ability to continue as a going concern viz., Net liability position (Rs.1,104.13 lakhs for the quarter ended 30th June 2019 and Rs.1141.49 lakhs for the year ended 31st March 2019); Net current liability position (Rs.1,128.98 lakhs for the quarter ended 30th June 2019 and Rs.1,165.46 lakhs for the period ended 31st 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."

Our opinion is not modified with respect to the above matters..

Management's Responsibilities for the Consolidated Financial Results

These quarterly financial results have been prepared on the basis of the interim 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 jointly controlled entities 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. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities 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 jointly controlled entities 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 jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective 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 jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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, 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 ability of the Group and its associates and jointly controlled entities 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 jointly controlled entities 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 jointly controlled entities, whose interim

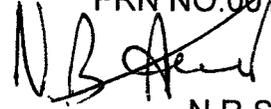


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Financial Results/ financial information reflect Group's share of total revenue of Rs. 50.94 lakhs and Group's share of total net profit after tax of Rs. 230 lakhs for the quarter ended 30.06.2019 respectively, as considered in the consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on interim 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.

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



N R Suresh
Chartered Accountants
M.NO 0121661



UDIN

1902166AAAA024

Place: Bangalore
Date:13.08.2019

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Annexure - IV

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 STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2019

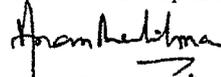
Rs in Lakhs

S. No.	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year Ended	
		Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
		30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
1	Income from Operations	3,35,095	10,16,335	2,94,405	20,27,023	3,35,117	10,16,384	2,94,311	20,26,999
2	Net Profit/(Loss) for the period (before Tax and Exceptional Items)	71,818	1,97,418	51,741	3,62,764	71,673	1,97,221	50,406	3,60,997
3	Net Profit/(Loss) for the period before Tax (after Exceptional Items)#	81,981	1,97,418	51,741	3,62,764	81,836	1,97,221	50,406	3,60,997
4	Net Profit/(Loss) for the period after Tax (after Exceptional Items)	56,614	1,17,729	36,054	2,28,244	56,469	1,17,532	34,719	2,26,477
5	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	51,345	1,16,433	35,274	2,22,420	51,152	1,16,145	33,949	2,20,555
6	Paid-up Equity Share Capital (Face value - Rs.10 each)	33,439	33,439	33,439	33,439	33,439	33,439	33,439	33,439
7	Other Equity excluding revaluation reserves				10,51,413				10,52,132
8	Earnings Per Share (Face value of Rs.10/- each) (EPS for quarter ended 30.06.2019 and 31.03.2019 and 30.06.2018 is not annualised) (in Rs.)								
	(i) Basic	16.93	35.21	10.78	68.26	16.89	35.15	10.38	67.73
	(ii) Diluted	16.93	35.21	10.78	68.26	16.89	35.15	10.38	67.73

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.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 ended 30th June, 2019.
- # Exceptional item of Rs. 10163 Lakhs represents compensation received from the Office of Special Land Acquisition Officer, Bangalore under KIADB Act, on acquisition of 12,304.64 Sq. Mtrs (3.04 Acres) of HAL land at Beninganahalli Village, Bangalore by M/S Bangalore Metro Rail Corporation Ltd.
- Figures for the previous periods have been regrouped / reclassified to conform to the current period classification.

Place : Bangalore
Date : 13.08.2019


CB Ananthkrishnan
Director (Finance) & CFO
DIN: 06761339


R Madhavan
Chairman & Managing Director
DIN: 08209860