



1/29
ಹಿಂದೂಸ್ತಾನ್ ಏರೋನಾಟಿಕ್ಸ್ ಲಿಮಿಟೆಡ್
ಪ್ರಧಾನ ಕಛೇರಿ
ಹಿಂದುಸ್ತಾನ್ ಏರೋನಾಟಿಕ್ಸ್ ಲಿಮಿಟೆಡ್
ಮುಖ್ಯಾಲಯ
HINDUSTAN AERONAUTICS LIMITED
CORPORATE OFFICE

CO/SEC/4(7)/2019/ BSE & NSE Filing/35

11th November, 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) for the quarter/ half year ended 30th September, 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/ half year ended 30th September, 2019.

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

a) Statement showing the Audited Financial Results (Standalone and Consolidated) for the quarter/ half year ended 30th September, 2019. (Annexure-I);

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

3. This is to inform that the Statutory Auditors, M/s. Maharaj N R Suresh and Co., Chartered Accountants (Firm Registration No. 001931S) have issued an Audit Report with unmodified opinion on the Annual Audited Financial Results (Standalone and Consolidated) for the quarter/ half year ended 30th September, 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 (ಫೋನ್) Ph. : +91-80-2232 0001, 2232 0475, ಫ್ಯಾಕ್ಸ್ (ಫೇಕ್ಸ್) Fax : +91-80-2232 0758

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


CIN: L35301KA1963GOI001622

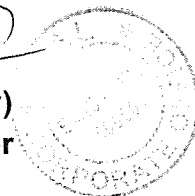
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4. We are also enclosing an extract of the aforementioned results, which would be published in the newspapers in accordance with Regulation 47 of the Listing Regulations (**Annexure-IV**).
5. The meeting of the Board of Directors of the Company commenced at 1100 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 Sessa Reddy)
Company Secretary & Compliance Officer



Encl: As stated above.

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Annexure-I (a)

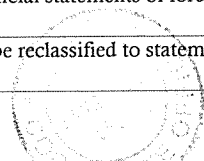
HINDUSTAN AERONAUTICS LIMITED
Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001

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

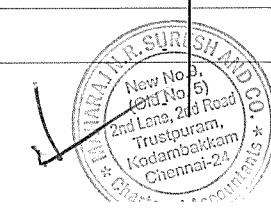
STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2019

Rs in Lakhs

Sl.No	Particulars	Standalone					
		Quarter ended			Half Year ended		Year ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income from Operations						
	(a) Revenue from operations	3,45,105	3,29,164	2,61,033	6,74,269	5,42,429	19,89,412
	(b) Other Income	4,177	5,931	6,967	10,108	19,976	37,611
	Total Income	3,49,282	3,35,095	2,68,000	6,84,377	5,62,405	20,27,023
2	Expenses						
	(a) Cost of materials consumed	1,54,547	1,24,855	1,85,960	2,79,402	2,86,996	7,35,668
	(b) Purchase of stock-in-trade	12,008	8,842	8,193	20,850	10,565	30,749
	(c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap	-32,813	-35,841	-1,27,374	-68,654	-1,39,642	1,16,740
	(d) Employee benefits expense	1,01,064	1,02,835	90,230	2,03,899	1,95,592	4,29,517
	(e) Finance Costs	10,090	7,671	139	17,761	623	16,960
	(f) Depreciation and Amortisation Expense	16,624	11,832	13,879	28,456	28,977	1,02,849
	(g) Impairment Loss	30	5	191	35	322	24,909
	(h) Other expenses	30,375	33,075	39,468	63,450	86,861	1,61,572
	(i) Direct Input to WIP/Expenses Capitalised	4,623	3,500	3,377	8,123	10,852	30,258
	(j) Provisions	16,334	13,363	14,834	29,697	28,482	1,30,001
	Total Gross Expenses	3,12,882	2,70,137	2,28,897	5,83,019	5,09,628	17,79,223
	Less: Expenses relating to Capital and Other Accounts	11,458	6,860	6,152	18,318	44,219	1,14,964
	Total Expenses	3,01,424	2,63,277	2,22,745	5,64,701	4,65,409	16,64,259
3	Profit/(Loss) before Exceptional items and Tax (1-2)	47,858	71,818	45,255	1,19,676	96,996	3,62,764
4	Exceptional items	551	10,163		10,714		
5	Profit/(Loss) before tax (3+4)	48,409	81,981	45,255	1,30,390	96,996	3,62,764
6	Tax expense						
	(i) Current Tax	4,360	21,830	12,848	26,190	29,767	1,58,629
	(ii) Earlier Tax	-	-	-	-	-	982
	(iii) Deferred Tax	-18,397	3,537	3,465	-14,860	2,233	-25,091
		-14,037	25,367	16,313	11,330	32,000	1,34,520
7	Net profit / (Loss) for the period (5-6)	62,446	56,614	28,942	1,19,060	64,996	2,28,244
8	Other Comprehensive Income (OCI)						
	A. Items that will not be reclassified to statement of Profit and Loss						
	(i) Remeasurements benefit of defined benefit plans	-600	-8,100	4,708	-8,700	3,513	-8,962
	(ii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss	-640	2,830	-1,646	2,190	-1,228	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	1	19		15	9
	(ii) Income Tax relating to items that will be reclassified to statement of Profit and Loss	-	-	-6		-5	-3



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HINDUSTAN AERONAUTICS LIMITED

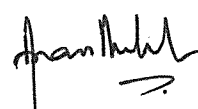
Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001

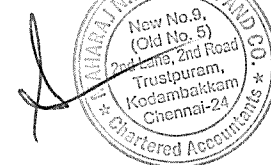
CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2019

Rs in Lakhs

Sl.No	Particulars	Standalone					
		Quarter ended			Half Year ended		Year ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
		-1,241	-5,269	3,075	-6,510	2,295	-5,824
9	Total comprehensive income for the period (7 + 8)	61,205	51,345	32,017	1,12,550	67,291	2,22,420
10	Paid-up Equity Share Capital (Face Value Rs.10 each)	33,439	33,439	33,439	33,439	33,439	33,439
11	Other Equity excluding Revaluation Reserves						10,51,413
12	Earnings per share (in Rupees) (EPS for quarter ended 30.09.2019 30.06.2019, 30.09.2018 and six months ended 30.09.2019, 30.09.2018 is not annualised)						
	(a) Basic	18.67	16.93	8.66	35.61	19.44	68.26
	(b) Diluted	18.67	16.93	8.66	35.61	19.44	68.26

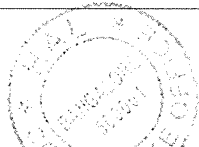


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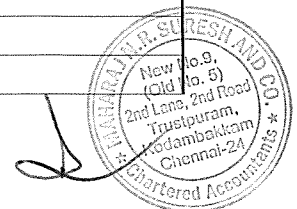
Statement of Assets and Liabilities:

(Rs. in lakhs)

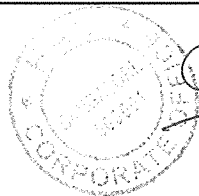
Particulars	Standalone	
	As at 30-Sep-19	As at 31-Mar-19
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and Equipment	6,46,114	6,36,396
(b) Capital work - in progress	68,703	69,915
(c) Investment Property	4	4
(d) Goodwill on consolidation	-	-
(e) Other Intangible assets	1,16,890	1,17,099
(f) Intangible assets under development	89,482	79,986
(g) Financial Assets		
(i) Invesments in Joint Venture amd Subsidiary	15,353	15,292
(ii) Investments - Others	82,287	74,887
(iii) Trade receivables	7,969	9,044
(iv) Contract Assets	-	-
(v) Loans	6,393	6,424
(vi) Other Financial Assets	38,280	34,843
(h) Deferred tax assets (net)	-	-
(i) Other non-current assets	56,829	50,034
Total Non-current Assets	11,28,304	10,93,924
Current assets		
(a) Inventories	21,81,243	19,76,451
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	10,49,300	13,99,262
(iii) Contract Assets	3,13,275	3,02,005
(iv) Cash and Cash Equivalents	24,137	1,144
(v) Bank balances other than (iv) above	3,565	10,071
(vi) Loans	4,602	4,283
(vii) Other Financial Assets	1,20,495	1,18,490
(c) Current Tax Assets (Net)	50,523	1,268
(d) Other Current Assets	1,75,753	1,42,090
Total Current Assets	39,22,893	39,55,064
TOTAL ASSETS	50,51,197	50,48,988
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share capital	33,439	33,439
(b) Other Equity	11,63,963	10,51,413
Total Equity	11,97,402	10,84,852
LIABILITIES		
Non-current Liabilities		



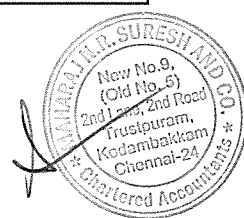
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Particulars	Standalone	
	As at 30-Sep-19	As at 31-Mar-19
	(Audited)	(Audited)
(a) Financial Liabilities		
(i) Borrowings	10,000	10,000
(ii) Trade Payables		
Total outstanding dues of micro enterprises and small Enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and Small Enterprises	273	273
(iii) Other financial liabilities	41,980	38,632
(b) Provisions	1,44,660	1,51,611
(c) Deferred Tax Liabilities (net)	57,164	72,024
(d) Other Non-Current Liabilities	8,95,823	8,41,652
Total Non-Current Liabilities	11,49,900	11,14,192
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,42,465	4,05,801
(ii) Trade Payables		
Total outstanding dues of micro enterprises and small Enterprises	1,795	1,513
Total outstanding dues of creditors other than micro enterprises and Small Enterprises	3,13,843	2,61,393
(iii) Other Financial liabilities	1,49,378	1,77,724
(b) Other Current Liabilities	16,10,975	14,35,621
(c) Provisions	4,30,474	4,49,357
(d) Current Tax Liabilities (net)	54,965	1,18,535
Total Current Liabilities	27,03,895	28,49,944
TOTAL EQUITY AND LIABILITIES	50,51,197	50,48,988



From Mahesh J



Standalone Notes:

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1. The above results have been reviewed & recommended by the Audit Committee in its meeting held on 11.11.2019 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 Ind AS 108 on "Operating Segment".
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 September, 2019.
5. Exceptional item of Rs. 10714 Lakhs for the half year ended 30th September 2019 (Rs. 551 Lakhs for the quarter ended 30th September 2019) 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 elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws [Amendment] Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the six months ended 30th September 2019 and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section and an amount of Rs.14,860 Lakh has been written back to Tax expense for the quarter/half year ended 30th September 2019. The full impact of this change has been recognized in the Statement of Profit & Loss for quarter ending 30th September 2019.
7. The Standalone Statement of Cash Flow is attached at Annexure-I
8. The Company hereby declares that the Auditors have issued their Audit Report for Standalone Financial statements with unmodified opinion for the period ended 30th September, 2019.
9. Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, where necessary.

Chartered Accountants,

Firm Registration No.001931S

N.B. Suresh

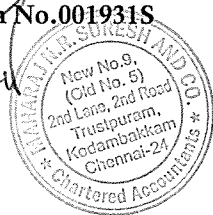
CA N R Suresh

Partner

Membership No 021661

Place: Bengaluru

Date: 11.11.2019



Samthela

Director (Finance) & CFO

DIN: 06761339

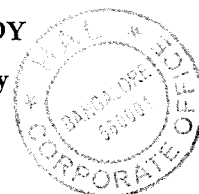
G.V. Sesh Reddy

Chairman & Managing Director

DIN: 08209860

G.V. Sesh Reddy

Company Secretary



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Annexure-1

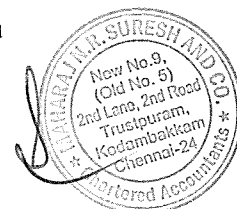
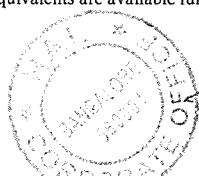
Hindustan Aeronautics Limited
Standalone Statement of Cash Flow

(Rs in Lakhs)

Sl. No.	Particulars	Six months ended 30th September 2019		Six months ended 30th September 2018	
I.	Cash flow from Operating activities				
	Profit for the period		119060		64996
	Adjustments to reconcile net profit to net cash provided by operating activities				
	Income Tax Expense	11330		32000	
	Net (Gain)/Loss on Sale of Property, Plant & Equipment	10		-2	
	Finance cost	17755		623	
	Dividend Income	-135		-112	
	Net (Gain)/Loss on Fair Value Adjustment	12		159	
	Depreciation and amortization expense	28491		29299	
	Provision for Diminution in Value of Investments	39		12	
	Provision for Doubtful Debts	47		97	
	Provision for Doubtful Claims	81		82	
	Provision for Replacement and Other charges	996		1747	
	Provision for Warranty	3852		4546	
	Provision for Raw Materials and Components, Stores and Spare parts and Construction Materials	10452		3291	
	Provision for Liquidated Damages	14230		18707	
	Sub-total		87160		90449
	Operating Profit Before Working Capital Changes		206220		155445
	Adjustments for Changes in Operating Assets and Liabilities				
	Trade Receivables	339720		-355644	
	Loans, Financial Assets and Other Assets	-46268		-41805	
	Inventories	-215244		-239113	
	Trade Payables	52732		23894	
	Financial Liabilities, Provisions and Other Liabilities	154181		46617	
	Sub-total		285121		-566051
	Cash generated from Operations		491341		-410606
	Income Taxes Paid		-136825		-48879
	Net Cash from / (used in) Operating Activities (a)		354516		-459485
II.	Cash flow from Investing activities				
	Payment for purchase of Property, Plant & Equipment ³	-36178		-30967	
	Payment for Purchase of Intangible Assets	-13443		-10805	
	Proceeds from Sale of Property, Plant & Equipment	48		46	
	Payment for Investment in Joint Ventures	-100		-1	
	Payment for Investment in Subsidiary			-2000	
	Payment to acquire other non current Investments	-7400		-1914	
	Proceeds from maturity of short term deposits	6506		589852	
	Dividend Received from Joint Ventures	135		112	
	Net Cash from / (used in) Investing Activities (b)		-50432		544323
III.	Cash flow from Financing Activities				
	Buy Back of Shares				
	Short Term Borrowings	-263336		-74278	
	Payment of Lease Liabilities				
	Finance cost paid	-17755		-623	
	Net Cash Flow from / (used in) Financing Activities (c)		-281091		-74901
	Abstract:				
I.	Net Cash Flow from Operating Activities (a)		354516		-459485
II.	Net Cash Flow from Investing Activities (b)		-50432		544323
III.	Net Cash Flow from Financing Activities (c)		-281091		-74901
	Exchange differences in translating financial statements of foreign operations				15
IV.	Net increase in Cash and Cash Equivalents during the year		22993		9952
	Cash and Cash Equivalents at the beginning of the year ²		1144		9154
	Closing Cash and Cash Equivalents at the end of the year ²		24137		19106
	Net increase in Cash and Cash Equivalents during the year		22993		9952

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 on Cash Flow Statements
- Cash & Cash equivalent include Short Term Deposits with Bank
- Purchase of Fixed Assets are stated inclusive of capital work-in-progress between the beginning and end of the period
- Previous year figures are rearranged or regrouped wherever necessary
- Cash and Cash Equivalents are available fully for use



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

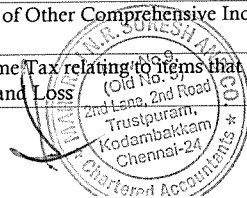
CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2019

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Annexure - I (b)

Rs in Lakhs

Sl.No	Particulars	Consolidated					
		Quarter ended			Half Year ended		Year ended
		30-Sep-19 (Audited)	30-Jun-19 (Audited)	30-Sep-18 (Audited)	30-Sep-19 (Audited)	30-Sep-18 (Audited)	31-Mar-19 (Audited)
1	Income from Operations						
	(a) Revenue from operations	3,45,107	3,29,144	2,61,033	6,74,251	5,42,415	19,89,388
	(b) Other Income	4,103	5,973	7,003	10,076	19,932	37,611
	Total Income	3,49,210	3,35,117	2,68,036	6,84,327	5,62,347	20,26,999
2	Expenses						
	(a) Cost of materials consumed	1,54,420	1,24,797	1,85,946	2,79,217	2,87,191	7,35,543
	(b) Purchase of stock-in-trade	12,008	8,842	8,193	20,850	10,565	30,749
	(c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap	-32,813	-35,841	-1,27,374	-68,654	-1,39,628	1,16,754
	(d) Employee benefits expense	1,01,324	1,03,211	90,553	2,04,535	1,96,296	4,31,103
	(e) Finance Costs	10,093	7,671	139	17,764	623	16,960
	(f) Depreciation and Amortisation Expense	16,661	11,844	13,900	28,505	29,014	1,02,928
	(g) Impairment Loss	30	5	191	35	322	24,909
	(h) Other expenses	30,446	33,142	39,541	63,588	86,999	1,61,830
	(i) Direct Input to WIP/Expenses Capitalised	4,623	3,500	3,377	8,123	10,852	30,264
	(j) Provisions	16,334	13,363	14,834	29,697	28,482	1,30,001
	Total Gross Expenses	3,13,126	2,70,534	2,29,300	5,83,660	5,10,716	17,81,041
	Less: Expenses relating to Capital and Other Accounts	11,458	6,860	6,152	18,318	44,219	1,14,964
	Total Expenses	3,01,668	2,63,674	2,23,148	5,65,342	4,66,497	16,66,077
3	Profit/(Loss) before Share of Profit/(Loss) of Joint Ventures, Exceptional items and Tax (1-2)	47,542	71,443	44,888	1,18,985	95,850	3,60,922
4	Share of Profit/(Loss) of Joint Ventures	36	230	150	266	-406	75
5	Profit/(Loss) before Exceptional items and Tax (3+4)	47,578	71,673	45,038	1,19,251	95,444	3,60,997
6	Exceptional items	551	10,163		10,714		
7	Profit/(Loss) before tax (5+6)	48,129	81,836	45,038	1,29,965	95,444	3,60,997
8	Tax expense						
	(i) Current Tax	4,360	21,830	12,848	26,190	29,767	1,58,629
	(ii) Earlier Tax	-	-	-	-	-	982
	(iii) Deferred Tax	-18,397	3,537	3,465	-14,860	2,233	-25,091
		-14,037	25,367	16,313	11,330	32,000	1,34,520
9	Net profit / (Loss) for the period (7-8)	62,166	56,469	28,725	1,18,635	63,444	2,26,477
10	Other Comprehensive Income (OCI)						
	A. Items that will not be reclassified to statement of Profit and Loss						
	(i) Remeasurements benefit of defined benefit plans	-421	-8,145	4,708	-8,566	3,513	-9,069
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method	-	-5	-2	-5	-3	3
	(iii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss	-640	2,830	-1,646	2,190	-1,228	3,132



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HINDUSTAN AERONAUTICS LIMITED

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

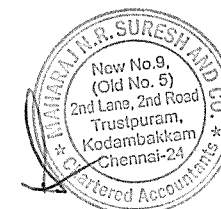
CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2019

Rs in Lakhs

Sl.No	Particulars	Consolidated					
		Quarter ended			Half Year ended		Year ended
		30-Sep-19 (Audited)	30-Jun-19 (Audited)	30-Sep-18 (Audited)	30-Sep-19 (Audited)	30-Sep-18 (Audited)	31-Mar-19 (Audited)
	B. Items that will be reclassified to staement of Profit and Loss						
	(i) Exchange differences in translating financial statements of foreign operations	-1	1	19	-	15	9
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method	-1	2	-4	1	7	6
	(iii) Income Tax relating to items that will be reclassified to statement of Profit and Loss	-	-	-6	-	-5	-3
		-1,063	-5,317	3,069	-6,380	2,299	-5,922
11	Total comprehensive income for the period (9 + 10)	61,103	51,152	31,794	1,12,253	65,743	2,20,555
12	Profit/(Loss) for the period attributable to-						
	Owners of the Company	62,171	56,474	28,735	1,18,645	63,460	2,26,502
	Non Controlling interest	-5	-5	-10	-10	-16	-25
13	Other Comprehensive Income for the period attributable to-						
	Owners of the Company	-1,063	-5,317	3,069	-6,380	2,299	-5,922
	Non Controlling interest	-	-	-	-	-	-
14	Total Comprehensive Income for the period attributable to-						
	Owners of the Company	61,108	51,157	31,804	1,12,265	65,759	2,20,580
	Non Controlling interest	-5	-5	-10	-10	-16	-25
15	Paid-up Equity Share Capital (Face Value Rs.10 each)	33,439	33,439	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 30.09.2019 30.06.2019, 30.09.2018 and six months ended 30.09.2019, 30.09.2018 is not annualised)						
	(a) Basic	18.59	16.89	8.59	35.48	18.97	67.73
	(b) Diluted	18.59	16.89	8.59	35.48	18.97	67.73

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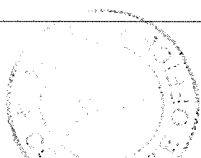


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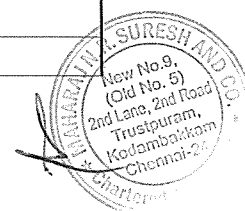
Statement of Assets and Liabilities:

(Rs. in lakhs)

Particulars	Consolidated	
	As at 30-Sep-19	As at 31-Mar-19
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and Equipment	6,46,707	6,36,900
(b) Capital work - in progress	68,961	70,225
(c) Investment Property	4	4
(d) Goodwill on consolidation	-	-
(e) Other Intangible assets	1,16,891	1,17,100
(f) Intangible assets under development	89,482	79,986
(g) Investments accounted for using the equity method	15,414	15,244
(h) Financial Assets		
(i) Investments - Others	83,279	75,720
(ii) Trade receivable	7,969	9,044
(iii) Contract Asset	-	-
(iv) Loans	6,393	6,424
(v) Other Financial Assets	38,980	35,543
(i) Deferred tax assets (net)	-	-
(j) Other non-current assets	56,829	50,034
Total Non-current Assets	11,30,909	10,96,224
Current assets		
(a) Inventories	21,79,222	19,74,400
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	10,49,299	13,99,159
(iii) Contract Assets	3,13,275	3,02,005
(iv) Cash and Cash Equivalents	24,855	2,772
(v) Bank balances other than (iv) above	5,068	11,271
(vi) Loans	4,612	4,296
(vii) Other Financial Assets	1,20,000	1,18,084
(c) Current Tax Assets (Net)	50,523	1,268
(d) Other Current Assets	1,75,815	1,42,178
Total Current Assets	39,22,669	39,55,433
TOTAL ASSETS	50,53,578	50,51,657
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share capital	33,439	33,439
(b) Other Equity	11,64,397	10,52,132
(c) Non Controlling Interest	438	448
Total Equity	11,98,274	10,86,019
LIABILITIES		

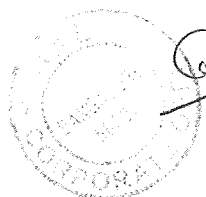


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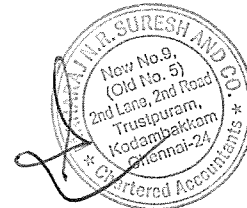
Particulars	Consolidated	
	As at 30-Sep-19	As at 31-Mar-19
	(Audited)	(Audited)
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	10,000	10,000
(ii) Trade Payables		
Total outstanding dues of micro enterprises and small Enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and Small Enterprises	273	273
(iii) Other financial liabilities	42,025	38,632
(b) Provisions	1,46,070	1,53,146
(c) Deferred Tax Liabilities (net)	57,164	72,024
(d) Other Non-Current Liabilities	8,95,823	8,41,652
Total Non-Current Liabilities	11,51,355	11,15,727
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	1,42,465	4,05,801
(ii) Trade Payables		
Total outstanding dues of micro enterprises and small Enterprises	1,795	1,513
Total outstanding dues of creditors other than micro enterprises and Small Enterprises	3,13,571	2,61,036
(iii) Other Financial liabilities	1,49,666	1,78,018
(b) Other Current Liabilities	16,10,981	14,35,623
(c) Provisions	4,30,506	4,49,385
(d) Current Tax Liabilities (net)	54,965	1,18,535
Total Current Liabilities	27,03,949	28,49,911
TOTAL EQUITY AND LIABILITIES	50,53,578	50,51,657



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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 11.11.2019 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 Ind AS 108 on "Operating Segment".
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 September, 2019.
5. Exceptional item of Rs. 10714 Lakhs for the half year ended 30th September 2019 (Rs. 551 Lakhs for the quarter ended 30th September 2019) 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 Group elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws [Amendment] Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the six months ended 30th September 2019 and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section and an amount of Rs.14,860 Lakh has been written back to Tax expense for the quarter/half year ended 30th September 2019. The full impact of this change has been recognized in the Statement of Profit & Loss for quarter ending 30th September 2019.

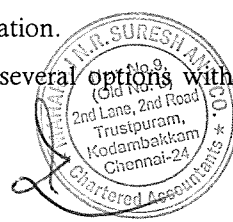
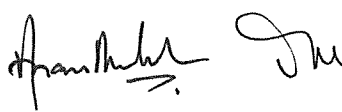
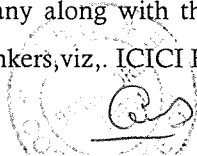
7. Notes Specific to Joint Ventures

i) In respect of HATSOFF Helicopter Training Private Limited

Going Concern

The Company has made a net loss of Rs.209.35 Lakhs during the period ended 30th September 2019 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 30th September 2019 is negative by Rs.3451.31 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 company's requirements and procure orders for execution, management is of the opinion that company is a going concern.

ii) In respect of HAL Edgewood Technologies Private Limited

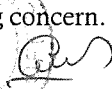
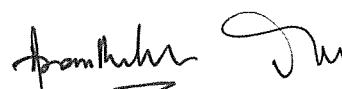
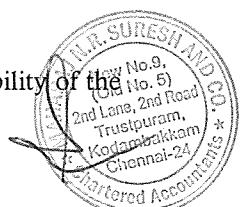
a) The company has developed the prototype of OSAMC units and has treated the initial development expenses as "Intangible Asset". Consequentially the Company has treated the initial development cost of Rs. 6,95,36,553 as internally generated Intangible asset against the development order for 11 prototype units and further series upgrade order for 154 units. The series upgrade order for 154 units is yet to be secured by way of purchase order by the company from the customer. The company has delivered 3 units during the financial year 2013-14 and one each OSAMC prototype during the financial year 2014-15, 2015-16 and 2016-17 respectively to the customer. The company would manufacture 165 OSAMC units including prototype and series upgrade with the Intangible asset.

b) The Company has developed 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.

c) The Company has accumulated losses of Rs.1,241.57 lakhs as at 30th September 2019 and its networth as at that date is negative Rs.513.19 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.

d) The Company continues to explore various options to raise finance in order to meet its financial obligations. Based on the detailed evaluation of the current situation and plans formulated, the Company is confident of raising adequate finance, 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.

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

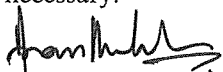
f) However, in the opinion of the Management, the impact of the above is not material considering the total assets/ total liabilities/ total revenues/ net profits of the Group as well as that of the Parent.


iii) In respect of HALBIT Avionics Private Limited


The Company has the following conditions that may cast doubt on its ability to continue as a going concern viz., Net liability position (Rs.1,172.55 lakhs for the period ended 30th September 2019 and Rs.1,141.49 lakhs for the year ended 31st March 2019); Net current liability position (Rs.1,198.61 lakhs for the period ended 30th September 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.

8. The Consolidated Statement of Cash Flow is attached at Annexure-I.
9. The Group hereby declares that the Auditors have issued their Audit Report for Consolidated Financial statements with unmodified opinion for the period ended 30th September, 2019.
10. Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, where ever necessary.

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


Q.B. ANANTHAKRISHNAN
Director (Finance) & CFO
DIN: 06761339

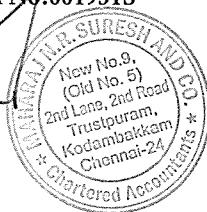

R MADHAVAN
Chairman & Managing Director
DIN: 08209860


CA N R Suresh
Partner

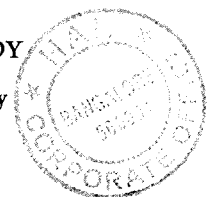
Membership No021661

Place: Bengaluru

Date: 11.11.2019




G.V. SESA REDDY
Company Secretary



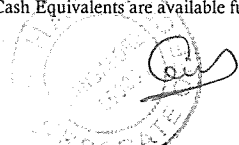
Hindustan Aeronautics Limited
Consolidated Statement of Cash Flow

(Rs in Lakhs)

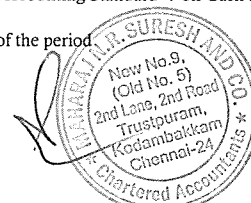
SI. No.	Particulars	Six months ended 30th September 2019		Six months ended 30th September 2018	
I.	Cash flow from Operating activities				
	Profit for the period		118635		63444
	Adjustments to reconcile net profit to net cash provided by operating activities				
	Income Tax Expense	11330		32000	
	Net (Gain)/Loss on Sale of Property, Plant & Equipment	10		-2	
	Finance cost	17755		623	
	Share of Profit or Loss of Joint Venture	-248		420	
	Net (Gain)/Loss on Fair Value Adjustment	12		159	
	Depreciation and amortization expense	28540		29336	
	Provision for Diminution in Value of Investments	39		12	
	Provision for Doubtful Debts	47		97	
	Provision for Doubtful Claims	81		82	
	Provision for Replacement and Other charges	996		1747	
	Provision for Warranty	3852		4546	
	Provision for Raw Materials and Components, Stores and Spare parts and Construction Materials	10452		3291	
	Provision for Liquidated Damages	14230		18707	
	Sub-total		87096		91018
	Operating Profit Before Working Capital Changes		205731		154462
	Adjustments for Changes in Operating Assets and Liabilities				
	Trade Receivables	339618		-355568	
	Loans, Financial Assets and Other Assets	-46150		-42351	
	Inventories	-215274		-238869	
	Trade Payables	52817		23853	
	Financial Liabilities, Provisions and Other Liabilities	154133		46949	
	Sub-total		285144		-565987
	Cash generated from Operations		490875		-411525
	Income Taxes Paid		-136825		-48879
	Net Cash from / (used in) Operating Activities (a)		354050		-460404
II.	Cash flow from Investing activities				
	Payment for purchase of Property, Plant & Equipment ³	-36160		-31083	
	Payment for Purchase of Intangible Assets	-13443		-10805	
	Proceeds from Sale of Property, Plant & Equipment	48		46	
	Payment for Investment in Joint Ventures	-100		-1	
	Payment for Investment in Subsidiary				
	Payment to acquire other non current Investments	-7559		-1914	
	Proceeds from maturity of short term deposits	6203		589852	
	Dividend Received from Joint Ventures	135		112	
	Net Cash from / (used in) Investing Activities (b)		-50876		546207
III.	Cash flow from Financing Activities				
	Buy Back of Shares				
	Short Term Borrowings	-263336		-74278	
	Payment of Lease Liabilities				
	Finance cost paid	-17755		-623	
	Transaction with non controlling interest			495	
	Dividend Paid (Interim/ Final Dividend inclusive of Tax)				
	Net Cash Flow from / (used in) Financing Activities (c)		-281091		-74406
	Abstract:				
I.	Net Cash Flow from Operating Activities (a)		354050		-460404
II.	Net Cash Flow from Investing Activities (b)		-50876		546207
III.	Net Cash Flow from Financing Activities (c)		-281091		-74406
	Exchange differences in translating financial statements of foreign operations				15
IV.	Net increase in Cash and Cash Equivalents during the year		22083		11412
	Cash and Cash Equivalents at the beginning of the year ²		2772		11286
	Closing Cash and Cash Equivalents at the end of the year ²		24855		22698
	Net increase in Cash and Cash Equivalents during the year		22083		11412

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 on Cash Flow Statements
- Cash & Cash equivalent include Short Term Deposits with Bank
- Purchase of Fixed Assets are stated inclusive of capital work-in-progress between the beginning and end of the period
- Previous year figures are rearranged or regrouped wherever necessary
- Cash and Cash Equivalents are available fully for use



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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF HINDUSTAN AERONAUTICS LIMITED

Report on the audit of the Standalone Financial Results

Opinion

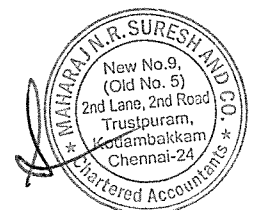
We have audited the accompanying Standalone quarterly Financial results of Hindustan Aeronautics Limited for the quarter ended 30th September 2019, and the year to date results for the period from 01.04.2019 to 30.09.2019 attached herewith, being submitted by the company pursuant to the requirement of 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 September 2019 as well as the year to date results for the period from 01.04.2019 to 30.09.2019.

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

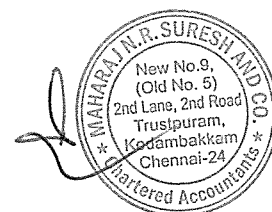
These quarterly financial results as well as the year to date Standalone Financial Results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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



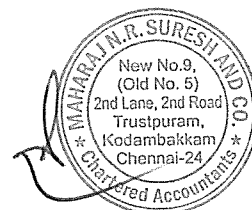
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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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



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Other Matters

The Financial Results also include the audited Financial Results and financial information of 28 Divisions of the Company, whose financial statements / financial information reflect the total revenue of Rs. 6,61,797 lakhs, net profit of Rs. 1,45,874 lakhs for the Period ended 30th September 2019, as considered in the Financial Results which have been audited by the respective independent 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 as stated in paragraph above.

Our opinion is not modified in respect of these matters.

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



N R Suresh
Partner
M.NO 021661



Place: Bangalore
Date : 11.11.2019

UDIN: 19021661AAAABW3017

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 30.09.2019 and for the period from 01.04.2019 to 30.09.2019 ("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").

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 September 2019 and for the period from 01.04.2019 to 30.09.2019.

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

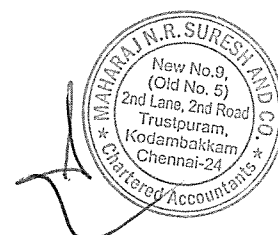
We draw attention to note 49 clause 4 of Consolidated financial results

"Notes Specific to Joint Ventures

(i) In respect of HATSOFF Helicopter Training Private Limited

Going Concern

The Company has made a net loss of Rs.209.35 Lakhs during the period ended 30th September 2019 (Previous year, net loss of Rs. 776.75 lakhs) and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 9,537.48 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 September 2019 is negative



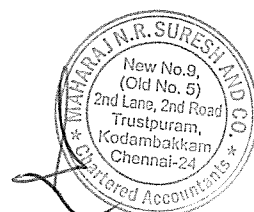
by Rs.3451.31 Lakhs (as at 31st March 2019 negative by Rs.3241.96 Lakhs). The over dues to Bank against ECB loan is Rs. 10,074.25 lakhs. The ECB Loan is classified as Non Performing Asset by the lending bank in view of non-payment of installments due. The bankers have not recalled the loan, hence the same is classified under Long Term Borrowings. 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.

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 company has developed the prototype of OSAMC units and has treated the initial development expenses as "Intangible Asset". Consequentially the Company has treated the initial development cost of Rs. 6,95,36,553 as internally generated Intangible asset against the development order for 11 prototype units and further series upgrade for 154 units. The series upgrade order for 154 units is yet to be secured by way of purchase order by the company from the customer. The company has delivered 3 units during the financial year 2013-14 and one each OSAMC prototype during the financial year 2014-15, 2015-16 and 2016-17 respectively to the customer. The company would manufacture 165 OSAMC units including prototype and series upgrade with the Intangible asset.
- b) The Company has developed 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.
- c) The Company has accumulated losses of Rs.1,241.57 lakhs as at 30th September 2019 and its net worth as at that date is negative Rs 513.19 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.

- d) The Company continues to explore various options to raise finance in order to meet its financial obligations. Based on the detailed evaluation of the current situation and plans formulated, the Company is confident of raising adequate finance, 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.
- e) The Independent auditors of the Joint Venture have issued qualified opinion on the ability of the Joint Venture to continue as a going concern.

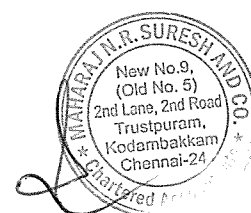
However, in the opinion of management the impact of the above is not material considering the total assets/ total liabilities/ total revenues/ net profits of the Group as well as that of the Parent.

(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.1,172.55 lakhs for the period ended 30th September 2019 and Rs.1141.49 lakhs for the year ended 31st March 2019); Net current liability position (Rs.1,198.61 lakhs for the period ended 30th September 2019 and Rs.1,165.46 lakhs for the period ended 31st March 2019); Despite these conditions, 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."

Amounts carried under trade payables and trade receivables are subject to confirmation by the parties and reconciliations.

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



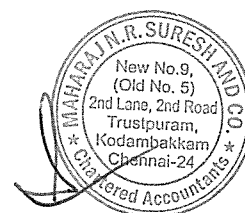
Management's Responsibilities for the Consolidated Financial Results

These quarterly financial results as well as the year to date Consolidated 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.

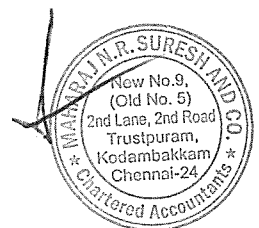


Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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.



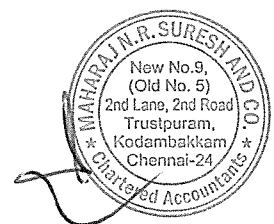
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit 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 Financial Statements/ Financial Results/ financial information reflect Group's share of total assets of Rs. 5165.47 Lakhs at 30.09.2019, Group's share of total revenue of Rs. 206.94 lakhs and Rs 257.88 lakhs and Group's share of total net loss after tax of Rs. 163.67 lakhs and Rs. 567.71 lakhs for the quarter ended 30.09.2019 and for the period from 01.04.2019 to 30.09.2019 respectively, as considered in the Consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on interim Financial 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

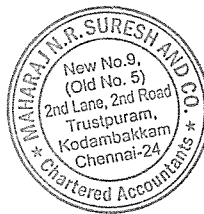


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in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

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



Place : Bangalore

Date : 11.11.2019

UDIN : 19021661AAAA BX9938

N R Suresh

Partner

M.NO 021661

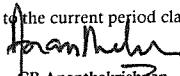
STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER, 2019

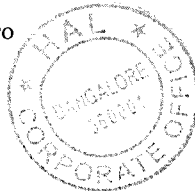
S. No.	Particulars	Standalone						Consolidated					
		Quarter ended		Half Year ended		Year ended		Quarter ended		Half Year ended		Year Ended	
		Audited	Audited	Audited	Audited	Audited		Audited	Audited	Audited	Audited	Audited	
		30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19		30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19	
1	Total Income from Operations	3,45,105	2,61,033	6,74,269	5,42,429	19,89,412		3,45,107	2,61,033	6,74,251	5,42,415	19,89,388	
2	Other Income	4,177	6,967	10,108	19,976	37,611		4,103	7,003	10,076	19,932	37,611	
3	Income from Operations	3,49,282	2,68,000	6,84,377	5,62,405	20,27,023		3,49,210	2,68,036	6,84,327	5,62,347	20,26,999	
4	Net Profit/(Loss) for the period (before Tax and Exceptional Items)	47,858	45,255	1,19,676	96,996	3,62,764		47,578	45,038	1,19,251	95,444	3,60,997	
5	Net Profit/(Loss) for the period before Tax (after Exceptional Items)#	48,409	45,255	1,30,390	96,996	3,62,764		48,129	45,038	1,29,965	95,444	3,60,997	
6	Net Profit/(Loss) for the period after Tax (after Exceptional Items)	62,446	28,942	1,19,060	64,996	2,28,244		62,166	28,725	1,18,635	63,444	2,26,477	
7	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	61,205	32,017	1,12,550	67,291	2,22,420		61,103	31,794	1,12,255	65,743	2,20,555	
8	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	33,439	33,439	
9	Other Equity excluding revaluation reserves					10,51,413						10,52,132	
10	Earnings Per Share (Face value of Rs.10/- each) (EPS for quarter ended 30.09.2019, 30.09.2018 and six months ended 30.09.2019, 30.09.2018 is not annualised) (in Rs.)												
	(i) Basic	18.67	8.66	35.61	19.44	68.26		18.59	8.59	35.48	18.97	67.73	
	(ii) Diluted	18.67	8.66	35.61	19.44	68.26		18.59	8.59	35.48	18.97	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 September, 2019.
- # Exceptional item of Rs. 10714 Lakhs for half year ended 30th September 2019 (Rs. 551 Lakhs for the quarter ended 30th September 2019) 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 Benanganahalli Village, Bangalore by M/S Bangalore Metro Rail Corporation Ltd.
- The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws [Amendment] Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the six months ended 30th September 2019 and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section and an amount of Rs.14,860 Lakh has been written back to Tax expense for the Quarter/half year ended 30th September 2019. The full impact of this change has been recognized in the Statement of Profit & Loss for quarter ending 30th September 2019.
- 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 September, 2019.
- Figures for the previous periods have been regrouped / reclassified to conform to the current period classification.

Place : Bangalore
Date : 11.11.2019


CB Ananthakrishnan
Director (Finance) & CFO
DIN: 06761339




R Madhavan
Chairman & Managing Director
DIN: 08209860