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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/51

13th November, 2020

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 and half year ended 30th September, 2020

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 and half year ended 30th September, 2020.

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

a) Statement showing the Audited Financial Results (Standalone and Consolidated) for the quarter and half year ended 30th September, 2020. **(Annexure-I);**

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

3. This is to inform that the Statutory Auditors, M/s. Maharaj N R Suresh and Co., Chartered Accountants (Firm Registration No. 001931S) have issued an Audit Report with unmodified opinion on the Audited Financial Results (Standalone and Consolidated) for the quarter and half year ended 30th September, 2020 in terms of Regulation 33(3) 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 (ಫ್ಯಾಕ್ಸ್) **Ph. :** +91-80-2232 0001, 2232 0475, ಫ್ಯಾಕ್ಸ್ (ಫ್ಯಾಕ್ಸ್) **Fax :** +91-80-2232 0758

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CIN:L35301KA1963GOI001622

4. We are also enclosing an extract of the aforementioned results, which would be published in the newspapers in accordance with Regulation 47 of the Listing Regulations (**Annexure-IV**).
5. The meeting of the Board of Directors of the Company commenced at 1100 hours and concluded at 1455 hours.
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.

Annexure-I
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HINDUSTAN AERONAUTICS LIMITED
Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001
CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

Rs in Lakhs

Sl.No	Particulars	Standalone					
		Quarter ended		Half Year ended		Year ended	
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income from Operations						
	(a) Revenue from operations	4,85,382	1,73,697	3,44,894	6,59,079	6,73,861	21,44,803
	(b) Other Income	8,764	4,708	4,142	13,472	10,048	29,333
	Total Income	4,94,146	1,78,405	3,49,036	6,72,551	6,83,909	21,74,136
2	Expenses						
	(a) Cost of materials consumed	2,04,389	1,08,258	1,54,547	3,12,647	2,79,402	8,17,334
	(b) Purchase of stock-in-trade	7,771	5,151	12,008	12,922	20,850	58,715
	(c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap	30,499	-1,32,755	-32,813	-1,02,256	-68,654	63,567
	(d) Employee benefits expense	1,02,627	1,14,605	1,01,064	2,17,232	2,03,899	4,76,359
	(e) Finance Costs	7,144	10,463	10,095	17,607	17,766	34,840
	(f) Depreciation and Amortisation Expense	21,965	11,115	16,441	33,080	28,101	99,763
	(g) Impairment Loss	831	512	30	1,343	35	3,179
	(h) Other expenses	25,220	26,920	30,307	52,140	63,332	1,44,600
	(i) Direct Input to WIP/Expenses Capitalised	6,638	2,981	4,623	9,619	8,123	17,829
	(j) Provisions	27,026	17,666	16,334	44,692	29,697	1,49,539
	Total Gross Expenses	4,34,110	1,64,916	3,12,636	5,99,026	5,82,551	18,65,725
	Less: Expenses relating to Capital and Other Accounts	22,433	8,271	11,458	30,704	18,318	73,497
	Total Expenses	4,11,677	1,56,645	3,01,178	5,68,322	5,64,233	17,92,228
3	Profit/(Loss) before Exceptional items and Tax (1-2)	82,469	21,760	47,858	1,04,229	1,19,676	3,81,908
4	Exceptional item	-	-	551	-	10,714	11,892
5	Profit/(Loss) before tax (3+4)	82,469	21,760	48,409	1,04,229	1,30,390	3,93,800
6	Tax expenses						
	(i) Current Tax	-	-	4,360	-	26,190	1,18,000
	(ii) Earlier Tax	-	-	-	-	-	-
	(iii) Deferred Tax	21,124	6,616	-18,397	27,740	-14,860	-8,401
		21,124	6,616	-14,037	27,740	11,330	1,09,599
7	Net Profit / (Loss) for the period (5-6)	61,345	15,144	62,446	76,489	1,19,060	2,84,201
8	Other Comprehensive Income (OCI)						
	A. Items that will not be reclassified to statement of Profit and Loss						
	(i) Remeasurements of defined benefit plans	1,249	-4,748	-600	-3,499	-8,700	-50,377
	(ii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss	-314	1,195	-640	881	2,190	12,679
	B. Items that will be reclassified to statement of Profit and Loss						
	(i) Exchange differences in translating financial statements of foreign operations	-	-	-1	-	-	-
	(ii) Income Tax relating to items that will be reclassified to statement of Profit and Loss	-	-	-	-	-	-
	Total Other Comprehensive Income (A+B)	935	-3,553	-1,241	-2,618	-6,510	-37,698
9	Total Comprehensive Income for the period (7 + 8)	62,280	11,591	61,205	73,871	1,12,550	2,46,503
10	Earnings per share (in Rupees) (EPS for the quarter and half year are not annualised)						
	(a) Basic	18.35	4.53	18.67	22.87	35.61	84.99
	(b) Diluted	18.35	4.53	18.67	22.87	35.61	84.99
11	Paid-up Equity Share Capital (Face Value Rs.10 each)	33,439	33,439	33,439	33,439	33,439	33,439
12	Other Equity excluding Revaluation Reserves						12,86,519
13	Capital Redemption Reserve / Debenture Redemption Reserve						14,761
14	Net Worth (including Retained Earning)						13,19,958
15	Debt Service Coverage Ratio (times)	12.54	3.08	5.74	6.92	7.74	9.29
16	Interest Service Coverage Ratio (times)	12.54	3.08	5.74	6.92	7.74	11.96
17	Debt Equity Ratio	0.3:1	0.3:1	0.1:1	0.3:1	0.1:1	0.4:1

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Audited Balance Sheet:

Rs. in lakhs

Particulars	Standalone	
	As at 30-Sep-20	As at 31-Mar-20
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	6,26,648	6,34,459
(b) Capital work - in progress	1,07,897	85,742
(c) Investment Property	3	3
(d) Goodwill on consolidation	-	-
(e) Other Intangible assets	98,395	1,00,686
(f) Intangible assets under development	1,32,112	1,18,269
(g) Investments in Joint Venture and Subsidiary	10,963	11,714
(h) Financial Assets		
(i) Investments	88,345	82,301
(ii) Trade receivables	-	-
(iii) Contract Assets	-	-
(iv) Loans	4,758	4,796
(v) Other Financial Assets	35,353	33,813
(i) Deferred tax assets	20,152	47,011
(j) Other non-current assets	66,861	61,666
Total Non-current Assets	11,91,487	11,80,460
Current assets		
(a) Inventories	20,59,289	19,45,392
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	10,54,951	11,59,304
(iii) Contract Assets	7,00,302	7,48,342
(iv) Cash and Cash Equivalents	17,797	27,783
(v) Bank balances other than cash and cash equivalents	2,025	2,008
(vi) Loans	2,236	1,928
(vii) Other Financial Assets	1,18,141	1,23,156
(c) Current Tax Assets	39,097	3,531
(d) Other Current Assets	1,53,066	1,29,063
Total Current Assets	41,46,904	41,40,507
TOTAL ASSETS	53,38,391	53,20,967

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Audited Balance Sheet:

Rs. in lakhs

Particulars	Standalone	
	As at 30-Sep-20	As at 31-Mar-20
	(Audited)	(Audited)
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share capital	33,439	33,439
(b) Other Equity	13,60,390	12,86,519
Total Equity	13,93,829	13,19,958
LIABILITIES		
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade Payables	-	-
(iii) Other financial liabilities	42,020	41,927
(b) Provisions	1,68,780	1,51,439
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Current Liabilities	6,56,693	7,05,654
Total Non-Current Liabilities	8,67,493	8,99,020
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,33,237	5,88,650
(ii) Trade Payables		
Total outstanding dues of micro enterprises and small Enterprises	4,708	4,779
Total outstanding dues of creditors other than micro enterprises and Small Enterprises	2,49,895	4,04,144
(iii) Other Financial liabilities	1,90,064	2,50,259
(b) Other Current Liabilities	17,09,410	13,16,056
(c) Provisions	4,28,195	4,80,025
(d) Current Tax Liabilities	61,560	58,076
Total Current Liabilities	30,77,069	31,01,989
TOTAL EQUITY AND LIABILITIES	53,38,391	53,20,967

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Standalone Statement of Cash Flow

(Rs in Lakhs)

SI. No.	Particulars	For the	
		Six months ended 30th September 2020	Six months ended 30th September 2019
A	Cash flow from Operating activities		
	Profit for the year	76489	119060
	Adjustments to reconcile net profit to net cash provided by operating activities		
	Income Tax expense	27740	11330
	(Gain)/Loss on sale of Property, Plant & Equipment	-1	10
	Finance cost	17607	17766
	Interest Income	-2967	-3073
	Dividend Income	-17	-135
	Net (Gain)/Loss on Fair Value Adjustment	-52	12
	Depreciation, amortization and impairment expense	34423	28136
	Provision for Diminution in Value of Investments	751	39
	Provision for Doubtful Debts	587	47
	Provision for Doubtful Claims	250	81
	Provision for Replacement and Other charges	1828	996
	Provision for Warranty	10454	3852
	Provision for Raw Materials and Components, Stores and Spare parts and Construction Materials	10677	10452
	Provision for Liquidated Damages	20145	14230
	Operating Profit Before Working Capital Changes	197914	202803
	Adjustments for:		
	(Increase)/decrease in Trade Receivables	151806	339727
	(Increase)/decrease in Loans, Financial Assets and Other Assets	-29751	-46170
	(Increase)/decrease in Inventories	-124574	-215244
	Increase/(decrease) in Trade Payables	-154320	52731
	Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities	208852	151501
	Cash generated from Operations	249927	485348
	Income Taxes Paid	-32082	-136807
	Net Cash (used in)/generated from Operating Activities (A)	217845	348541
B	Cash flow from Investing activities		
	Purchase of Property, Plant & Equipment	-34049	-34994
	Purchase of Intangible Assets	-18154	-13443
	Proceeds from sale of Property, Plant & Equipment	67	47
	Investment in Joint Ventures		-100
	Purchase of other non current Investments	-6044	-7400
	Proceeds from maturity of short term deposits	-17	8228
	Interest Received	2967	3073
	Dividend Received from Joint Ventures	17	135
	Net Cash (used in)/generated from Investing Activities (B)	-55213	-44454
C	Cash flow from Financing Activities		
	Repayment of Borrowings-Current (Net)	-155017	-263336
	Payment of Lease Liabilities		
	Interest paid	-17601	-17760
	Net Cash (used in)/generated from Financing Activities (C)	-172618	-281096
D	Effect of Exchange differences on translation of foreign currency cash and cash equivalents		
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C+D)	-9986	22991
	Add: Cash and Cash Equivalents at the beginning of the year	27783	1144
	Cash and Cash Equivalents at the end of the year	17797	24135

Notes:

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

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

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

4. Previous year figures are rearranged or regrouped wherever necessary

5. Cash and Cash Equivalents are available fully for use

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Standalone Notes:

1. The above results have been reviewed and recommended by the Audit Committee in its meeting held on-13.11.2020 and approved by the Board of Directors in the meeting held on the same day.
2. The Financial Results have been audited by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have issued an unmodified opinion for the quarter and half-year ended September 30, 2020.
3. COVID-19 Risk

Current Half Year Impact:

The Company's operations and financial results for the current half year have been impacted by the lockdown imposed to contain the spread of COVID-19. The Company's manufacturing facilities were shut down during April 2020. The activities resumed from 28th April 2020 with precautions, reduced availability of manpower and disrupted supply chain, resulting in lower turnover and consequent lower profit.

Anticipated Future Impact:

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

4. 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".
5. FPQ Revenue relating to gratuity and vacation leave aggregating to Rs.11219 lakhs is recognized as revenue for the half year ended 30.09.2020 which hitherto was recognized at the year end.
Accordingly, the revenue and profit for the half year ended 30.09.2020 are not comparable with revenue/profit for the half year ended on 30.09.2019 and the quarter ended on 30.09.2019.
6. Consequent to restatement, the corresponding annual results of the previous year is restated. Reconciliation of the net profit/ other equity reported in accordance with previous audited financials for year ended 31.03.2020 is given below-

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

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7. The Commercial Papers (listed) issued by the Company outstanding as on September 30, 2020 is Rs.200000 lakhs (As on 31.03.2020: Rs.150000 lakhs). Details of listed commercial papers in terms of the requirements of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as follows-

Sl No	ISIN No	Credit Rating	Previous Due Date (01.04.2020 to 30.09.2020)			Next Due Date (01.10.2020 to 31.03.2021)		
			Principal	Interest	Whether paid on due dates	Principal	Interest	Whether paid on due dates
1	INE066F14023	ICRA A1+, CARE A1+	17-06-2020	NA	YES	-	-	-
2	INE066F14031	ICRA A1+, CARE A1+	15-09-2020	NA	YES	-	-	-
3	INE066F14049	ICRA A1+, CARE A1+	-	-	-	14-12-2020	NA	NA

8. The Government of India, on 27/08/2020 – 28/08/2020 made an offer for sale (OFS) upto 15% of the paid up equity share capital, out of its shareholding of 89.97%, in order to achieve the mandatory threshold of 25% minimum public shareholding by a listed Company. Consequent to the OFS, the Government of India shareholding stands at 75.15%.
9. The Profit after Tax (PAT) for the half year ended 30/09/2019, is after a onetime write back of Rs. 14,860 lakhs of deferred tax liability consequent to the reduction in applicable tax rate. Hence, the Profit After Tax (PAT) for the half year ended 30.09.2020 is not comparable with the Profit After Tax for the half year ended 30.09.2019.
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

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CA N R Suresh
Partner
Membership No. 021661
Place: Bengaluru
Date: 13-11-2020

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CB ANANTHAKRISHNAN
Director (Finance) & CFO
DIN: 06761339

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Chairman & Managing Director
DIN: 08209860

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G.V. SESHAREDDY
Company Secretary

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HINDUSTAN AERONAUTICS LIMITED
 Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001
 CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in
STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

Rs in Lakhs

Sl.No	Particulars	Consolidated				
		30-Sep-20 (Audited)	Quarter ended 30-Jun-20 (Audited)	30-Sep-19 (Audited)	Half Year ended 30-Sep-20 (Audited)	30-Sep-19 (Audited)
						Year ended 31-Mar-20 (Audited)
1	Income from Operations					
	(a) Revenue from operations	4,85,360	1,73,674	3,44,896	6,59,034	21,44,782
	(b) Other Income	8,797	4,725	4,068	13,522	29,391
	Total Income	4,94,157	1,78,399	3,48,964	6,72,556	21,74,173
2	Expenses					
	(a) Cost of materials consumed	2,04,159	1,08,443	1,54,420	3,12,602	8,16,453
	(b) Purchase of stock-in-trade	7,771	5,151	12,008	12,922	58,715
	(c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap	30,486	-1,32,755	-32,813	-1,02,269	63,568
	(d) Employee benefits expense	1,03,020	1,14,961	1,01,324	2,04,535	4,77,757
	(e) Finance Costs	7,146	10,464	10,097	17,610	34,846
	(f) Depreciation and Amortisation Expense	21,979	11,128	16,478	33,107	99,852
	(g) Impairment Loss	831	512	30	1,343	3,179
	(h) Other expenses	25,277	26,971	30,385	52,248	1,44,874
	(i) Direct Input to WIP/Expenses Capitalised	6,638	2,981	4,617	9,619	17,829
	(j) Provisions	26,654	17,244	16,334	43,898	1,45,327
	Total Gross Expenses	4,33,961	1,65,100	3,12,880	5,99,061	18,62,400
	Less: Expenses relating to Capital and Other Accounts	22,433	8,271	11,458	30,704	73,497
	Total Expenses	4,11,528	1,56,829	3,01,422	5,68,357	17,88,903
3	Profit/(Loss) before Share of Profit/(Loss) of Joint Ventures, Exceptional items and Tax (1-2)	82,629	21,570	47,542	1,04,199	3,85,270
4	Share of Profit/(Loss) of Joint Ventures (JV) accounted using Equity Method	14	-89	36	-75	702
5	Profit/(Loss) before Exceptional items and Tax (3+4)	82,643	21,481	47,578	1,04,124	3,85,972
6	Exceptional item	-	-	551	-	11,892
7	Profit/(Loss) before tax (5+6)	82,643	21,481	48,129	1,04,124	3,97,864
8	Tax expenses					
	(i) Current Tax	-	-	4,360	-	1,18,000
	(ii) Earlier Tax	-	-	-	-	-
	(iii) Deferred Tax	21,124	6,616	-18,397	27,740	-8,401
		21,124	6,616	-14,037	27,740	1,09,599
9	Net Profit / (Loss) for the period (7-8)	61,519	14,865	62,166	76,384	2,88,265
10	Other Comprehensive Income (OCI)					
	A. Items that will not be reclassified to statement of Profit and Loss					
	(i) Remeasurements of defined benefit plans	1,267	-4,731	-421	-3,464	-50,296
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method	-	-	-	-	13
	(iii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss	-314	1,195	-640	881	12,679
	B. Items that will be reclassified to statement of Profit and Loss					
	(i) Exchange differences in translating financial statements of foreign operations	-	-	-1	-	-
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method	1	-	-1	1	-1
	(iii) Income Tax relating to items that will be reclassified to statement of Profit and Loss	-	-	-	-	-
	Total Other Comprehensive Income (A+B)	954	-3,536	-1,063	-2,582	-37,605
11	Total Comprehensive Income for the period (9 + 10)	62,473	11,329	61,103	73,802	2,50,660
12	Profit/(Loss) for the period attributable to-					
	Owners of the Company	61,522	14,867	62,171	76,389	2,88,282
	Non Controlling interest	-3	-2	-5	-5	-17
13	Other Comprehensive Income for the period attributable to-					
	Owners of the Company	954	-3,536	-1,063	-2,582	-37,605
	Non Controlling interest	-	-	-	-	-
14	Total Comprehensive Income for the period attributable to-					
	Owners of the Company	62,476	11,331	61,108	73,807	2,50,677
	Non Controlling interest	-3	-2	-5	-5	-17
15	Earnings per share (in Rupees) (EPS for the quarter and half year are not annualised)					
	(a) Basic	18.40	4.45	18.59	22.84	86.21
	(b) Diluted	18.40	4.45	18.59	22.84	86.21
16	Paid-up Equity Share Capital (Face Value Rs.10 each)	33,439	33,439	33,439	33,439	33,439
17	Other Equity excluding Revaluation Reserves					12,91,412
18	Capital Redemption Reserve / Debenture Redemption Reserve					14,761
19	Net Worth (including Retained Earning)					13,25,282
20	Debt Service Coverage Ratio (times)	12.56	3.05	5.71	6.91	7.71
21	Interest Service Coverage Ratio (times)	12.56	3.05	5.71	6.91	7.71
22	Debt Equity Ratio	0.3:1	0.3:1	0.1:1	0.3:1	0.4:1

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Audited Balance Sheet:

Rs. in lakhs

Particulars	Consolidated	
	As at 30-Sep-20	As at 31-Mar-20
	(Audited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	6,27,222	6,35,059
(b) Capital work - in progress	1,08,274	86,000
(c) Investment Property	3	3
(d) Goodwill on consolidation	-	-
(e) Other Intangible assets	98,395	1,00,687
(f) Intangible assets under development	1,32,112	1,18,269
(g) Investments accounted for using the equity method	15,616	15,754
(h) Financial Assets		
(i) Investments	89,427	83,326
(ii) Trade receivable	-	-
(iii) Contract Assets	-	-
(iv) Loans	4,758	4,796
(v) Other Financial Assets	36,053	34,513
(i) Deferred tax assets	20,152	47,011
(j) Other non-current assets	66,861	61,666
Total Non-current Assets	11,98,873	11,87,084
Current assets		
(a) Inventories	20,57,497	19,43,590
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	10,54,801	11,59,304
(iii) Contract Assets	7,00,302	7,48,342
(iv) Cash and Cash Equivalents	17,939	27,932
(v) Bank balances other than cash and cash equivalents	3,372	3,724
(vi) Loans	2,245	1,937
(vii) Other Financial Assets	1,18,127	1,23,177
(c) Current Tax Assets	39,097	3,531
(d) Other Current Assets	1,53,104	1,29,117
Total Current Assets	41,46,484	41,40,654
TOTAL ASSETS	53,45,357	53,27,738

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Audited Balance Sheet:

Rs. in lakhs

Particulars	Consolidated	
	As at 30-Sep-20	As at 31-Mar-20
	(Audited)	(Audited)
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share capital	33,439	33,439
(b) Other Equity	13,65,219	12,91,412
(c) Non-Controlling Interest	426	431
Total Equity	13,99,084	13,25,282
LIABILITIES		
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade Payables	-	-
(iii) Other financial liabilities	42,074	41,978
(b) Provisions	1,70,331	1,52,968
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Current Liabilities	6,56,693	7,05,654
Total Non-Current Liabilities	8,69,098	9,00,600
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	4,33,237	5,88,650
(ii) Trade Payables		
Total outstanding dues of micro enterprises and small Enterprises	4,708	4,779
Total outstanding dues of creditors other than micro enterprises and Small Enterprises	2,49,682	4,03,595
(iii) Other Financial liabilities	1,90,346	2,50,539
(b) Other Current Liabilities	17,09,414	13,16,118
(c) Provisions	4,28,228	4,80,099
(d) Current Tax Liabilities	61,560	58,076
Total Current Liabilities	30,77,175	31,01,856
TOTAL EQUITY AND LIABILITIES	53,45,357	53,27,738

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Consolidated Statement of Cash Flow

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(Rs in Lakhs)

Sl. No.	Particulars	For the	
		Six months ended 30th September 2020	Six months ended 30th September 2019
A	Cash flow from Operating activities		
	Profit for the year	76384	118635
	Adjustments to reconcile net profit to net cash provided by operating activities		
	Income Tax expense	27740	11330
	(Gain)/Loss on sale of Property, Plant & Equipment	-1	10
	Finance cost	17610	17769
	Interest Income	-3033	-3175
	Share of Profit or Loss of Joint Venture	75	-266
	Other Adjustments	28	18
	Net (Gain)/Loss on Fair Value Adjustment	-52	12
	Depreciation, amortization and impairment expense	34450	28185
	Provision for Diminution in Value of Investments	19	39
	Provision for Doubtful Debts	587	47
	Provision for Doubtful Claims	188	81
	Provision for Replacement and Other charges	1828	996
	Provision for Warranty	10454	3852
	Provision for Raw Materials and Components, Stores and Spare parts and Construction Materials	10677	10452
	Provision for Liquidated Damages	20145	14230
	Operating Profit Before Working Capital Changes	197099	202215
	Adjustments for:		
	(Increase)/decrease in Trade Receivables	151956	339625
	(Increase)/decrease in Loans, Financial Assets and Other Assets	-29638	-46052
	(Increase)/decrease in Inventories	-124584	-215274
	Increase/(decrease) in Trade Payables	-153984	52816
	Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities	208814	151450
	Cash generated from Operations	249663	484780
	Income Taxes Paid	-32082	-136807
	Net Cash (used in)/generated from Operating Activities (A)	217581	347973
B	Cash flow from Investing activities		
	Purchase of Property, Plant & Equipment	-34170	-34976
	Purchase of Intangible Assets	-18154	-13443
	Proceeds from sale of Property, Plant & Equipment	67	47
	Investment in Joint Ventures		-100
	Investment in Subsidiary		
	Purchase of other non current Investments	-6101	-7559
	Proceeds from maturity of short term deposits	352	7925
	Interest Received	3033	3175
	Dividend Received from Joint Ventures	17	135
	Net Cash (used in)/generated from Investing Activities (B)	-54956	-44796
C	Cash flow from Financing Activities		
	Share application money paid		
	Repayment of Borrowings-Current (Net)	-155017	-263336
	Payment of Lease Liabilities		
	Interest paid	-17601	-17760
	Net Cash (used in)/generated from Financing Activities (C)	-172618	-281096
D	Effect of Exchange differences on translation of foreign currency cash and cash equivalents		
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C+D)	-9993	22081
	Add: Cash and Cash Equivalents at the beginning of the year	27932	2772
	Cash and Cash Equivalents at the end of the year	17939	24853

Notes:

- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 "Statement of Cash Flow"
- 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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Consolidated Notes:

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1. The above results have been reviewed and recommended by the Audit Committee in its meeting held on 13.11.2020 and approved by the Board of Directors in the meeting held on the same day.
2. The Financial Results have been audited by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have issued an unmodified opinion for the quarter and half-year ended September 30, 2020.
3. COVID-19 Risk

Current Half Year Impact:

The Group's operations and financial results for the current half year have been impacted by the lockdown imposed to contain the spread of COVID-19. The Group's manufacturing facilities were shut down during April 2020. The activities resumed from 28th April 2020 with precautions, reduced availability of manpower and disrupted supply chain, resulting in lower turnover and consequent lower profit.

Anticipated Future Impact:

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

4. 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".
5. FPQ Revenue relating to gratuity and vacation leave aggregating to Rs.11219 lakhs is recognized as revenue for the half year ended 30.09.2020 which hitherto was recognized at the year end.
Accordingly, the revenue and profit for the half year ended 30.09.2020 are not comparable with revenue/profit for the half year ended on 30.09.2019 and the quarter ended on 30.09.2019.

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

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

7. The Commercial Papers (listed) issued by the Group outstanding as on September 30, 2020 is Rs.200000 lakhs (As on 31.03.2020: Rs.150000 lakhs). Details of listed commercial papers in terms of the requirements of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are as follows-

Sl No	ISIN No	Credit Rating	Previous Due Date (01.04.2020 to 30.09.2020)			Next Due Date (01.10.2020 to 31.03.2021)		
			Principal	Interest	Whether paid on due dates	Principal	Interest	Whether paid on due dates
1	INE066F14023	ICRA A1+, CARE A1+	17-06-2020	NA	YES	-	-	-
2	INE066F14031	ICRA A1+, CARE A1+	15-09-2020	NA	YES	-	-	-
3	INE066F14049	ICRA A1+, CARE A1+	-	-	-	14-12-2020	NA	NA

8. Notes specific to Joint Ventures

(i) In respect of HATSOFF Helicopter Training Private Limited

Going Concern

The Company has made a net profit of Rs.168.54 Lakhs during the period ended 30th Sep 2020 and, as of that date, the Company's current liabilities exceeded its current assets. In addition to this, as at the balance sheet date, the Company has significant accumulated losses which have resulted in erosion of the net worth. The network of the Company as at 30th Sep 2020 is negative by Rs.5114.54 Lakhs (as at 31st March 2020 negative by Rs.5283.08

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Helicopter Training Private Limited, ou=HATSOFF
Helicopter Training Private Limited, email=chinakava.nam@hatsoff.com, c=IN

Lakhs). However, these financial statements have been prepared on a going concern basis, notwithstanding the above factors in view of the following:

- 1) Board has affirmed that Company has the ability to meet all the obligation.
- 2) The Company is able to get multiyear contracts from Defense forces with increased training hours.
- 3) The Company along with the shareholders are presently pursuing several options with the Company's bankers, viz., ICICI Bank.
- 4) The Company has paid ECB loan interest upto 05th March 2020 and continues to service interest commitments regularly. Besides interest payment, ECB principal of Rs.1222.33 Lakhs (US\$ 1,635,452.39) in August 2020 has been repaid against ECB overdue instalments and cleared Bank overdraft amount Rs.902.49 Lakhs.
- 5) The ECB Loan is classified as Non-Performing Asset by the lending bank in view of non payment of installments due. The bankers has not recalled the loan.

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

(ii) In respect of HALBIT Avionics Private Ltd

The Company has the following conditions that may cast doubt on its ability to continue as a going concern viz., Net liability position (Rs.1113.21 lakhs as at 30 September 2020 and Rs.1202.08 lakhs as at March 31 2020); Net current liability position (Rs.1182.14 lakhs for the year ended 30 September 2020 and Rs.1281.71 lakhs for the period ended 31 March 2020). Despite these conditions, its current liability to creditor, though recorded, isn't payable immediately, as they are yet to complete part performance of their obligation and being a shareholder-joint venture partner themselves, the Company has drawn up financial plans to liquidate the liability in a phased manner. The Company, based on its estimated future growth as per the business plans and projected cash flow, is confident of funding its operating and capital expenditure and continue business operations in the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

(iii) In respect of TATA HAL Technologies Ltd

During the year 2019-20 both the joint venturers of the Company, M/s Tata Technologies Limited and Hindustan Aeronautics Limited expressed their respective Board decisions for voluntary winding up of the Company. The matter has been discussed during the Board Meeting of the Company held on 09th March 2020 during which the Board has accorded in principle approval for closure of the operations of the Company on 31st March, 2020 except for pending work related to Purchase Order from HAL. Considering the above fact the accounts have been prepared on a non-going concern basis and assets have been valued at the amount which the Company expects to realize an assets and liabilities are stated at the amount which Company expects to settle the liability. The accounts for the corresponding previous quarter ended 30th September 2019 have been prepared on a going concern basis.

(iv) In respect of Helicopter Engines MRO Private Ltd

Pursuant to the decision of Board of Directors of the Company vide Board Resolution dated 05 May 2020 to down size the operations of the Company with effect from 31 May 2020, these financial statements of the Company have been prepared on the basis of a going concern. In making this assessment, the Management have

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considered several positive indicators including the plan provided by Safran and HAL, the joint venture partner, to provide support in the foreseeable future for meeting financial obligations and continuing technical, operational and management support being provided by them.

9. HAL Edgewood Technologies Private Limited, is a Joint venture company of Hindustan Aeronautics Limited, has vide their letter dated 09.07.2020, intimated their employees regarding the official closure of the company with immediate effect due to the spread of Covid 19-Pandemic.

The Joint Venture Company has not prepared the financial statements for the half year ended September 30, 2020 due to the abovementioned reason.

Hence, HAL Edgewood Technologies Private Limited, has not been considered for consolidation for the half year ended September 30, 2020, in the Consolidated Financial Statements.

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

10. The audited/reviewed financial statements of Infotech HAL Ltd, joint venture of Hindustan Aeronautics Limited are not available and hence not considered in consolidated financial statements. The joint venture was hitherto consolidated under equity method. The impact of non-consolidation, however, is not material.

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

12. The Profit after Tax (PAT) for the half year ended 30/09/2019, is after a onetime write back of Rs. 14,860 lakhs of deferred tax liability consequent to the reduction in applicable tax rate. Hence, the Profit After Tax (PAT) for the half year ended 30.09.2020 is not comparable with the Profit After Tax for the half year ended 30.09.2019.

13. 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

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CA N R Suresh

Partner

Membership No. 021661

Place: Bengaluru

Date: 13-11-2020

CB ANANTHAKRISHNAN

Director (Finance) & CFO

DIN: 06761339

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R MADHAVAN

Chairman & Managing Director

DIN: 08209860

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Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF HINDUSTAN AERONAUTICS LIMITED

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying Standalone quarterly Financial results of Hindustan Aeronautics Limited for the quarter / Half year ended 30th September 2020, and the year to date results for the period from 01.04.2020 TO 30.09.2020 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter / Half year ended 30th September 2020 as well as the year to date results for the period from 01.04.2020 to 30.09.2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the *Code of Ethics*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

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

Note 3:**Covid -19**

Current Half year Impact:

The Company's operations and financial results for the current half year have been impacted by the lockdown imposed to contain the spread of COVID-19. The company's manufacturing facilities were shut down during April 2020. The activities resumed from 28th April 2020 with precaution, reduced availability of manpower and disrupted supply chain, resulting in lower turnover and consequent lower profits.

Anticipated Future Impact:

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

Note 5:

FPQ Revenue relating to gratuity and vacation leave aggregating to Rs.11219 lakhs is recognized as revenue for the half year ended 30.09.2020 which hitherto was recognized at the year end.

Accordingly, the revenue and profit for the half year ended 30.09.2020 are not comparable with revenue/profit for half year ended on 30.09.2019 and the quarter ended on 30.09.2019.

ii) In respect of Koraput Division, the Division auditors have conducted the audit on remote basis, due to covid-19, lockdown restrictions. (i.e) Based on test check, documents made available by e-mail and internal audit report the audit has been completed.

Our opinion is not modified in respect of this matters.

Management's Responsibilities for the Standalone Financial Results

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

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

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

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

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

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

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

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

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

Other Matters

The Financial Results also include the audited Financial Results and financial information of 27bDivisions of the Company, whose financial statements

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/financial information reflect the total revenue of Rs 6 22 540 lakhs, Net profit of Rs 80 406 lakhs for the Period ended 30th September 2020, 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

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RAMAMURTHY SURESH

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Place: Chennai
Date: 13.11.2020

N R Suresh
Partner
M.NO 0121661
UDIN:20021661AAAACJ5774

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 / Half year ended 30th September 2020 and for the period from 01.04.2020 to 30.09.2020 ("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	SAMTEL HAL Display Systems Ltd
6	HATSOFF Helicopter Training Pvt. Ltd.
7	TATA HAL Technologies Ltd
8	International Aerospace Manufacturing Pvt.Ltd.

9	Multirole Transport Aircraft Ltd
10	Helicopter Engines MRO Pvt. Ltd

- 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 / Half Year ended 30th September 2020 and for the period from 01.04.2020 to 30.09.2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group, its associates and 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 there under, 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

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

Note 3:

Covid -19

Current Half year Impact:

The Company's operations and financial results for the current half year have been impacted by the lockdown imposed to contain the spread of COVID-19. The company's manufacturing facilities were shut down during April 2020. The activities resumed from 28th April 2020 with precaution, reduced availability of manpower and disrupted supply chain, resulting in lower turnover and consequent lower profits.

Anticipated Future Impact:

Based on the information available (internal as well as external) up to the date of approval of this financial results , company expects to recover the carrying amount

of Intangible assets, Inventories, Property, Plant and Equipment, Lease, Financial Instruments, Trade Receivables etc. Efforts are being made to minimize the impact. The Company will continue to closely monitor the developments, the future economic and business outlook and its impact on company's future financial statements with a view to minimize the Covid impact.

Note:5

FPQ Revenue relating to gratuity and vacation leave aggregating to Rs.11219 lakhs is recognized as revenue for the half year ended 30.09.2020 which hitherto was recognized at the year end.

Accordingly, the revenue and profit for the half year ended 30.09.2020 are not comparable with revenue/profit for half year ended on 30.09.2019 and the quarter ended on 30.09.2019.

Note 8:

"Notes Specific to Joint Ventures

(a) In respect of HATSOFF Helicopter Training Private Limited

Going Concern

The Company has made a net profit of Rs 168.54 Lakhs for the period ended 30th September 2020 and, as of that date, the Company's current liabilities exceeded its current assets. In addition to this, as at the balance sheet date, the Company has significant accumulated losses which have resulted in erosion of the net worth. The networth of the Company as at 30th September 2020 is negative by Rs.5114.54 Lakhs (as at 31st March 2020 negative by Rs.5283.08 Lakhs). However, these financial statements have been prepared on a going concern basis, notwithstanding the above factors in view of the following:

- 1) Board has affirmed that Company has the ability to meet all the obligation.
- 2) The Company is able to get multiyear contracts from Defense forces with increased training hours.
- 3) The Company along with the shareholders are presently pursuing several options with the Company's bankers, viz., ICICI Bank.
- 4) The Company has paid ECB loan interest up to 05th March 2020 and continues to service interest commitments regularly. Besides interest payment, ECB principal of Rs.1222.33 Lakhs (US\$ 16 35 429 .39) in August 2020 has been repaid against ECB overdue instalments and cleared bank overdraft amounts of Rs 902.49 Lakhs.
- 5) The ECB Loan is classified as Nonperforming Asset by the lending bank in view of nonpayment of installments due. The bankers has not recalled the loan.

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

(b) In respect of HALBIT Avionics Private Ltd

The Company has the following conditions that may cast doubt on its ability to continue as a going concern viz., Net liability position (Rs.1113.21 lakhs as at 30th September 2020 and Rs.1202.08 lakhs as at March 31 2020); Net current liability position (Rs.1182.14 lakhs for the half year ended 30th September 2020 and Rs.1281.71 lakhs for the period ended 31 March 2020). Despite these conditions, its current liability to creditor, though recorded, isn't payable immediately, as they are yet to complete part performance of their obligation and being a shareholder-joint venture partner themselves, the Company has drawn up financial plans to liquidate the liability in a phased manner. The Company, based on its estimated future growth as per the business plans and projected cash flow, is confident of funding its operating and capital expenditure and continue business operations in the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

(c) In respect of TATA HAL Technologies Ltd

During the year 2019-20 both the joint venturers of the Company, M/s Tata Technologies Limited and Hindustan Aeronautics Limited expressed their respective Board decisions for voluntary winding up of the Company. The matter has been discussed during the Board Meeting of the Company held on 09th March 2020 during which the Board has accorded in principle approval for closure of the operations of the Company on 31st March, 2020 except for pending work related to Purchase Order from HAL. Considering the above fact the accounts have been prepared on a non-going concern basis and assets have been valued at the amount which the Company expects to realize an assets and liabilities are stated at the amount which Company expects to settle the liability. The accounts for the corresponding previous quarter ended 30th June 2019 have been prepared on a going concern basis.

(d) In respect of Helicopter Engines MRO Private Ltd

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

Note 9:**In respect of HAL Edgewood Technologies Private Limited,**

A Joint venture company of Hindustan Aeronautics Limited, has vide their letter dated 09.07.2020, intimated their employees regarding the official closure of the company with immediate effect due to the spread of Covid-19 Pandemic.

The Joint Venture Company has not prepared the financial statements for the half year ended 30th September, 2020 due to the abovementioned reason.

Hence, HAL Edgewood Technologies Private Limited, has not been considered for consolidation for the half year ended 30th September, 2020, in the Consolidated Financial Statements.

The Impact of non consolidation, however, is not material.

Note 10:

In respect of Infotech HAL Limited

The audited /reviewed financials statements of Infotech Hal Limited, joint venture of Hindustan Aeronautics Limited are not available and hence not considered in consolidated financial statements. The Joint venture was hitherto consolidated under equity method.

The impact of non -consolidation however is not material.

ii) In respect of Koraput Division, the Division auditors have conducted the audit on remote basis, due to covid-19, lockdown restrictions. (i.e) Based on test checks, documents made available by e-mail and internal audit report the audit has been completed.

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

- a) The consolidated Financial Results include the audited Financial Results of two subsidiaries, whose Financial Statements/ Financial Results/ financial information reflects, Group's share of total revenue of Rs 72.54 Lakhs and 115 lakhs and Group's share of total net loss after tax of Rs 392.37 lakhs and Rs 772 lakhs for the Quarter ended 30.09.2020 and for the period from 01.04.2020 to 30.09.2020 respectively, as considered in the Consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on Financial Statements/ Financial Results/ financial information of these entities have been furnished to us and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- b) The consolidated Financial Results include the audited Financial Results of ten joint ventures, whose Financial Statements/ Financial Results/ financial information reflect Group's share of total net profit after tax of Rs. 14 lakhs and net Loss of Rs 75 lakhs for the quarter ended 30.09.2020 and for the period from 01.04.2020 to 30.09.2020 respectively, as considered in the Consolidated Financial Results, which have been audited by their respective independent auditors. The independent

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

Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

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

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Place :Chennai
Date :13.11.2020

N R Suresh
Partner
M.NO 0121661
UDIN :20021661AAAACK6780

Annexure - IV
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HINDUSTAN AERONAUTICS LIMITED
Regd. Office: 15/1 Cubbon Road, Bengaluru- 560 001
CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in

STATEMENT OF AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020

S. No.	Particulars	Standalone					Consolidated					Rs in Lakhs
		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-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20	
1	Total Income from Operations	4,85,382	3,44,894	6,59,079	6,73,861	21,44,803	4,85,360	3,44,896	6,59,034	6,73,843	21,44,782	
2	Other Income	8,764	4,142	13,472	10,048	29,333	8,797	4,068	13,522	10,016	29,391	
3	Income from Operations	4,94,146	3,49,036	6,72,551	6,83,909	21,74,136	4,94,157	3,48,964	6,72,556	6,83,859	21,74,173	
4	Net Profit/(Loss) for the period (before Tax and Exceptional Items)	82,469	47,858	1,04,229	1,19,676	3,81,908	82,643	47,578	1,04,124	1,19,251	3,85,972	
5	Net Profit/(Loss) for the period before Tax (after Exceptional Items)	82,469	48,409	1,04,229	1,30,390	3,93,800	82,643	48,129	1,04,124	1,29,965	3,97,864	
6	Net Profit/(Loss) for the period after Tax (after Exceptional Items)	61,345	62,446	76,489	1,19,060	2,84,201	61,519	62,166	76,384	1,18,635	2,88,265	
7	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	62,280	61,205	73,871	1,12,550	2,46,503	62,473	61,103	73,802	1,12,255	2,50,660	
8	Earnings Per Share (Face value of Rs.10/- each) (EPS for the quarter and half year are not annualised) (in Rs.)											
	(i) Basic	18.35	18.67	22.87	35.61	84.99	18.40	18.59	22.84	35.48	86.21	
	(ii) Diluted	18.35	18.67	22.87	35.61	84.99	18.40	18.59	22.84	35.48	86.21	
9	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	
10	Other Equity excluding revaluation reserves					12,86,519					12,91,412	
11	Capital Redemption Reserve / Debenture Redemption Reserve	0	0	0	0	14,761	0	0	0	0	14,761	
12	Net Worth (including Retained Earning)	0	0	0	0	13,19,958	0	0	0	0	13,25,282	
13	Debt Service Coverage Ratio (times)	12.54	5.74	6.92	7.74	9.29	12.56	5.71	6.91	7.71	9.38	
14	Interest Service Coverage Ratio (times)	12.54	5.74	6.92	7.74	11.96	12.56	5.71	6.91	7.71	12.08	
15	Debt Equity Ratio	0.3:1	0.1:1	0.3:1	0.1:1	0.4:1	0.3:1	0.1:1	0.3:1	0.1:1	0.4:1	

Notes:

- The above is an extract of the detailed format of quarterly audited financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarterly audited financial results are available on the Stock Exchange websites i.e. www.bseindia.com & www.nseindia.com and also on the Company's website www.hal-india.co.in.
- The Company has prepared these standalone and consolidated financial results in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.
- The Statutory Auditors have issued unmodified opinion on the standalone and consolidated financial statements of the Company for the quarter and half year ended 30th September 2020.
- COVID-19 Risk**
Current Half Year Impact:
The Company's operations and financial results for the current half year have been impacted by the lockdown imposed to contain the spread of COVID-19. The Company's manufacturing facilities were shut down during April 2020. The activities resumed from 28th April 2020 with precaution, reduced availability of manpower and disrupted supply chain, resulting in lower turnover and consequent lower profit.

Anticipated Future Impact:
Based on the information available (internal as well as external) up to the date of approval of this financial result, company expects to recover the carrying amount of Intangible assets, Inventories, Property, Plant and Equipment's, Lease, Financial Instruments, Trade Receivables etc. Efforts are being made to minimize the impact. The Company will continue to closely monitor the developments, the future economic and business outlook and its impact on company's future financial statements with a view to minimize the Covid impact.
- The Government of India, on 27/08/2020 – 28/08/2020 made an offer for sale (OFS) upto 15% of the paid up equity share capital, out of its shareholding of 89.97%, in order to achieve the mandatory threshold of 25% minimum public shareholding by a listed Company. Consequent to the OFS, the Government of India shareholding stands at 75.15%.
- The Profit after Tax (PAT) for the half year ended 30/09/2019, is after a onetime write back of Rs. 14,860 lakhs of deferred tax liability consequent to the reduction in applicable tax rate. Hence, the Profit After Tax (PAT) for the half year ended 30.09.2020 is not comparable with the Profit After Tax for the half year ended 30.09.2019.
- Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, where ever necessary.

Place : Bengaluru
Date : 13.11.2020

CB Ananthakrishnan
Director (Finance) & CFO
DIN: 06761339

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MADHAVAN
R Madhavan
Chairman & Managing Director
DIN: 08209860