

62ND ANNUAL REPORT 2024-25





Contents

CORPORATE OVERVIEW

03	Chairman's Statement
08	Corporate Information
10	Board of Directors & Chief Executive Officers
15	Major Events and Achievements
21	Financial Highlights
26	Notice of 62nd Annual General Meeting

STATUTORY REPORTS

42	Board's Report
56	Annexures to Board's Report
87	Management Discussion & Analysis Report
94	Corporate Governance Report
116	Business Responsibility & Sustainability Report

FINANCIAL STATEMENTS

STANDALONE

161	Independent Auditor's Report
184	Comments of the C & AG
186	Balance Sheet
188	Statement of Profit and Loss
190	Statement of Changes in Equity
192	Statement of Cash Flow
194	Material Accounting Policies
206	Notes to Financial Statements

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299	Independent Auditor's Report
317	Comments of the C & AG
324	Balance Sheet
326	Statement of Profit and Loss
328	Statement of Changes in Equity
330	Statement of Cash Flow
332	Material Accounting Policies
344	Notes to Financial Statements







Vision

To be a global leader in the Aerospace & Defence Industry

Mission

We are committed to deliver superior technology solutions to the customers by leveraging our infrastructure and Design, Manufacture & Service skills, for achieving business excellence







Chairman's Statement

Dear Shareholders,

I am pleased to share your Company's annual performance highlights for the Financial Year 2024-25; a year marked by significant achievements and sustained production, reinforcing the Company's strategic role in India's defence and aerospace sector.

During the year, the Company achieved the prestigious **MAHARATNA** status, the first among Defence PSUs in recognition of its strong financial performance, R&D and strategic initiatives. This achievement would not have been possible without the strong commitment of our people, the trust of our esteemed customers, support from the government and backing of our shareholders. I, on behalf of the Board of Directors, sincerely thank each one of you for your invaluable contributions.

During FY 25, the global defence and aerospace industry faced several challenges in the supply chain due to geopolitical tensions. Despite these setbacks, Indian defence production grew at a faster pace during the year, fueled by the Government's 'Aatmanirbhar' initiatives, expanding India's global footprint and boosting economic growth.

The Indian defence industry is poised for a major shift in the coming years. The Government's thrust on strengthening the Indian defence ecosystem through new public-private partnerships, technological innovation and increased defence spending will boost indigenous defence manufacturing to a new high. India aims to reach ₹3 Lakh Crore in defence production by 2029.



As the largest Defence PSU in India, your Company is fully prepared and committed to supporting the expanding defence ecosystem to make India self-sufficient in this sector.

On the financial parameters, the Company recorded an all-time high turnover of ₹ 30,105 Crore for FY 2024-25 driven by consistent order execution and growing demand for indigenous defence platforms. The Company's operational resilience and agility led to a 7% growth from the previous year, despite disruptions in the supply chain. The Profit Before Tax for the year increased by 6% to ₹ 10,820 Crore from ₹ 10,199 Crore in the previous year. The Profit after Tax (PAT) increased by 10% to ₹ 8,317 Crore from ₹ 7,595 Crore in the previous year. As of March 2025, the order book position of the Company stood at a healthy ₹ 1,89,302 Crore. The Company has received many new orders aggregating to ₹ 1,25,280 Crore.

The Company paid an interim dividend of ₹ 25/- per equity share of face value of ₹ 5/- each for the FY 2024-25, totaling to ₹ 1,672 Crore. Further, the Board of Directors of the Company has recommended a final dividend of ₹ 15/- per share of ₹ 5/- each for approval of shareholders, with a cash outflow of ₹ 1,003 Crore. On approval of shareholders, the total cash outflow for payment of dividend for the FY 2024-25 would be ₹ 2,675 Crore.





The Company made significant strides during FY 25:



- The Company's flagship product, Advanced Light Helicopter Dhruv's upgraded civil variant, received the Directorate of Civil Aviation (DGCA) certification. With this, the Company hopes to address the growing demand in the civil aviation space, an emerging opportunity in India.

- The Hindustan Turbo Trainer (HTT-40) aircraft received a Certification from the Centre for Military Airworthiness and Certification (CEMILAC) during Aero India-2025, marking a resounding success for HAL's design capabilities.





- The Company supplied structural assemblies to ISRO for its GSLV-F15 NVS-02 Mission. This Mission successfully placed the NVS-02 satellite into a Geosynchronous Transfer Orbit, for providing accurate Position, Velocity and Timing service to users in India.



- Indigenously developed Software Defined Radio (SDR), has been flight tested on ALH Dhruv.





- The first Gas Generator (GG-01) module for CE-20, Cryogenic engine was also delivered from the Integrated Cryogenic Manufacturing Facility (ICMF).
- Mistral-2 Missile Firing trial was successfully conducted on the Light Combat Helicopter (Prachand) at the Integrated Test Range, Chandipur, Odisha.
- The first AL-31FP engine under the 240-engine contract was also handed over to the Indian Air Force ahead of schedule.
- The first Jaguar DARIN III Fixed Base Full Motion Simulator (FBFMS) has been commissioned.

Additionally, we have taken several initiatives to ensure growth:

- The Company signed a Manufacturing License Agreement (MLA) with GE for the production of Engines for LCA Mk 2 under Transfer of Technology (ToT) in India.
- The Company also signed a long-term contract with Safran Aircraft Engines (SAE), for the export of ring forgings for LEAP engines.

The Company incurred Capital Expenditure (CAPEX) of ₹ 2,026 Crore during FY 2024-25 (PY ₹ 2,168 Crore). The investments were mainly towards the Green Field Helicopter project at Tumakuru, augmentation of facilities of LCA, ROH of SU-30, ROH of AL-31FP Engine etc. besides the regular replacement and rationalisation of the existing facilities.



In line with its strategic goals, the Company has a robust CAPEX plan for the next five years, with an estimated outlay of ₹14,000 to ₹15,000 Crore. This investment will focus on expanding manufacturing capacities and setting up Repair and Overhaul (ROH) facilities for various platforms including development of manufacturing infrastructure for the LCA Mk2, GE-414 engines and Indian Multi Role Helicopter (IMRH) engines, along with facilities to support Design and Development (D&D) activities for the IMRH, Advanced Medium Combat Aircraft (AMCA) and other related projects.

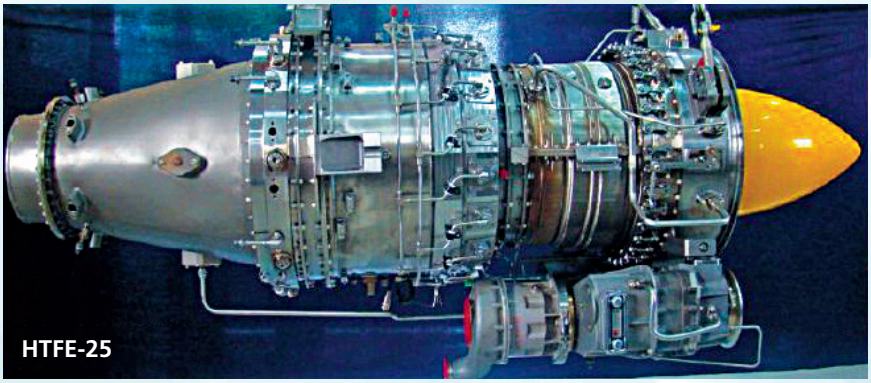
The Company has incurred ₹ 2,482 Crore on R&D during FY 2024-25, which is 8.25 % of the turnover. The Company also transferred a sum of ₹ 922 Crore to R&D reserve for contribution to R&D corpus.

The future of the Indian aerospace industry is promising. The integration of advanced technologies such as Unmanned Aerial Vehicles (UAVs), Artificial Intelligence (AI), Predictive Maintenance, Cybersecurity, Additive manufacturing and the Internet of Military Things (IoMT) is set to revolutionise the industry, enhancing operational capabilities and safety.

Your Company has taken 86 projects towards the implementation of Industry 4.0 and Quality 4.0 initiatives aimed at digitalisation of manufacturing technologies and the integration of physical and digital domains across various areas. The Company has driven IT transformation by implementing an information accessibility framework to accelerate the decision-making process. The Company is leveraging Artificial Intelligence (AI) in selected aspects of

defence systems development to reduce pilot workload, enhance situation awareness, safety and fleet availability for fixed-wing and rotary-wing platforms.

HAL is driving self-reliance through the indigenous development of mission-critical systems. This includes advanced avionics like Smart Multi-Function Displays (SMFD), Software Defined Radio (SDR), Automatic Flight Control Systems (AFCS) and Mission Computers, along with engine development programmes such as the Hindustan Turbo Fan Engine-25 for trainers, Hindustan Turbo Shaft Engine-1200 for helicopters and small gas turbines for Unmanned Aerial Vehicles. The Combat Air Teaming System (CATS), featuring manned-unmanned teaming platforms like the CATS Warrior (loyal wingman), represents HAL's foray into next-generation aerial warfare.



HTFE-25

Indigenous projects like Light Combat Aircraft Mk1A, ALH, Light Combat Helicopter Prachand, Light Utility Helicopter and HTT-40 will continue to be the main revenue source of the company. The futuristic projects like LCA Mk 2, AMCA, IMRH, Twin Engine Deck Based Fighter (TEDBF) etc. will ensure technological lead of the company in the years to come and keep our production lines busy during the next decade.



Do-228 LANDING GEAR

We will continue to support Start-up Companies, SMEs/ MSMEs, Tier–II and Tier-III vendors to achieve self-reliance "Aatmanirbharta" in aerospace and defence. During the FY 2024-25, HAL has placed Purchase Order for ₹ 2,593 Crore on 2,436 MSME Vendors, an increase of 21.50% over the previous year.

We are strengthening our footprint in exports by supplying aircraft like H-228 to Guyana, Do-228 to Seychelles and Mauritius, helicopters to Nepal, Maldives, Mauritius, Suriname and Namibia. The Company has exported Ring Forgings of super alloys to UK and USA, Su-30 avionics to Malaysia.

The Company is committed to its social responsibility and has implemented various CSR projects to integrate the social and business goals sustainably in line with Schedule VII of the Companies Act, 2013. During the year, the Company has spent ₹167 Crore against the CSR budget of ₹144 Crore in the thematic areas of education, health care, sports, skill development, rural development, livelihood enhancement etc. About 10% of the total expenditure was spent in Aspirational Districts benefitting rural and tribal communities. The Company has sanctioned a major project viz. construction of a High-Performance Sports Science Centre at the Sports Authority of India, Bengaluru, which will go a long way in enabling India to increase its medal tally significantly in the Olympics and other international events. Other projects include Project Vidushi which aims at improving the infrastructure of Kasturba Gandhi Balika Vidyalayas that are located near HAL Divisions, providing state-of-the-art high value medical equipment to Government Hospitals, construction of Government School Buildings and upgradation of infrastructure of Government ITI's etc.

HAL is actively shaping its role in Environmental, Social and Governance (ESG) initiatives focusing on integrating sustainability into its core business. During the year, 1.5MW of renewable energy was commissioned by the Company and the cumulative capacity installed is 35.35 MW. The Company has also installed 14.70 MW capacity wind power plants in





Karnataka. The Company met 37% of its electricity requirement from renewable energy sources.

Our HR commitment to developing technologically advanced and globally competitive talent remains at the core of our strategy. With a robust workforce where over 50% possess a decade of aerospace expertise, we continue to prioritise our people as our greatest asset. Through decisive actions in 2024-25 we continued to build a high-performing, growth-oriented workforce. Through structured and targeted training and development programmes, the existing leadership pipeline was strengthened across levels. Our Leadership Development Programme (LDP) in partnership with IIM-Ahmedabad and Aerospace Valley -France, with six batches successfully completed so far, aims at providing leadership pipeline for the future. Our Skill Development initiatives included partnerships with CMTI for Advanced Manufacturing Technology and Industry 4.0/5.0 programmes, thereby creating a future-ready workforce.

Recognition and development remained paramount through structured reward schemes, celebrating exemplary performance and by establishing sabbatical programs enabling self-development. Our inclusive approach was reinforced by granting special leave provisions for employees under Persons with Benchmark Disabilities (PWBD) category while our industry leadership was demonstrated through hand-holding support extended to other new DPSUs through workshops. Employee welfare continued to be strengthened with enhanced pension contributions from 7% to 10% for workmen and the introduction of a National Pension Scheme providing greater financial flexibility. These targeted measures have strengthened employee engagement and retention.

Your Company always strives to conduct the business with integrity, in an ethical and transparent manner to attain the highest standard of Corporate Governance practice in the letter & spirit by framing & implementing various policies & procedures mandated under the Companies Act and SEBI (LODR) Regulations, DPE Guidelines, Public Procurement Policy, CVC Guidelines, MoD directives issued from time to time. The Company has established systems and procedures to ensure that its Board of Directors is well informed about the policies of the company, to enable them to discharge their responsibilities and to enhance the overall value of all stakeholders. Your company has been continuously rated 'Excellent' grade for the past 23 years with respect to MoU signed with Department of Public Enterprises.

I take this opportunity to extend my sincere gratitude to the Department of Defence Production, Defence Acquisition Council, Defence Finance, Department of Civil Aviation and our valuable customers viz., the Indian Air Force, Indian Army, Indian Navy, Indian Coast Guard, Border Security Force, ISRO, other Global Aviation Companies and private industry.

I thank DGAQA, CEMILAC, Principal Controller of Defence Accounts, Principal Director of Commercial Audit, C&AG, Auditors, Bankers, Legal Advisors, Collaborators, Suppliers, Shareholders and other Agencies and acknowledge their contributions to the Company's achievements.

I am grateful, once again, to the members of the Board for their valuable guidance and acknowledge the immense contribution and dedication of the employees at all levels.

JAI HIND



(Dr. D K Sunil)
Chairman and Managing Director

Place : Bengaluru
Date : July 21, 2025

Corporate Information (as on July 21, 2025)



BOARD OF DIRECTORS

Dr. D. K. Sunil
Chairman and Managing Director (CMD)

Shri Barenya Senapati
Director (Finance) & CFO

Shri Ravi K
Director (Operations)

Shri M. G. Balasubrahmanya
Director (Human Resources)

Shri Ajay Kumar Shrivastava
Director (Engineering and R&D)

Ms. Manisha Chandra, IAS
Joint Secretary (Aero)
Ministry of Defence
Govt. Nominee Director

Dr. Rajalakshmi Menon
Distinguished Scientist & Director General
(Aeronautical Systems), DRDO
Govt. Nominee Director

CA Rakesh Bhawsar
Independent Director

Dr. S. D. Premkumar
Independent Director

COMPANY SECRETARY

Shri Shailesh Bansal
Company Secretary





Bankers

State Bank of India
Punjab National Bank
Indian Bank
Indian Overseas Bank
Bank of Baroda
Canara Bank
Union Bank of India

Statutory Auditor

M/s. Gupta Nayar & Co.,
Chartered Accountants, Bengaluru

Branch Auditors

M/s. Om Rastogi & Co.,
Chartered Accountants, Lucknow

M/s. N G S & Co LLP.,
Chartered Accountants, Mumbai

M/s. R Kabra & Co LLP.,
Chartered Accountants, Hyderabad

M/s. Vasu & Associates.,
Chartered Accountants, Srikakulam

M/s. Chhaparia & Associates.,
Chartered Accountants, Kolkata

M/s. Kapoor Tandon & Co.,
Chartered Accountants, Kanpur

M/s. Singh Agarwal & Associates.,
Chartered Accountants, Lucknow

M/s. S V Bhat & Co.,
Chartered Accountants, Bengaluru

M/s. Bohara Bhandari Bung and Associates LLP.,
Chartered Accountants, Bengaluru

M/s. Vijay Panchappa & Co.,
Chartered Accountants, Bengaluru

M/s. M S S V & Co.,
Chartered Accountants, Bengaluru

M/s. Nagarajan & Co.,
Chartered Accountants, Bengaluru

M/s. Ishwar & Gopal.,
Chartered Accountants, Bengaluru

M/s. G R V & P K.,
Chartered Accountants, Bengaluru

M/s. C S M R & Associates.,
Chartered Accountants, Bengaluru

M/s. T Murali & Co.,
Chartered Accountants, Bengaluru

M/s. R Singhvi & Associates.,
Chartered Accountants, Bengaluru

Cost Auditor

M/s. Murthy & Co.LLP.,
Cost & Management Accountants, Bengaluru

Legal Advisor

M/s. Sundaraswamy & Ramdas.
Advocates, Bengaluru

Tax Consultants

Deloitte Touche Tohmatsu India LLP,
Bengaluru

Credit Rating Agencies

M/s. ICRA Limited

M/s. CARE Ratings Limited

Board of Directors (as on July 21, 2025)



Dr. D.K. Sunil
Chairman and Managing Director

Dr. D. K Sunil was appointed as Chairman & Managing Director (CMD) w.e.f September 09, 2024. Prior to this position, Dr. Sunil was holding the post of Director (Engineering and R&D) of the Company.

Since taking the helm as CMD in September 2024, Dr. Sunil has steered HAL's transformation into a Maharatna Company, driving strategic growth, operational excellence and innovation. Under Dr Sunil's leadership, HAL has firmly set itself on a growth path, evolving into a technology-driven and digitally integrated organization while retaining the No.1 position among DPSUs in terms of market capitalization.

Dr. Sunil holds a bachelor's degree in Electronics & Communication Engineering from Osmania University, Hyderabad and a master's in Aircraft Production from IIT, Madras. He has a Ph.D. in Electronics Science from the University of Hyderabad. Dr. Sunil has honed his leadership skills through executive programs at the Indian Institute of Management (IIM) and the Institut Aéronautique et Spatial, Toulouse, France.

Dr. Sunil began his career as a Management Trainee at HAL, devoting over 38 years to the Company. Throughout his career, Dr. Sunil has made significant contributions to design, production, quality enhancement, and customer support in various leadership roles. Deeply committed to developing indigenous technologies and furthering self-reliance in defence, Dr. Sunil has led significant breakthroughs in advanced technologies like voice-activated control system, combined interrogator transponder and his extensive design expertise has been pivotal in ground-breaking projects such as Active ESA Radar, Automatic Flight Control System for Prachand and LUH, and Mission Computers for helicopter and fighter platforms.

In addition to holding leadership positions at HAL, Dr. Sunil serves as Chairman of the Aerospace and Aviation Sector Skill Council; Director, Defence Innovation Organization (DIO); Board Member, Indian National Space Promotion and Authorization Centre, Department of Space (IN-Space); Member Governing Council, CSIR-NAL; Member CSIR Society and Member, Governing Body of Aeronautical Development Agency (ADA).

A prolific writer, Dr. Sunil has authored articles in several peer-reviewed journals, and his innovations in wireless communication are protected by twelve copyrights and one patent. Under his direction and guidance, HAL has received over 1100 IPRs, which include 371 patents.



Shri Barenya Senapati
Director (Finance) & CFO

Shri Barenya Senapati was appointed as the Director (Finance) w.e.f October 22, 2024 and Chief Financial Officer of the Company w.e.f November 14, 2024.

Shri Senapati is a Fellow Member of The Institute of Chartered Accountants of India and has 31 years of post-qualification experience in the field of Finance.

He joined HAL in 1995 and has a rich experience of 30 years in varied roles at Divisional level and in the Corporate Finance. Prior to his appointment as the Director (Finance), Shri Senapati has been holding the position as Executive Director (Finance), of the Company and handling overall Finance and Accounts related function of HAL. He has the diverse experience in all the areas of Finance encompassing the Accounts, Financial planning, Treasury Management, Pricing and Taxation of the Company.

During his tenure in HAL, Shri Senapati played a key role in finalization of several contracts for supply of Fighter Aircraft & Helicopters. He is also instrumental in finalization of the pricing of Repair & Overhaul activities carried out by HAL which constitutes substantial revenue stream.

He has an active role in implementation of Online Claims Bills Realization system (e-CBRS) and Centralized Payroll Processing Centre for efficient functioning of Finance Department of the Company.

He took the lead in settlement of old long standing Sales Tax disputes with the Govt. of Karnataka, Govt. of Odisha and Govt. of Telangana, Govt. of Maharashtra in coordination with Defence Services and MOD.

He played an active role in obtaining the Maharatna Status for HAL which is a historical milestone of the Company.

Shri Senapati has been elected to the Executive Board of Standing Conference of Public Enterprises (SCOPE), an apex body of PSEs.

Shri. Senapati has been conferred prestigious award "CA, CFO – Large Corporates PSU" by the Institute of Chartered Accountants of India (ICAI) for his exemplary contributions and professional excellence at the prestigious World Forum of Accountants (WOFA) 2025, held in New Delhi on February 1, 2025.



Shri Ravi K
Director (Operations)

Shri Ravi K was appointed as the Director (Operations) of the Company w.e.f November 26, 2024. Prior to his appointment as the Director (Operations), Shri Ravi K has been holding the position as Executive Director (Corporate Planning) of the Company.

Shri Ravi K is a Graduate in Mechanical Engineering and is an alumunus of IIM, Ahmedabad & IAS, Toulouse-France and has rich experience of over 30 years across various sectors.

He is responsible for formulation of strategic & functional plans for the Company and is responsible for optimising the capacities, upgradation of capabilities within the Company while ensuring indigenisation and implementation of robust IT framework across the Company.

He had rich and varied experience in various facets of fixed wing business of the Company and was responsible for operationalisation of LCA Tejas fleet in Indian Air Force. He spearheaded a team to conclude the biggest ever Contract in Indian Defense Sector for supplying 83 LCA Mk1A with a Contract value of more than ₹ 36000 Crore in 2021 and also worked with IAF for additional 97 LCA Mk1A order which would form the backbone of Indian Air Force in times to come.

He was Instrumental in establishing the facilities and creating capacity for manufacturing of 16 LCA per year and was responsible for delivery of LCA Twin seater aircraft for the first time in the programme.

He led the indigenisation team to enhance the local content in LCA-Tejas programme and transformed LCA Division to be a lead integrator by successfully outsourcing the major fuselage assemblies to private partners.

He was Instrumental in increasing the fleet serviceability through various innovative initiatives and established seamless data communication with IAF bases with Single Point of Contact (SPOC) concept for all customer issues.



Shri M.G. Balasubrahmanya
Director (Human Resources)

Shri M.G. Balasubrahmanya has been appointed as Director (Human Resources) of the Company w.e.f. May 6, 2025. Prior to his appointment, he was holding the position of Executive Director (Human Resources) at HAL Corporate Office and handling Corporate HR & other Allied areas viz. Training & Skill Development, Medical & Health, Security & Fire, Media Communications, and Estates.

He holds Master of Social Work (Personnel Management & Industrial Relations) from School of Social Work, Roshni Nilaya, Mangalore University as well as Bachelor of Laws (LLB) from Osmania University. He is also certified Internal Assessor for the Competency Assessment.

Shri M.G. Balasubrahmanya started his career in HAL as a Management Trainee (Personnel) in the year 1989. During his career spanning over 35 years in HAL, he has contributed significantly in entire spectrum of Human Resources including Industrial Relations, Legal & Disciplinary matters, Training & Skill Development, Corporate Social Responsibility, Facility & Estate Management and Vigilance at Divisional, Complex & Corporate level.

Under dynamic leadership of Shri M.G. Balasubrahmanya, HAL's HR functions is focused on attracting and retaining best talent, encouraging and creating a culture of continuous learning, process improvement and automation, employees' engagement and in turn productivity improvement. Shri M.G. Balasubrahmanya is also instrumental in effectively developing and aligning various HR policies and interventions with the Business needs and challenges in HAL.



Shri Ajay Kumar Shrivastava
Director (Engineering and Research & Development)

Shri Ajay Kumar Shrivastava was appointed as Director (Engineering and Research & Development) of the Company w.e.f. July 15, 2025. Prior to his appointment as Director (Engineering and Research & Development), he was holding the position of Executive Director (ARDC), HAL.

Shri Ajay Kumar Shrivastava is a graduate in Electronics Engineering from HBTI Kanpur and a postgraduate in MS (Aviation Safety & Aircraft Airworthiness) from ENAC/ENSICA, Toulouse, France. He is also a certified Project Management Professional.

He joined HAL as a Management Trainee (Technical) in July 1988 and has 37 years of experience in Design, Development & Certification of Trainer, Fighter and Transport Aircrafts as well as Rotary Wing Aircraft.

He was instrumental in carrying out Avionics Upgrade of entire HS-748 fleet of IAF and also took up the project for Avionics upgrade of Do-228 of Indian Coast Guard, India Air-Force and Indian Navy, Sea-king Helicopter of Indian Navy and IL-78 aircraft of IAF.

He played key role in getting successfully type certification of Hi-228 aircraft, which makes it the first Indigenous Transport civil passenger aircraft in India to be Type Certified. He was also instrumental in obtaining DGCA certification for 2 civil HAL Do-228 aircrafts. Under his leadership, the Company has successfully completed the Indigenization of several critical aircraft-components.

During his tenure as Head of ARDC, HAL, the RMTC-RSD certification for the HTT-40 trainer aircraft was obtained and the Avionics upgrade of HJT-36 was carried out which was successfully demonstrated during Aero India 2025.



Ms. Manisha Chandra, IAS
Joint Secretary (Aerospace), MoD
Government Nominee Director

Ms. Manisha Chandra was appointed as Government Nominee Director of the Company w.e.f July 15, 2025.

She is an Indian Administrative Service officer of 2004 Batch of Gujarat Cadre and is currently serving as Joint Secretary (Aerospace) in the Department of Defence Production, Ministry of Defence. She holds a Masters Degree in Public Policy and Management from the prestigious King's College, London in addition to a Masters Degree in Political Science from the University of Allahabad.

She has served in three districts and in five major departments of the State and possesses a vast experience in development sector. As Secretary, Expenditure Department of Finance, Government of Gujarat she has also served on the board of key State PSUs of Gujarat like Gujarat Urja Vikas Nigam Ltd. (GUVNL), Gujarat Electricity Transmission Company (GETCO), Gujarat State Financial Services Ltd. (GSFS). She has been instrumental in taking several citizen centric pathbreaking initiatives involving the use of technology to improve the service delivery that have been duly recognised by national institutions like NITI AYOG.



Dr. Rajalakshmi Menon
Distinguished Scientist &
Director General
(Aeronautics Systems), DRDO
Government Nominee Director

Dr. Rajalakshmi Menon, Distinguished Scientist and Director General (Aeronautics Systems), was appointed as Government Nominee Director of the Company w.e.f September 13, 2024. She has done M.Sc. in Computer Science from University of Poona, Masters in Engineering in the area of Clutter Characterisation from Airborne Platform and Ph.D in the area of Target Recognition from Department of Aerospace Engineering, Indian Institute of Science.

Dr. Menon has played a pivotal role in the design, development, integration, testing and delivery of indigenous Airborne Early Warning & Control System (AEW&C). She has been pioneer in evolving the platform requirements for the AEW&C role and managing the interfaces for the complex system of systems program and leading the aircraft integration, operation and maintenance activities. As coordinator for indigenous datalinks development, she has successfully demonstrated the communication capability between AEW&C and Ground Exploitation System meeting the operational role.

Dr. Menon has made significant contributions in design and development of Airborne Surveillance Systems. Her area of expertise includes System Engineering of Complex Systems, Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR), Image Intelligence, Guidance and Control, Battle Management, System Design and System Analysis of Airborne Radars and EW sensors.

She is a recipient of DRDO Award for Path Breaking Research for developing critical technologies for AEW&C in 2012, DRDO Scientist of the year Award in 2015 and DRDO Technology Group Award for the design and development of Intercept Control and Battle Management System for AEW&C in 2018.

She is also a recipient of Outstanding Women Scientist/Technologist/ Engineer Award for 2018 from Aeronautical Society of India and Distinguished Alumni Award for 2019 from the prestigious Indian Institute of Science.



CA Rakesh Bhawsar
Independent Director

CA Rakesh Bhawsar has been appointed as Non-Official (Independent) Director of the Company w.e.f May 15, 2025.

CA Rakesh Bhawsar is a practicing fellow member of the Institute of Chartered Accountants of India since 2002. He has done Bachelor's degree in Science from Vikram University, Ujjain and having rich experience of more than 22 years in various kind of Audit including Central Statutory Audit of Bank, Audit of Government Companies, Audit of Private companies and other entities including NGOs.

His area of specialization is Management, Taxation and Legal Consultancy, Internal audits, Strategic Planning, etc.

He is also representing various social organizations and is a Managing Trustee of Saraswati Bal Kalyan Nyas, a publisher of well-known monthly children magazine "Devputra".



Dr. S. D. Premkumar
Independent Director

Dr. S D Premkumar has been appointed as Non-Official (Independent) Director of the Company w.e.f May 15, 2025.

Dr. S D Premkumar has done MBBS from Annamalai University, Chidambaram and Post Graduate Diploma in ENT from Madras Medical College, Chennai.

He is an ENT Surgeon worked as Medical Superintendent Bharathiraja Multi Speciality Hospital, Chennai. He is presently working as Senior Consultant Superintendent in Bharathiraja Speciality Hospital & Research Centre, Chennai. Dr. S D Premkumar has rich experience of more than 16 years in Medical field.

Chief Executive Officers (CEOs) (as on July 21, 2025)



Shri Saket Chaturvedi

Chief Executive Officer, MiG Complex

Shri Saket Chaturvedi, Chief Executive Officer, MiG Complex, a graduate in Electronics Engineering from MITS Gwalior, M.Tech. in Digital Communication from MANIT Bhopal, MBA in Marketing, Project Management IPMA Level-C Professional and had completed leadership development program at IIM Ahmedabad and at IAS Toulouse. He is a Certified Energy Manager cum Energy Auditor by Bureau of Energy Efficiency. He was awarded by Maharashtra Energy Development agency, the "9th state level award for excellence in energy conservation and management" under individual category.

He was instrumental in reducing ROH cycle time of SU30MKI aircraft to 15 months, achieving the rated production of 20 aircraft per annum and steered development of indigenous repair technologies for about 80 LRU's of SU30MKI. He had joined HAL in 2004 and has served in various capacities in various departments in Nasik such as Plant Maintenance, Outsourcing, Head of MiG ROH Project, Business Development & Projects, CEO(IASL). He was General Manager of Aircraft Overhaul Division, Nasik before taking charge as Chief Executive Officer of MiG Complex w.e.f April 1, 2023.



Shri Jayakrishnan S

Chief Executive Officer, Bangalore Complex

Shri Jayakrishnan S, Chief Executive Officer, Bangalore Complex, is a B. Tech in Production Engineering from TKM College of Engineering, University of Kerala. He started his career in HAL as a Management Trainee in the year 1989. During his career spanning of 36 years in HAL, he has worked in various functions viz., Production Engineering, IT, Supply Chain, Aircraft Assembly, Customer Services, Project Management, Marketing, Export and Business development. Prior to his appointment as Chief Executive Officer of Bangalore Complex w.e.f July 1, 2024, he served as General Manager of Aircraft, IJT (Intermediate Jet Trainer) and Airport Services Centre (ASC) Divisions at HAL.



Shri M Satyanarayana

Chief Executive Officer, Accessories Complex

Shri M Satyanarayana, is a B.Tech in Electronics & Communication Engineering from D.M.S.S.V.H. College of Engineering, Machilipatnam, Nagarjuna University, Andra Pradesh and M.Tech in Aircraft Production Engineering from IIT Madras. He started his career in HAL as Management Trainee in the year 1989. During his career spanning of 36 years in HAL, Shri Satyanarayana has worked extensively across Russian, Western, and Indigenous platforms, ranging from legacy fleets to cutting-edge advancements and future technologies. Prior to his appointment as Chief Executive Officer of Accessories Complex w.e.f. January 1, 2025, he served as General Manager of HAL's Accessories Division at Lucknow & Avionics Division at Hyderabad.



Shri P B Rangarao

Chief Executive Officer, Helicopter Complex

Shri P B Rangarao, Chief Executive Officer, Helicopter Complex, holds Bachelor's degree in Mechanical Engineering from Regional Engineering College, Warangal, a Post Graduate Diploma in Business Management from XIME, Bengaluru and has completed a Leadership Development Program from the Indian Institute of Management (IIM), Ahmedabad. He started his career in HAL as a Design Trainee in the year 1995. During his career span of 30 years in HAL, he has served in several key roles across departments including Plant Maintenance, ALH Manufacturing Shops, Ch/Ck Transmission & Blade Shop, Head of Ch/CK project, Outsourcing, and Planning. Prior to his appointment as Chief Executive Officer of Helicopter Complex w.e.f July 1, 2025, he was Executive Director, Helicopter Division.

Major Events



Raksha Rajya Mantri, Shri Sanjay Seth visited HAL facilities in Bengaluru on July 15, 2024.



The first centre fuselage assembly for Light Combat Aircraft Mk1A, produced by the Indian Private Industry, VEM technologies, was handed over to HAL in the presence of Shri Sanjeev Kumar, Secretary, Defence Production, Ministry of Defence and Dr. D. K. Sunil, CMD, HAL in Hyderabad on May 30, 2025.



HAL participated in the Egypt International Air Show 2024 at Al-Alamein International Airport Egypt from September 3 to 5, 2024.



CMD, HAL had the opportunity to meet Hon'ble Prime Minister, Shri Narendra Modi during State visit of President of Maldives to India on October 7, 2024.



Shri Ajit Doval, National Security Advisor, visited HAL facilities in Bengaluru on January 10, 2025.



Hon'ble Raksha Mantri, Shri Rajnath Singh visited LCA MK1A production facility in Bengaluru on February 9, 2025.

Major Achievements



The Ministry of Defence signed a contract with HAL for supply of 240 Al-31FP Aero Engine for Su-30MKI aircraft in the presence of Defence Secretary Shri Giridhar Aramane in New Delhi on September 9, 2024.



HAL handed over the first AL-31FP Aero Engine of Su-30MKI to IAF on September 30, 2024 in Koraput in the presence of Shri Sanjeev Kumar, Secretary (Defence Production).



HAL received Restricted Military Type Certificate for HTT 40 from Rajya Raksha Mantri, Shri Sanjay Seth during Aero India 2025.



HAL signed a long-term contract with Safran Aircraft Engines (SAE), the world's leading aircraft engine maker for supply of turbine forged parts for their LEAP engines during Aero India on February 12, 2025.



The first rear fuselage for Light Combat Aircraft Mk1A, produced by Indian Private Industry, Alpha Tocol Engineering Services Private Ltd, was handed over to HAL in the presence of Hon'ble Raksha Mantri Shri Rajnath Singh and Dr D K Sunil, CMD, HAL at Aircraft Division in Bengaluru, Karnataka on March 9, 2025.



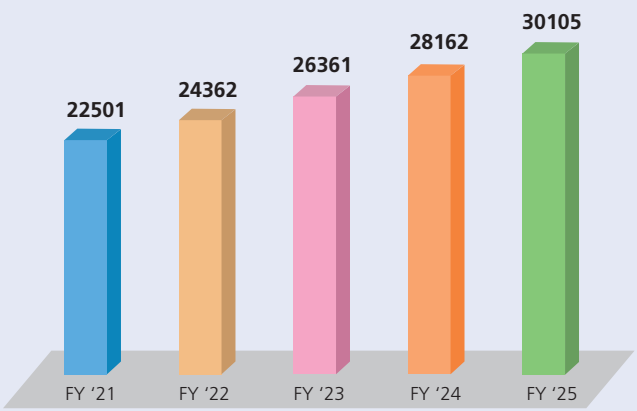
The Ministry of Defence inked contracts with HAL for Supply of 156 Light Combat Helicopter (LCH) Prachand to the Armed Forces on March 28, 2025.



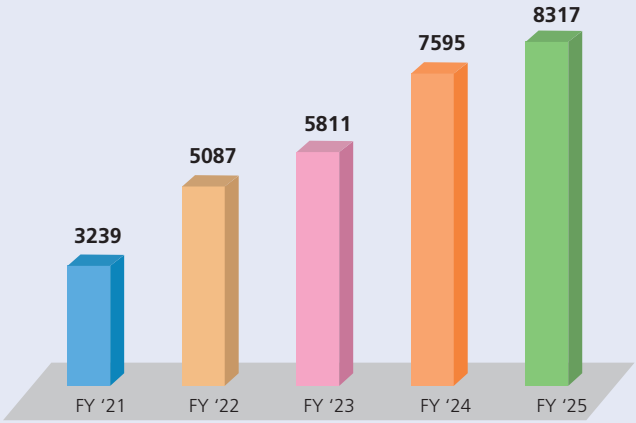


Financial Highlights

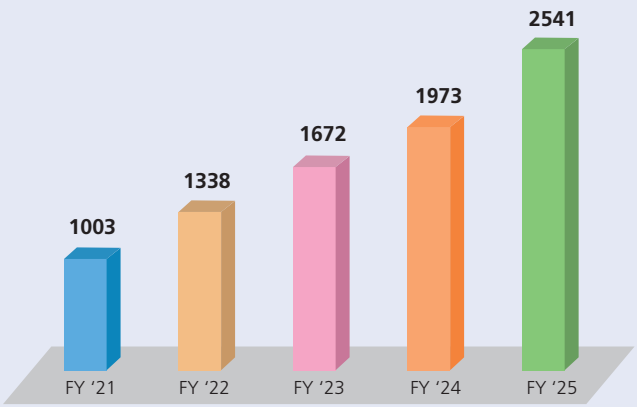
Turnover (₹ in Crores)



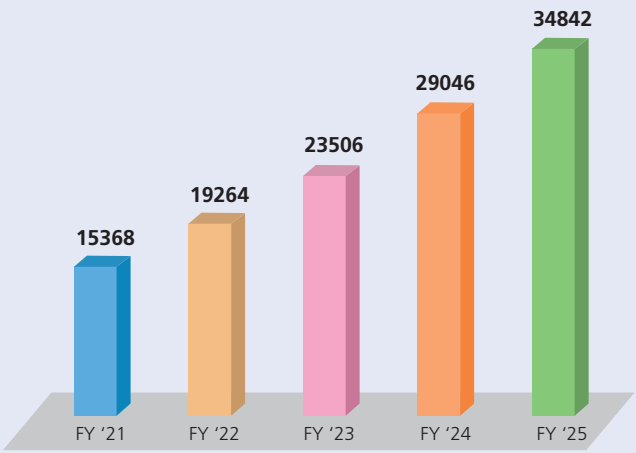
Profit After Tax (PAT) (₹ in Crores)



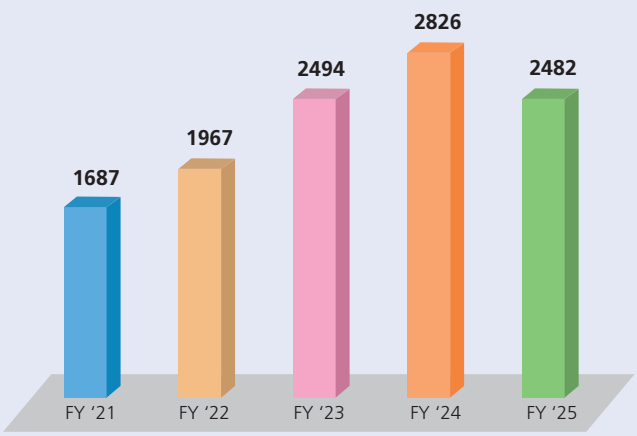
Dividend (₹ in Crores)



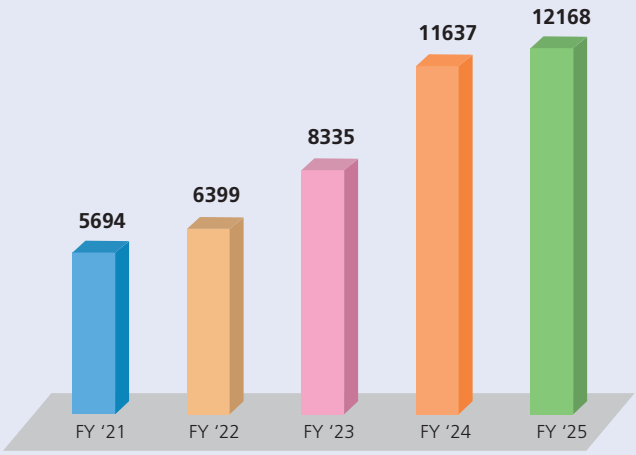
Net Worth (₹ in Crores)



R&D Expenditure (₹ in Crores)



EBITDA (₹ in Crores)







Financial Highlights

Sl. No.	Particulars	Units	2010-11	2011-12	2012-13	2013-14	2014-15
A	**Our Earnings**						
	Sales - Inland	₹ Cr.	12878	13856	13941	14688	15131
	Export Sales	₹ Cr.	237	348	383	440	490
	Total Sales	₹ Cr.	13115	14204	14324	15128	15621
	Changes in WIP & SIT & FG	₹ Cr.	3335	-1511	-122	740	667
	Total	**₹ Cr.**	**16450**	**12693**	**14202**	**15868**	**16288**
B	**Our Outgoings**						
	Cost of Materials	₹ Cr.	11772	5761	8008	9149	8882
	Manpower Cost	₹ Cr.	2246	2721	2446	2685	3379
	Net Operating Cost	₹ Cr.	765	2813	2383	2349	2215
	Net Financing Cost	₹ Cr.	-1341	-2107	-2316	-2064	-1622
	Depreciation	₹ Cr.	169	177	184	171	262
	Total	**₹ Cr.**	**13611**	**9365**	**10705**	**12290**	**13116**
C	**Our Savings**						
	Profit Before Tax	₹ Cr.	2839	3328	3497	3578	3172
	Provision For Tax	₹ Cr.	725	789	500	885	784
	Profit After Tax For Appropriation	**₹ Cr.**	**2114**	**2539**	**2997**	**2693**	**2388**
D	**We Own**						
	Net Block	₹ Cr.	1509	1556	1548	1582	1559
	Other Assets (Net)	₹ Cr.	9722	11260	13397	15794	13996
	Total	**₹ Cr.**	**11231**	**12816**	**14945**	**17376**	**15555**
E	**We Owe**						
	Equity	₹ Cr.	121	121	121	482	482
	Reserves and Surplus	₹ Cr.	9625	11218	13257	14533	14412
	Shareholders' Funds	**₹ Cr.**	**9746**	**11339**	**13378**	**15015**	**14894**
F	**Deferred Tax Liability**	₹ Cr.	1485	1477	1567	1682	661
	Long Term Borrowings	₹ Cr.					
	Short Term Borrowings	₹ Cr.				679	
	Total	**₹ Cr.**	**11231**	**12816**	**14945**	**17376**	**15555**
G	**Financial Statistics**						
	Revenue from Operations (Net)	₹ Cr.	13124	14211	14328	15135	15730
	Value of Production	₹ Cr.	16450	12693	14202	15868	16288
	Value Added	₹ Cr.	4678	6932	6194	6719	7406





2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
16140	17139	17970	19416	21016	22261	24194	26067	27851	29705
446	465	314	405	212	240	168	294	311	400
16586	17604	18284	19821	21228	22501	24362	26361	28162	30105
566	-501	-731	-1171	-638	-2457	-592	694	1956	7624
17152	**17103**	**17553**	**18650**	**20590**	**20044**	**23770**	**27055**	**30118**	**37729**
9172	8692	8046	7664	8760	8740	9412	10809	13035	19937
3274	3569	4299	4295	4764	4291	4590	4896	5276	5718
2734	1873	2296	2645	2471	2197	4529	5327	2789	**2881**
-1549	-880	-610	-14	347	239	-288	-778	-1499	-1971
314	266	282	318	310	300	296	308	318	344
13945	**13520**	**14313**	**14908**	**16652**	**15767**	**18539**	**20562**	**19919**	**26909**
3207	3583	3240	3742	3938	4277	5231	6493	10199	10820
1209	967	1253	1396	1096	1038	144	682	2604	2503
1998	**2616**	**1987**	**2346**	**2842**	**3239**	**5087**	**5811**	**7595**	**8317**
1694	1985	2391	2728	2882	2690	2535	2888	2890	3008
10140	12462	8936	13463	16204	12687	16729	20618	26156	31834
11834	**14447**	**11327**	**16191**	**19086**	**15377**	**19264**	**23506**	**29046**	**34842**
362	362	334	334	334	334	334	334	334	334
10657	12175	9151	11741	12865	15034	18930	23172	28712	34508
11019	**12537**	**9485**	**12075**	**13199**	**15368**	**19264**	**23506**	**29046**	**34842**
815	960	978	0	0	0	0	0	0	0
		100	100	0	0	0	0	0	0
	950	764	4016	5887	9	0	0	0	0
11834	**14447**	**11327**	**16191**	**19086**	**15377**	**19264**	**23506**	**29046**	**34842**
16758	17950	18519	20008	21445	22882	24620	26928	30381	30981
17152	17103	17553	18650	20590	20044	23770	27055	30118	37729
7980	8411	9507	10986	11830	11304	14358	16246	17083	17792




Sl. No.	Particulars	Units	2010-11	2011-12	2012-13	2013-14	2014-15
	Dividend						
	Dividend	₹ Cr.	423	814	824	890	480
	Dividend Tax	₹ Cr.	69	132	134	151	96
	Total	**₹ Cr.**	**493**	**946**	**957**	**1041**	**576**
	Government Share						
	Dividend	₹ Cr.	423	814	824	890	480
	Dividend Tax	₹ Cr.	69	132	134	151	96
	Total	**₹ Cr.**	**493**	**946**	**957**	**1041**	**576**
	Other than Government Share						
	Dividend	₹ Cr.					
	Dividend TAx	₹ Cr.					
	Total	**₹ Cr.**					
	R & D Expenditure	₹ Cr.	987	968	1949	1083	1042
	EBITDA	₹ Cr.	3654	4051	4098	4181	3987
	Inventory	₹ Cr.	17427	16153	17980	22361	24965
	Trade Receivables	₹ Cr.	2318	3917	5530	6917	6108
	No. Of Employees	Nos.	33681	32659	32644	32108	31144
	No of Equity Shares	Cr.	12.05	12.05	12.05	48.20	48.20
H	**Financial Ratios**						
	Sales Per Employee	₹	3893887	4349184	4387943	4711598	5015733
	Value Added Per Employee	₹	1388914	2122539	1897439	2092625	2377986
	PBT to Sales	%	22	23	24	24	20
	Earnings Per Share	₹	175.44	210.71	62.18	55.87	49.54
	Dividend as %age of Equity (including Dividend Tax)	**%**	**409**	**785**	**199**	**216**	**120**

1 The Shareholders of the Company, at the 60th Annual General Meeting held on 31 August 2023, had approved the sub-division of one equity share of the face value of ₹ 10 each into two equity shares of face value ₹ 5 each. The record date for the said sub-division was 29 September 2023.

The basic and diluted EPS for the previous year 22-23 have been restated considering the face value of ₹ 5 each in accordance with Ind AS 33- "Earnings per Share" on account of the above mentioned sub-division of equity shares.

2 To achieve the mandatory threshold of 25% minimum public shareholding in the Company, Government of India (GoI) had offered 3.5% (1,17,03,563) equity shares of the Company to non-Retail Investors and Retail Investors on March 23-24, 2023, out of its shareholding of 75.15% in the Company, through Offer for Sale (OFS) by Stock Exchange Mechanism. Consequent to the OFS, the Government of India shareholding stands at 71.65% as at 31st March 2023.

Apart from above, as part of the OFS, GoI had also allotted 37,632 equity shares to the eligible employees of the Company during April, 2023 under Employee OFS. Consequent to the Employee OFS, the GoI shareholding stands at 71.64%.





2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
510	917	1076	662	1112	1003	1338	1672	1973	2541
104	187	219	136	229	0	0	0	0	0
614	**1104**	**1295**	**798**	**1341**	**1003**	**1338**	**1672**	**1973**	**2541**
510	917	1048	596	1000	754	1006	1257	1413	1820
104	187	213	122	206	0	0	0	0	0
614	**1104**	**1261**	**718**	**1206**	**754**	**1006**	**1257**	**1413**	**1820**
		28	66	112	249	332	415	560	721
		6	14	23	0	0	0	0	0
		34	**80**	**135**	**249**	**332**	**415**	**560**	**721**
1191	1284	1612	1464	1232	1687	1967	2494	2826	2482
4060	4273	4215	4936	5284	5694	6399	8335	11637	12168
23998	21340	19375	19685	19454	16689	14364	12161	13226	21676
4836	4220	6751	12459	11235	5670	4642	4719	4617	4648
30300	29526	29035	28345	27384	26432	25412	24457	23766	23999
36.15	36.15	33.44	33.44	33.44	33.44	33.44	33.44	66.88	66.88
5473927	5962130	6297179	6992768	7751972	8512788	9586809	10778509	11849701	12544273
2633663	2848508	3274259	3875816	4320041	4276634	5650087	6642679	7188000	7413642
19	20	18	19	19	19	21	25	36	36
41.45	72.35	56.15	70.16	84.99	96.88	152.11	86.89	113.57	124.36
170	**305**	**388**	**239**	**401**	**300**	**401**	**501**	**591**	**761**

3 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 stood at 75.15%.

4 During the Financial Year 2017-18, Government of India divested 3,35,32,320 Equity Shares of ₹ 10/- each equivalent to 10.03% of the paid up capital of the Company. Consequently, the Company's shares was listed on 28th March 2018.

5 The Company has bought back 2,71,12,500 Equity Shares of ₹ 10/- each on 19th Dec 2017. The effect of buy-back is considered for the purpose of calculation of Earnings Per Share.

6 The Company has bought back 12,05,00,000 Equity Shares of ₹ 10/- each on 30th March 2016. The effect of buy-back is not considered for the purpose of calculation of Earnings Per Share, as there is no significant change in value of the same.

7 The Company has issued 36,15,00,000 Equity Shares as Bonus Shares on 7th Feb 2014.





Notice of 62nd AGM

NOTICE is hereby given that the 62nd Annual General Meeting (AGM) of Hindustan Aeronautics Limited will be held on **Thursday, August 28, 2025 at 3.30 P.M. (IST)** through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2025 and the Reports of the Board of Directors and Auditors thereon and Comments of the Comptroller & Auditor General of India.

2. To confirm payment of interim dividend of ₹25/- per equity share and to declare a final dividend of ₹15/- per equity share for the financial year 2024-25.

3. To fix remuneration of Statutory Auditors for the financial year 2025-26.

   In terms of provisions of Section 142 of the Companies Act, 2013, the remuneration of the Auditors shall be fixed by the Company in General Meeting or in such manner as the Company in General Meeting may determine. Hence, it is proposed that the Members may authorize the Board to fix the remuneration of the Statutory Auditors of the Company for the financial year 2025-26, as may deem fit.

SPECIAL BUSINESS

4. Ratification of remuneration of Cost Auditor for the financial year 2025-26.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), the remuneration of ₹1,50,000/- (Rupees One Lakh and Fifty Thousand Only) excluding applicable tax payable to M/s Murthy & Co., LLP, Cost and Management Accountants, Bengaluru, for conducting cost audit of the Company for the financial year 2025-26, as approved by the Board of Directors of the Company, be and is hereby ratified."

5. Appointment of Dr. D.K. Sunil, (DIN: 09639264) as Chairman & Managing Director of the Company.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152. and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and Regulation 17(1C) of SEBI (LODR) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force) and provisions of the Articles of Association, Dr. D.K. Sunil, Director (Engineering and R&D), (DIN 09639264), who was appointed by the Board of Directors as Chairman and Managing Director with effect from 9th September, 2024 in terms of MoD, GoI Letter No. 49013/03/2021-D(HAL-III) dated 9th September, 2024, be and is hereby appointed as Chairman and Managing Director of the Company, not liable to retire by rotation, on such terms and conditions as stipulated by the Government of India."

6. Appointment of Dr. Rajalakshmi Menon, (DIN: 10776165) as Part-time Official Director (Government Nominee Director) of the Company.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 152, 161 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder and Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, (including any statutory modifications or re-enactment thereof, for the time being in force) and provisions of the Articles of Association, Dr. Rajalakshmi Menon, DS & DG (Aero), DRDO (DIN 10776165), who was appointed by the Board as Part-time Official Director (Government Nominee Director) of the Company w.e.f. 13th September, 2024, in terms of Letter No. 49016/03/2016-D (HAL-III) dated 12th September, 2024 issued by Ministry of Defence, Govt. of India, be and is hereby appointed as Government Nominee Director of the Company on such terms, conditions and tenure as may be determined by the Government of India."

7. Appointment of Shri Barenya Senapati, (DIN: 08525943) as Director (Finance) of the Company.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**



"RESOLVED THAT pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and Regulation 17(1C) of SEBI (LODR) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force), Shri Barenya Senapati, (DIN 08525943) who was appointed as an Additional Director and designated as Director (Finance) of the Company by the Board of Directors with effect from 22nd October, 2024 in terms of MoD, GoI Letter No. 49016/03/2017-D/HAL-III dated 22nd October, 2024 and who holds office until the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from him under Section 160 of the Companies Act, 2013 signifying his intention to appoint him as a Director, be and is hereby appointed as Director (Finance) of the Company on such terms and conditions as stipulated by the Government of India."

8. Appointment of Shri Ravi K, (DIN:10807781) as Director (Operations) of the Company.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and Regulation 17(1C) of SEBI (LODR) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force), Shri Ravi K, (DIN 10807781) who was appointed as an Additional Director and designated as Director (Operations) of the Company by the Board of Directors with effect from 26th November, 2024 in terms of MoD, GoI Letter No. 49013/01/2021-D/HAL-III dated 26th November, 2024 and who holds office until the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from him under Section 160 of the Companies Act, 2013 signifying his intention to appoint him as a Director, be and is hereby appointed as Director (Operations) of the Company on such terms and conditions as stipulated by the Government of India."

9. Appointment of Shri M G Balasubrahmanya, (DIN: 11048733) as Director (Human Resources) of the Company.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and Regulation 17(1C) of SEBI (LODR) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force), Shri M G Balasubrahmanya (DIN 11048733) who was appointed as an Additional Director and designated as Director (Human Resources) of the Company by the Board of Directors with effect from 6th May, 2025 in terms of MoD, GoI Letter No. 49016/01/2022-D(HAL-III) dated 6th May, 2025 and who holds office until the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from him under Section 160 of the Companies Act, 2013 signifying his intention to appoint him as a Director, be and is hereby appointed as Director (Human Resources) of the Company on such terms and conditions as stipulated by the Government of India."

10. Appointment of Shri Rakesh Bhawsar, (DIN: 11102892) as Part-Time Non-Official (Independent) Director of the Company.

    To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of Section 149, 150(2), 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and Regulation 17(1C) & Regulation 25(2A) of the SEBI (LODR) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force), Shri Rakesh Bhawsar (DIN 11102892), who was appointed as a Part-Time Non-Official (Independent) Director of the Company with effect from 15th May, 2025 by the Board of Directors pursuant to the Letter F. No. 49016/02/2021-D(HAL-III) dated 15th May, 2025 of the DDP, MoD, be and is hereby appointed as Part–Time Non-Official (Independent) Director of the Company, not liable to retire by rotation, on the same terms & conditions as determined by the Govt. of India."

11. Appointment of Dr. Sorathur Duraisamy Premkumar, (DIN: 11103113) as Part–Time Non-Official (Independent) Director of the Company.

    To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**



"RESOLVED THAT pursuant to the provisions of Section 149, 150(2), 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and Regulation 17(1C) & Regulation 25(2A) of the SEBI (LODR) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force), Dr. Sorathur Duraisamy Premkumar (DIN 11103113), who was appointed as a Part–Time Non-Official (Independent) Director of the Company with effect from 15th May, 2025 by the Board of Directors pursuant to the Letter F. No. 49016/02/2021-D(HAL-III) dated 15th May, 2025 of the DDP, MoD, be and is hereby appointed as Part–Time Non-Official (Independent) Director of the Company, not liable to retire by rotation, on the same terms & conditions as determined by the Govt. of India."

12. Appointment of Ms. Manisha Chandra, (DIN: 07557312) as Part-time Official Director (Government Nominee Director) of the Company.

    To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

    "RESOLVED THAT pursuant to the provisions of Sections 152, 161 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, (including any statutory modifications or re-enactment thereof, for the time being in force) and provisions of the Articles of Association, Ms. Manisha Chandra, Joint Secretary (Aero), Ministry of Defence (DIN 07557312), who was appointed by the Board as Part-time Official Director (Government Nominee Director) of the Company w.e.f. 15th July, 2025, in terms of Letter No. 8(32)/2019-D (Coord/DDP) dated 14th July, 2025 issued by Ministry of Defence, Govt. of India, be and is hereby appointed as Government Nominee Director of the Company on such terms, conditions and tenure as may be determined by the Government of India."

13. Appointment of M/s. SNM & Associates, Company Secretaries, Bangalore, as Secretarial Auditor of the Company.

    To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

    "RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and based on the approval of the Board of Directors, M/s SNM & Associates, Company Secretaries, Bangalore, be and is hereby appointed as the Secretarial Auditor of the Company for a consecutive period of five (5) years i.e from FY 2025-26 upto FY 2029-30, to conduct Secretarial Audit of the Company and to furnish the Secretarial Audit Report at an Annual Audit fee of ₹ 49,000/- exclusive of applicable taxes.

14. Appointment of Shri Ajay Kumar Shrivastava, (DIN: 10652075) as Director (Engineering and R&D) of the Company.

    To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

    "RESOLVED THAT pursuant to the provisions of Section 152, 160 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and Regulation 17(1C) of SEBI (LODR) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force), Shri Ajay Kumar Shrivastava, (DIN 10652075) who was appointed as an Additional Director and designated as Director (Engineering and R &D) of the Company by the Board of Directors with effect from 15th July, 2025 in terms of MoD, GoI Letter No. 49013/02/2021-D(HAL-III) dated 15th July, 2025 and who holds office until the date of ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from him under Section 160 of the Companies Act, 2013 signifying his intention to appoint him as a Director, be and is hereby appointed as Director (Engineering and R&D) of the Company on such terms and conditions as stipulated by the Government of India."

By Order of the Board of Directors
For Hindustan Aeronautics Limited

(Shailesh Bansal)
Company Secretary

Place: Bengaluru
Date: July 21, 2025





NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include Item No. 4 to 14 as Special Business in the forthcoming AGM.

2. Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated May 5, 2020 and subsequent Circulars issued from time to time and General Circular No 09/2024 dated September 19, 2024 read with relevant circulars issued by the Securities and Exchange Board of India (SEBI), from time to time (hereinafter collectively referred to as "Circulars"), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2025. In-line with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 62nd AGM of the Company is being held through VC/ OAVM, without the physical presence of Members at a common venue. The deemed venue for the AGM will be the Registered Office of the Company.

3. The Company has enabled the members to participate at the 62nd AGM through VC facility provided by the KFin Technologies Limited ("KFintech") (formerly known as "KFin Technologies Private Limited"). The participation at the AGM through VC shall be allowed on a first –come-first –served basis.

4. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2024-25 is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members whose email address has not been registered with the Company / Depositories, a letter providing the web-link, through which Annual Report can be accessed, is being sent. Members who requires physical copy of the Annual Report, may request for the same. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's Website www.hal-india.co.in, websites of the Stock Exchanges i.e BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFintech at https://evoting.kfintech.com at download section.

5. We desire members to support 'Green Initiative' by receiving the Company's communication through email. Members who have not registered their email addresses and mobile number so far are requested to validate/ register their details with the Depository Participant, for receiving all communication including Annual Report and other Notices from the Company electronically. In case of queries, Members are requested to write to einward.ris@kfintech.com or call at the toll free number 1800 309 4001.

6. In compliance with the provisions of section 108 of the Act, the Rules made thereunder and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through e-voting services provided by KFin Technologies Limited, on all resolutions set forth in this Notice. Members attending the AGM through VC/ OAVM, who have not cast their votes by remote e-voting shall be able to exercise their vote through e-voting during the AGM. Members, who have cast their vote by remote e-voting prior to the AGM, may attend the AGM through VC/ OAVM but shall not be entitled to cast their vote again. **The Procedure / Instruction for e-voting and joining AGM are provided in this notice.**

7. The remote e-voting period commences on Sunday, August 24, 2025 (9.00 A.M. IST) and ends on Wednesday, August 27, 2025 (5.00 P.M. IST). During this period, the Members, whose names appear in the Register of Members / list of Beneficial Owners, as on the cut-off date i.e. Thursday, August 21, 2025, may cast their votes electronically. The remote e-voting module shall be disabled by KFin Technologies Limited for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

9. Pursuant to the provisions under section 105 of the Act, a member who is entitled to attend and vote at a General Meeting, shall be entitled to appoint another person as a proxy to attend and vote on his/her behalf, and the proxy need not be a Member of the Company. Since, this AGM is being held through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip is not annexed to this Notice. However, pursuant to Section 112 and 113 of the Act, the President of India or Body Corporate, who are members, are required to send a scanned copy of its Board or Governing Body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote electronic – voting




(e-voting). The said resolutions / Authorizations can be forwarded to RTA on evoting@kfintech.com or sent to the Company by email through its registered email address to investors@hal-india.co.in

10. The following documents will be available for inspection by the Members electronically during the AGM. Members seeking to inspect such documents can send an email to investors@hal-india.co.in

    (a) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013.

    (b) The Register of Contracts or arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013.

11. Brief profile of the Directors seeking appointment/ re-appointment, as mandated under Regulation 36(3) of the SEBI Listing Regulations forms part of the Notice.

12. As per Regulation 40 (1) of SEBI Listing Regulations, as amended, transfer of securities of the Company shall not be processed unless the securities are held in the dematerialised form with a depository. Further, transmission or transposition of Securities of the Company held in physical or dematerialised form shall be effected only in dematerialised form.

13. The Board of Directors of the Company in its 494th meeting held on June 27, 2025 has recommended a final dividend of ₹15/- per share of ₹5/- each, subject to approval of shareholders at its 62nd AGM.

14. The Company has fixed Thursday, August 21, 2025 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2025, if approved at the AGM.

15. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on or before September, 27, 2025 to all Beneficial Owners as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as on record date.

16. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source (TDS) from dividend payable to shareholders at applicable rates, at the time of making payment of the dividend. In order to enable the Company to determine the appropriate TDS/ withholding tax rate applicability and to verify the documents and provide exemption, Members are requested to upload the requisite documents at https://ris.kfintech.com/form15/default.aspx on or before Record Date i.e. August 21, 2025. No communication on the tax determination / deduction shall be entertained thereafter. The shareholders are requested to update their PAN with the depositories.

17. Members are requested to address all correspondence including dividend related matters to the Registrar & Share Transfer Agent (RTA) of the Company i.e. KFin Technologies Limited (formerly known as "KFin Technologies Private Limited"), Selenium Building, Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad -500 032, Telangana, Toll free number 1800 309 4001 e-mail Id: einward.ris@kfintech.com.

18. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA at their address mentioned above or the Company Secretary of the Company at investors@hal-india.co.in

19. The Board has appointed M/s SNM & Associates, Company Secretaries, Bengaluru as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

20. The results of the above resolutions shall be declared within 2 working days from the conclusion of the AGM of the Company and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of the requisite number of votes in favour of the resolutions.

21. The results of the voting declared along with the scrutinizer's report will be published on the website of the Company (www.hal-india.co.in) and on website of RTA (https://evoting.kfintech.com) within 2 working days from the conclusion of the AGM and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited.

22. In terms of Section 72 of the Companies Act, 2013, Members may contact their respective DPs for registration of nomination.

23. Pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013, the Auditors of a Government Company are appointed or re-appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration is to be fixed by the Company in the AGM. The members may authorise the Board to fix an appropriate remuneration of Auditors for the year 2025-26.





24. Members are requested:

    I. To quote their DP & Client identification No. in all correspondence.

    II. To update immediately any change of their address, E-mail ID and bank particulars with their Depository Participants to get communication, dividend and other benefits in a timely manner.

    III. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

25. The Company has designated an exclusive e-mail ID called investors@hal-india.co.in for redressal of shareholders'/ investors' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at the above e-mail address.

26. Since the AGM will be held through VC /OAVM, the Route Map is not annexed in this AGM Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4 – Ratification of remuneration of Cost Auditor for the financial year 2025-26

The Board, on the recommendation of the Audit Committee, has approved in its 494th meeting held on June 27, 2025, the appointment of M/s Murthy & Co, LLP, Cost and Management Accountants, Bengaluru, at a remuneration of ₹1,50,000/- (Rupees One Lakh and Fifty Thousand only) excluding applicable tax, to conduct the Cost Audit of the Company for the financial year 2025-26.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditor Rules), 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the proposal is placed for approval of members.

M/s Murthy & Co, LLP have furnished a certificate dated 20th May, 2025 regarding their eligibility for appointment as Cost Auditors of the Company. They have relevant experience in the field of cost audit. The Auditor has conducted the audit of the cost records of the Company for previous years under the provisions of the Act and the performance was satisfactory.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution as Ordinary Resolution for your approval.

Item No. 5 – Appointment of Dr. D.K. Sunil, (DIN: 09639264) as Chairman & Managing Director of the Company

The Board of Directors of the Company has appointed Dr. D.K. Sunil, as Chairman & Managing Director (CMD) w.e.f. 9th September, 2024, in terms of Letter No. 49013/03/2021-D (HAL-III) dated 9th September, 2024 issued by Ministry of Defence, Govt. of India, subject to approval of the Members. Dr. D.K. Sunil, if appointed as CMD, will not be liable to retire by rotation under Section 152 of the Act.

Dr. D.K. Sunil, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Born on April 8, 1966, Dr. D.K. Sunil is a graduate in Electronics & Communication Engineering from Osmania University, Hyderabad and M. Tech in Aircraft Production from IIT, Madras. He was awarded Ph.D in Electronics Science from University of Hyderabad in the year 2019.

Dr. Sunil, has about 38 years of experience in varied roles in the Company contributing significantly to Design, production, quality enhancement, and customer support issues.

Since, Dr. D.K. Sunil, has vast and diversified experience in various fields including design and production of various platforms etc., the Board is of the opinion that the Company will be immensely benefitted on his appointment as CMD on the Board of the Company. Accordingly, the Board recommends the appointment of Dr. D.K. Sunil as CMD proposed at Item No. 5 of the accompanying Notice for approval by the Members.

Other particulars as per Reg. 36(3) of SEBI (LODR) Regulations, 2015 are provided as under:

- Disclosure of relationship between directors inter-se: Nil
- Directorship held in other listed Companies: Nil
- Membership / Chairmanship of the Committee in other listed Companies: Nil
- Name of listed entities from which the person has resigned in the past three years : Nil
- Shareholding in Hindustan Aeronautics Ltd: Nil
- The skills /expertise/ competency of Dr. D.K. Sunil, as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of the Director on the Board of the Company is made by the Government of India.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Dr. D.K. Sunil, is in any way, concerned or interested, financially or otherwise, in the resolution.




The Board of Directors recommends the Resolution as Ordinary Resolution for your approval.

Item No. 6 – Appointment of Dr. Rajalakshmi Menon, (DIN: 10776165) as Part-time Official Director (Government Nominee Director) of the Company

The Board of Directors of the Company has appointed Dr. Rajalakshmi Menon, Distinguished Scientist and Director General (Aeronautics Systems), DRDO as Part-time Official Director (Government Nominee Director) of the Company w.e.f. 13th September, 2024, in terms of Letter No. 49016/03/2016-D (HAL-III) dated 12th September, 2024 issued by Ministry of Defence, Govt. of India, subject to approval of the Members.

Dr. Rajalakshmi Menon, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Born on July 3, 1966, she has done M.Sc. in Computer Science from University of Poona, Masters in Engineering in the area of Clutter Characterisation from Airborne Platform and PhD in the area of Target Recognition from Department of Aerospace Engineering, Indian Institute of Science.

Dr. Rajalakshmi Menon, has more than 37 years of experience in System Engineering of Complex Systems, Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR), Image Intelligence, Guidance and Control, Battle Management, System Design and System Analysis of Airborne Radars and EW sensors.

Dr. Menon, has played a pivotal role in the design, development, integration, testing and delivery of indigenous Airborne Early Warning & Control System (AEW&C). She has been pioneer in evolving the platform requirements for the AEW&C role and managing the interfaces for the complex system of systems program and leading the aircraft integration, operation and maintenance activities.

Since, Dr. Menon, a Distinguished Scientist and Director General (Aeronautics Systems), DRDO has vast experience in various fields, the Board is of the opinion that the Company will be immensely benefitted on her appointment as Director on the Board of the Company. Accordingly, the Board recommends the appointment of Dr. Rajalakshmi Menon as Govt. Nominee Director as proposed at Item No. 6 of the accompanying Notice for approval by the Members.

Other particulars as per Reg. 36(3) of SEBI (LODR) Regulations, 2015 are provided as under:

- Disclosure of relationship between directors inter-se: Nil
- Directorship held in other listed Companies: Nil
- Membership / Chairmanship of the Committee in other listed Companies: Nil
- Name of listed entities from which the person has resigned in the past three years : Nil
- Shareholding in Hindustan Aeronautics Ltd: Nil
- The skills / expertise / competency of Dr. Rajalakshmi Menon, DS & DG (Aero) as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of the Director on the Board of the Company is made by the Government of India.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Dr. Rajalakshmi Menon, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution as Ordinary Resolution for your approval.

Item No. 7 – Appointment of Shri Barenya Senapati, (DIN: 08525943) as Director (Finance) of the Company

The Board of Directors of the Company has appointed Shri Barenya Senapati, as Additional Director and designated as Director (Finance) of the Company w.e.f. 22nd October, 2024 in terms of Letter No. 49016/03/2017-D/HAL-III dated 22nd October, 2024 issued by Ministry of Defence, Govt. of India, subject to approval of the Members.

In terms of the provisions of Section 161 of the Companies Act, 2013, and Article No.103 of the Articles of Association of the Company, he would hold office upto the date of the ensuing Annual General Meeting. A notice in writing under Section 160 of the Act has been received from him signifying his intention to appoint him as Director of the Company along with deposit of Rupees One Lakh, which shall be refunded, in case he is elected as director or gets more than twenty-five percent of total valid votes cast on such resolution.

Shri Barenya Senapati, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Born on November 25, 1967, Shri Barenya Senapati, is a Fellow Member of The Institute of Chartered Accountants of India and has 31 years of post-qualification experience in the field of Finance and related field.

He has diverse experience in all the areas of Finance encompassing the Accounts, Financial planning, Treasury Management, Pricing and Taxation of the Company.

Since, Shri Senapati, has vast and diversified experience in various fields including financial planning and taxation etc., the Board is of the opinion that the Company will be immensely benefitted on his appointment as Director on the





Board of the Company. Accordingly the Board recommends the appointment of Shri Barenya Senapati as Director (Finance) as proposed at Item No. 7 of the accompanying Notice for approval by the Members.

Other particulars as per Reg. 36(3) of SEBI (LODR) Regulations, 2015 are provided as under:

- Disclosure of relationship between directors inter-se: Nil
- Directorship held in other listed Companies: Nil
- Membership / Chairmanship of the Committee in other listed Companies: Nil
- Name of listed entities from which the person has resigned in the past three years : Nil
- Shareholding in Hindustan Aeronautics Ltd: Nil
- The skills / expertise / competency of Shri Barenya Senapati, as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of the Director on the Board of the Company is made by the Government of India.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Barenya Senapati, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution as Ordinary Resolution for your approval.

Item No. 8 – Appointment of Shri Ravi K, (DIN:10807781) as Director (Operations) of the Company

The Board of Directors of the Company has appointed Shri Ravi K, as Additional Director and designated as Director (Operations) of the Company w.e.f. 26th November, 2024 in terms of Letter No. 49013/01/2021-D/HAL-III dated 26th November, 2024 issued by Ministry of Defence, Govt. of India, subject to approval of the Members.

In terms of the provisions of Section 161 of the Companies Act, 2013, and Article No.103 of the Articles of Association of the Company, he would hold office upto the date of the ensuing Annual General Meeting. A notice in writing under Section 160 of the Act has been received from him signifying his intention to appoint him as Director of the Company along with deposit of Rupees One Lakh, which shall be refunded, in case he is elected as director or gets more than twenty-five percent of total valid votes cast on such resolution.

Shri Ravi K, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Born on June 17, 1969, Shri Ravi K, is a Graduate in Mechanical Engineering and is an alumunus of IIM, Ahmedabad & IAS, Toulouse-France and has rich experience of over 30 years across various sectors.

Shri Ravi K had rich and varied experience in various facets of fixed wing business of the Company.

He is responsible for formulation of strategic & functional plans for the Company and is responsible for optimising the capacities, upgradation of capabilities within the Company while ensuring indigenisation and implementation of robust IT framework across the Company.

Since, Shri Ravi, has vast and diversified experience in various fields, the Board is of the opinion that the Company will be immensely benefitted on his appointment as Director on the Board of the Company. Accordingly the Board recommends the appointment of Shri Ravi K as Director (Operation) as proposed at Item No. 8 of the accompanying Notice for approval by the Members.

Other particulars as per Reg. 36(3) of SEBI (LODR) Regulations, 2015 are provided as under:

- Disclosure of relationship between directors inter-se: Nil
- Directorship held in other listed Companies: Nil
- Membership / Chairmanship of the Committee in other listed Companies: Nil
- Name of listed entities from which the person has resigned in the past three years : Nil
- Shareholding in Hindustan Aeronautics Ltd: Nil
- The skills /expertise/ competency of Shri Ravi K, as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of the Director on the Board of the Company is made by the Government of India.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Ravi K, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution as Ordinary Resolution for your approval.

Item No. 9 – Appointment of Shri M G Balasubrahmanya, (DIN: 11048733) as Director (Human Resources) of the Company

The Board of Directors of the Company has appointed Shri M G Balasubrahmanya as Additional Director and designated as




Director (Human Resources) of the Company w.e.f. 6th May, 2025, in terms of Letter No. 49016/01/2022-D(HAL-III) dated 6th May, 2025, issued by Ministry of Defence, Govt. of India, subject to approval of the Members.

In terms of the provisions of Section 161 of the Companies Act, 2013, and Article No.103 of the Articles of Association of the Company, he would hold office upto the date of the ensuing Annual General Meeting. A notice in writing under Section 160 of the Act has been received from him signifying his intention to appoint him as Director of the Company along with deposit of Rupees One Lakh, which shall be refunded, in case he is elected as director or gets more than twenty-five percent of total valid votes cast on such resolution.

Shri M G Balasubrahmanya, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Born on May 31, 1967, Shri Balasubrahmanya holds Master of Social Work (Personnel Management & Industrial Relations) from School of Social Work, Mangalore University as well as Bachelor of Laws (LLB) from Osmania University.

Shri Balasubrahmanya having more than 35 years of experience in the Company, has contributed significantly in entire spectrum of Human Resources including Industrial Relations, Legal & Disciplinary matters, Training & Skill Development, Corporate Social Responsibility, Facility & Estate Management and Vigilance at Divisional, Complex & Corporate level.

Since, Shri Balasubrahmanya, has vast and diversified experience in various fields, the Board is of the opinion that the Company will be immensely benefitted on his appointment as Director on the Board of the Company. Accordingly the Board recommends the appointment of Shri M G Balasubrahmanya as Director (Human resources) as proposed at Item No. 9 of the accompanying Notice for approval by the Members.

Other particulars as per Reg. 36(3) of SEBI (LODR) Regulations, 2015 are provided as under:

- Disclosure of relationship between directors inter-se: Nil
- Directorship held in other listed Companies: Nil
- Membership / Chairmanship of the Committee in other listed Companies: Nil
- Name of listed entities from which the person has resigned in the past three years : Nil
- Shareholding in Hindustan Aeronautics Ltd: 216 Nos.
- The skills / expertise / competency of Shri M G Balasubrahmanya, as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of the Director on the Board of the Company is made by the Government of India.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri M G Balasubrahmanya, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution as Ordinary Resolution for your approval.

Item No. 10 – Appointment of Shri Rakesh Bhawsar, (DIN: 11102892) as Part–Time Non-Official (Independent) Director of the Company

The Board of Directors of the Company has appointed Shri Rakesh Bhawsar as a Part-Time Non-Official (Independent) Director of the Company w.e.f. 15th May, 2025, in terms of Letter No. 49016/02/2021-D(HAL-III) dated 15th May, 2025, issued by Ministry of Defence, Govt. of India, subject to approval of the Members.

Pursuant to the provisions of Section 149, 150 (2), 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and Regulation 17(1C) & Regulation 25(2A) of the SEBI (LODR) Regulations, 2015 as amended, the appointment of Independent Director(s) has to be approved at the meeting of shareholders of the Company by way of Special Resolution. Therefore, approval of the shareholders is sought for appointment of Shri Rakesh Bhawsar, as Independent Director on the same terms and conditions as determined by the Government of India. Shri Rakesh Bhawsar, if appointed as an Independent Director, will not be liable to retire by rotation under Section 152 of the Act.

Shri Rakesh Bhawsar has furnished declaration of independence as specified in Section 149 of the Act and not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Born on July 5, 1973, Shri Rakesh Bhawsar has done Bachelor's degree in Science from Vikram University, Ujjain and a practicing fellow member of the Institute of Chartered Accountants of India since 2002.

He has more than 22 years of rich experience in various kind of Audit including Central Statutory Audit of Bank, Audit of Government Companies, Audit of Private companies and other entities including NGOs. His area of specialization is Management, Taxation and Legal Consultancy, Internal audits, Strategic Planning, etc.

In the opinion of the Board, Shri Rakesh Bhawsar is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing





Regulations for appointment as an Independent Director and he is independent of the Management.

Since, Shri Rakesh Bhawsar, has vast experience in the field of audit, taxation and legal consultancy, the Board is of the opinion that the Company will be immensely benefitted on his appointment as Independent Director on the Board of the Company. Accordingly the Board recommends the appointment of Shri Rakesh Bhawsar as Independent Director as proposed at Item No. 10 of the accompanying Notice for approval by the Members.

Other particulars as per Reg. 36(3) of SEBI (LODR) Regulations, 2015 are provided as under:

- Disclosure of relationship between directors inter-se: Nil
- Directorship held in other listed Companies: Nil
- Membership / Chairmanship in other listed Companies: Nil
- Name of listed entities from which the person has resigned in the past three years : Nil
- Shareholding in Hindustan Aeronautics Ltd: Nil
- The skills / expertise / competency of the Shri Rakesh Bhawsar as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of the Director on the Board of the Company is made by the Government of India.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Rakesh Bhawsar, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution as Special Resolution for your approval.

Item No. 11 – Appointment of Dr. Sorathur Duraisamy Premkumar, (DIN: 11103113) as Part–Time Non-Official (Independent) Director of the Company

The Board of Directors of the Company has appointed Dr. Sorathur Duraisamy Premkumar as a Part-Time Non-Official (Independent) Director of the Company w.e.f. 15th May, 2025, in terms of Letter No. 49016/02/2021-D(HAL-III) dated 15th May, 2025, issued by Ministry of Defence, Govt. of India, subject to approval of the Members.

Pursuant to the provisions of Section 149, 150 (2), 152 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder and Regulation 17(1C) & Regulation 25(2A) of the SEBI (LODR) Regulations, 2015 as amended, the appointment of Independent Director(s) has to be approved at the meeting of shareholders of the Company by way of Special Resolution. Therefore, approval of the shareholders is sought for appointment of Dr. Sorathur Duraisamy Premkumar, as Independent Director on the same terms and conditions as determined by the Government of India. Dr. Sorathur Duraisamy Premkumar, if appointed as an Independent Director, will not be liable to retire by rotation under Section 152 of the Act.

Dr. Sorathur Duraisamy Premkumar has furnished declaration of independence as specified in Section 149 of the Act and not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Born on April 7, 1980, Dr. Sorathur Duraisamy Premkumar has done MBBS from Annamalai University, Chidambaram and Post Graduate Diploma in ENT from Madras Medical College, Chennai.

Dr. Premkumar has rich experience of more than 16 years in Medical field.

In the opinion of the Board, Dr. Premkumar is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the Management.

Since, Dr. Premkumar, has vast experience, the Board is of the opinion that the Company will be immensely benefitted on his appointment as Independent Director on the Board of the Company. Accordingly the Board recommends the appointment of Dr. Premkumar as Independent Director as proposed at Item No. 11 of the accompanying Notice for approval by the Members.

Other particulars as per Reg. 36(3) of SEBI (LODR) Regulations, 2015 are provided as under:

- Disclosure of relationship between directors inter-se: Nil
- Directorship held in other listed Companies: Nil
- Membership / Chairmanship in other listed Companies: Nil
- Name of listed entities from which the person has resigned in the past three years : Nil
- Shareholding in Hindustan Aeronautics Ltd: Nil
- The skills / expertise / competency of the Dr. Sorathur Duraisamy Premkumar as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of the Director on the Board of the Company is made by the Government of India.




None of the Directors, Key Managerial Personnel of the Company or their relatives except Dr. Sorathur Duraisamy Premkumar, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution as Special Resolution for your approval.

Item No. 12 – Appointment of Ms. Manisha Chandra, (DIN: 07557312) as Part-time Official Director (Government Nominee Director) of the Company

The Board of Directors of the Company has appointed Ms. Manisha Chandra, Joint Secretary (Aero), Ministry of Defence as Part-time Official Director (Government Nominee Director) of the Company w.e.f. 15th July, 2025, in terms of Letter No. 8(32)/2019-D (Coord/DDP) dated 14th July, 2025 issued by Ministry of Defence, Govt. of India, subject to approval of the Members.

Ms. Manisha Chandra, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Born on April 12, 1978, Ms. Manisha Chandra is an IAS officer of 2004 batch of Gujarat Cadre who is currently posted as Joint Secretary (Aerospace), Ministry of Defence in the Department of Defence Production. She holds a Masters Degree in Public Policy and Management from the prestigious King's College, London in addition to a Masters Degree in Political Science from the University of Allahabad.

Ms. Manisha Chandra, being an IAS officer and having vast experience in various fields, the Board is of the opinion that the Company will be immensely benefitted on her appointment as Director on the Board of the Company. Accordingly, the Board recommends the appointment of Ms. Manisha Chandra, as Govt. Nominee Director as proposed at Item No. 12 of the accompanying Notice for approval by the Members.

Other particulars as per Reg. 36(3) of SEBI (LODR) Regulations, 2015 are provided as under:

- Disclosure of relationship between directors inter-se: Nil
- Directorship held in other listed Companies: Nil
- Membership/ Chairmanship of the Committee in other listed Companies: Nil
- Name of listed entities from which the person has resigned in the past three years: Nil
- Shareholding in Hindustan Aeronautics Ltd: 20 Nos.
- The skills /expertise/ competency of Ms. Manisha Chandra, Joint Secretary (Aero) as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of the Director on the Board of the Company is made by the Government of India.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Ms. Manisha Chandra, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution as Ordinary Resolution for your approval.

Item No. 13 – Appointment of M/s. SNM & Associates, Company Secretaries, Bangalore, as Secretarial Auditor of the Company

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ('the Act') and Regulation 24A of the SEBI (LODR) Regulations, 2015 ('SEBI Listing Regulations'), as amended, the Company is required to conduct Secretarial Audit and annex the Secretarial Audit Report to its Board's Report.

Accordingly, the Board of Directors at its 492nd meeting held on 17th April, 2025, has approved the appointment of M/s SNM & Associates, Company Secretaries, as the Secretarial Auditors of the Company for a period of five (5) consecutive years, i.e from FY 2025-26 upto FY 2029-30, to conduct Secretarial Audit of the Company and to furnish the Secretarial Audit Report at an Annual Audit fee of ₹ 49,000/- exclusive of applicable taxes, subject to approval of the Members at the Annual General Meeting.

Further, in terms of the SEBI Listing Regulations, M/s SNM & Associates has provided a confirmation that they have subjected themselves to the peer review process of the Institute of Company Secretaries of India and holds a valid peer review certificate. M/s SNM & Associates has also confirmed that they are not disqualified from being appointed as Secretarial Auditors and that they have no conflict of interest. M/s SNM & Associates has further furnished a declaration that they have not taken up any prohibited non secretarial audit assignments for the Company, its holding and subsidiary companies.

The firm is having 25 years of experience and led by experienced and distinguished professionals in the field of corporate governance and legal compliance. Their collective expertise spans corporate legal and compliance services, secretarial audit, legal advisory and legal due diligence etc.

M/s SNM & Associates has provided its consent to act as the Secretarial Auditors of the Company and has confirmed that the proposed appointment, if made, will be in compliance





with the provisions of the Act and the SEBI Listing Regulations. Accordingly, approval of the shareholders is sought for appointment of M/s SNM & Associates as the Secretarial Auditors of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives except M/s SNM & Associates, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution as Ordinary Resolution for your approval.

Item No. 14 –Appointment of Shri Ajay Kumar Shrivastava, (DIN:10652075) as Director (Engineering and R&D) of the Company

The Board of Directors of the Company has appointed Shri Ajay Kumar Shrivastava as Additional Director and designated as Director (Engineering and R&D) of the Company w.e.f. 15th July, 2025, in terms of Letter No. 49013/02/2021-D(HAL-III) dated 15th July, 2025, issued by Ministry of Defence, Govt. of India, subject to approval of the Members.

In terms of the provisions of Section 161 of the Companies Act, 2013, and Article No.103 of the Articles of Association of the Company, he would hold office upto the date of the ensuing Annual General Meeting. A notice in writing under Section 160 of the Act has been received from him signifying his intention to appoint him as Director of the Company along with deposit of Rupees One Lakh, which shall be refunded, in case he is elected as director or gets more than twenty-five percent of total valid votes cast on such resolution.

Shri Ajay Kumar Shrivastava, is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Born on November 13, 1966, Shri Ajay Kumar Shrivastava is a graduate in Electronics Engineering from HBTI Kanpur and a postgraduate in MS (Aviation Safety & Aircraft Airworthiness) from ENAC/ENSICA, Toulouse, France. He is also a certified Project Management Professional.

He joined the Company as a Management Trainee (Technical) in July 1988. He is having 37 years of experience in Design, Development & Certification of Trainer, Fighter and Transport Aircrafts as well as Rotary Wing Aircraft.

Since, Shri Ajay Kumar Shrivastava, has vast and diversified experience in various fields, the Board is of the opinion that the Company will be immensely benefitted on his appointment as Director on the Board of the Company. Accordingly, the Board recommends the appointment of Shri Ajay Kumar Shrivastava as Director (Engineering and R &D) as proposed at Item No. 14 of the accompanying Notice for approval by the Members.

Other particulars as per Reg. 36(3) of SEBI (LODR) Regulations, 2015 are provided as under:

- Disclosure of relationship between directors inter-se: Nil
- Directorship held in other listed Companies: Nil
- Membership/ Chairmanship of the Committee in other listed Companies: Nil
- Name of listed entities from which the person has resigned in the past three years: Nil
- Shareholding in Hindustan Aeronautics Ltd: Nil
- The skills /expertise/ competency of Shri Ajay Kumar Shrivastava, as required in the context of the business pertaining to the Company are identified by the Government of India and accordingly selection of the Director on the Board of the Company is made by the Government of India.

None of the Directors, Key Managerial Personnel of the Company or their relatives except Shri Ajay Kumar Shrivastava, is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution as Ordinary Resolution for your approval.

By Order of the Board of Directors
For Hindustan Aeronautics Limited

(Shailesh Bansal)
Company Secretary

Place: Bengaluru
Date: July 21, 2025




PROCEDURE AND INSTRUCTIONS FOR e-VOTING

PROCEDURE FOR REMOTE E-VOTING

i. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the E-Voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

ii. The remote e-Voting period commences on Sunday, August 24, 2025 (9.00 A.M. IST) and ends on Wednesday, August 27, 2025 (5.00 P.M. IST).

iii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

iv. Any non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

v. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

THE DETAILS OF THE PROCESS AND MANNER FOR REMOTE E-VOTING ARE AS UNDER:

1) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. **Member already registered for IDeAS facility may follow the below steps:** I. Visit the URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" under e-voting services. IV. Click on company name or e-Voting service provider i.e. KFintech and you will be re-directed to KFintech website for casting your vote. 2. **Members who have not registered for IDeAS facility may follow the below steps:** I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. On completion of the registration formality, follow the steps provided above. 3. **Members may alternatively vote by directly accessing the e-Voting website of NSDL:** I. Visit the URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. Enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company or the e-Voting Service Provider name, i.e.KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.





Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. **Members already registered for Easi/Easiest facility may follow the below steps**: a) Visit the following URL: https://web.cdslindia.com/myeasitoken/home/login/ or www.cdslindia.com b) Click on the "Login" icon and opt for "My Easi New(Token)" (only applicable when using the URL: www.cdslindia.com) c) On the new screen, enter User ID and Password. Without any further authentication, the e-voting page will be made available. d) Click on Company name or e- voting service provider name, i.e., KFintech to cast your vote. 2. **Members who have not registered for Easi/ Easiest facility may follow the below steps:** a) To register for this facility, visit the URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration/ b) On completion of the registration formality, follow the steps provided above. 3. **Members may alternatively vote by directly accessing the e-Voting website of CDSL:** a) Visit the URL: https://evoting.cdslindia.com/Evoting/EvotingLogin b) Enter the demat account number and PAN c) Enter OTP received on mobile number & email registered with the demat account for authentication. d) Post successful authentication, the shareholder will receive links for the respective e-voting service provider, i.e., KFintech where the e-voting is in progress
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. Members may alternatively login using the credentials of the demat account through their DP registered with NSDL /CDSL for e-Voting facility. II. On clicking the E-voting icon, members will be redirected to NSDL / CDSL Depository site on successful authentication. III. Members may then click on Company name or e-Voting service provider – Kfintech and will be redirected to e-Voting website of KFintech for casting their vote without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk details for Individual Shareholders holding securities in demat mode related to login through Depository i.e. NSDL and CDSL are as under:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022-62343625, 022-62343626, 022-62343259**




II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode.

Members whose email IDs are registered with the Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Visit the URL: https://evoting.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Hindustan Aeronautics Limited" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail id i.e. mishra@snmassociates.in with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even No."

INSTRUCTIONS FOR ALL THE MEMBERS FOR ATTENDING THE AGM OF THE COMPANY THROUGH VC/OAVM AND E-VOTING DURING THE MEETING.

i. Member will be provided with a facility to attend the AGM through **VC / OAVM** platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/OAVM shall open at least 30 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due





to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number, email id, mobile number at investors@hal-india.co.in. Questions /queries received by the Company till August 25, 2025 (5.00 P.M.) shall only be considered and responded during the AGM.

vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

I. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will opened from August 22, 2025 (9.00 A.M.) to August 25, 2025 (5.00 P.M.). The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. Post your Question: The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com by login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from August 22, 2025 (9.00 A.M.) to August 25, 2025 (5.00 P.M.)

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Ms B Swati Reddy, at einward.ris@kfintech.com and evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on August 21, 2025, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

i If the mobile number of the member is registered against DP ID Client ID, the member may send SMS: MYEPWD <space> DP ID Client ID to 9212993399

1. Example for NSDL:
MYEPWD <SPACE> IN12345612345678

2. Example for CDSL:
MYEPWD <SPACE> 1402345612345678

ii. If e-mail address or mobile number of the member is registered against DP ID Client ID, then on the home page of https://evoting.kfintech.com/ , the member may click "Forgot Password" and enter DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1800 309 4001 or write to them at evoting@kfintech.com





Board's Report

Dear Members,

Your Board of Directors takes great pleasure in presenting the Report on the performance of the Company ("the Company" or "HAL"), and its Audited Financial Statements for the Financial Year ended March 31, 2025, together with Reports of the Statutory Auditors and the Comptroller & Auditor General of India (C&AG) thereon.

FINANCIAL HIGHLIGHTS

The financial highlights for the year ended March 31, 2025 are summarised as under:

(₹ in Lakh except per equity share data)

Particulars	2024-25	2023-24
Revenue from Operations	**30,98,092**	30,38,084
Turnover	**30,10,465**	28,16,185
Exports	**39,992**	31,059
Profit Before Tax (PBT)	**10,82,001**	10,19,897
Provision for Tax	**2,50,321**	2,60,393
Profit After Tax (PAT)	**8,31,680**	7,59,504
R&D Expenditure	**2,48,233**	2,82,624
Earnings/ Share (in ₹) (Face value of ₹ 5 each)	**124.36**	113.57
Book Value / Share (in ₹)	**520.99**	434.32

During the year, the Revenue from Operations of the Company has increased by 2% to ₹ 30,98,092 Lakh from ₹ 30,38,084 Lakh in the previous year. The turnover of the Company has increased by 7% to ₹ 30,10,465 Lakh from ₹ 28,16,185 Lakh in the previous year. The Profit before Tax for the year has increased by 6% to ₹ 10,82,001 Lakh from ₹ 10,19,897 Lakh in the previous year. The Profit After Tax (PAT) has increased by 10% to ₹ 8,31,680 Lakh from ₹ 7,59,504 Lakh in the previous year.

PRODUCTION HIGHLIGHTS

During the year, the Company has produced new Aircraft and Helicopters, covering Light Combat Aircraft (LCA) Tejas Mk1A, LCA Tejas Trainer, Dornier Do-228, Advanced Light Helicopter (ALH) Dhruv and Light Utility Helicopter (LUH) in addition to the production of New Engines and Accessories, at its various Divisions. The Company has also carried out Repair and Overhaul of Aircraft & Helicopters and Engines in addition to providing required spares support to the customers.

ORDER BOOK POSITION

The Order Book position of the Company stands at ₹ 1,89,30,200 Lakh as on March 31, 2025.

During the year, the Company has received manufacturing contracts of over ₹ 1,02,00,000 Lakh and ROH Contracts of over ₹ 17,50,000 Lakh. Major Orders bagged include Contracts for supply of LCH to Indian Army (IA) and Indian Air Force (IAF), Su 30 MKI to IAF, Mid Life Upgrade of Dornier- 228 to IAF, AL-31FP engine to IAF.

DIVIDEND

During the year, your Company has declared and paid interim dividend of ₹ 25 per share of ₹ 5 each (500%) for the financial year 2024-25, amounting to ₹ 1,67,193.75 Lakh.

To comply with the Guidelines of Department of Investment and Public Asset Management (DIPAM) on Capital restructuring with respect to payment of minimum dividend, the Board of Directors of the Company has recommended a final dividend of ₹ 15/- per share of ₹ 5 each. The Final Dividend if approved by the shareholders, would involve cash outflow of ₹ 1,00,316.25 Lakh.

Thus, the total dividend including final dividend for the financial year 2024-25 would be ₹ 40/- per equity share (800%), amounting to ₹ 2,67,510 Lakh.

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations] and the Guidelines of DIPAM, the Company has formulated a Dividend Distribution Policy and the same is available on the Company's website at https://hal-india.co.in/backend/wp-content/uploads/2023/07/Dividend-Distribution-Policy_13.02.2025.pdf

CAPEX

In order to maintain the state of the art infrastructure and technologies to meet Aerospace Standard and also to develop systems/platforms for meeting the requirements of the Defence Forces and to become Atmanirbhar, the Company has incurred Capital Expenditure (CAPEX) of ₹ 2,02,584 Lakh in FY 2024-25 (PY ₹ 2,16,786 Lakh). The investments are mainly towards Green Field Helicopter project at Tumakuru, augmentation of facilities of LCA, ROH of SU-30, ROH of AL-31FP Engine etc. besides the regular replacement and rationalisation of the existing facilities.

RESERVES

During the year, ₹ 92,176 Lakh was transferred to Research & Development Reserve, ₹ 18,435 Lakh to Indigenisation Fund Reserve and ₹ 4,69,032 Lakh to General Reserve.

BORROWINGS

As on March 31, 2025, short term and long term borrowings of the Company was Nil.



INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to financial reporting.

A detailed note on internal control system and their adequacy is provided in the Management Discussion and Analysis Report.

LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments as covered under the provisions of Section 186 of the Companies Act, 2013 (''the Act") form part of Notes to the Financial Statements.

RELATED PARTY TRANSACTIONS

During the year, your Company has entered into transactions with related parties after obtaining approval of the Audit Committee and/ or Board, as the case may be.

Since, Audit Committee was not in valid constitution w.e.f. December 28, 2024, all proposals requiring recommendation/ approval of the Audit Committee were put up directly to the Board.

As per the threshold mentioned in the Related Party Transactions (RPTs) Policy, there were no material related party transactions with any of the related parties.

The disclosures related to RPTs in accordance with the applicable accounting standards are provided in Clause No. 45A of the Notes to the financial statements. Details of contract(s) or arrangement(s) with related parties referred to in Section 188(1) of the Companies Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, in the prescribed form AOC-2, is attached to this Report as **Annexure-I**.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company for the year ended March 31, 2025 have been prepared in accordance with the provisions of Section 129(3) of the Companies Act and applicable Accounting Standards, and form part of this Report.

Pursuant to the first proviso of Section 129(3) of the Companies Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a separate statement containing salient features of the Financial Statements of Subsidiaries / Associate / Joint Venture Companies in **Form AOC-1** is appended to this Report, which forms part of the Financial Statements. The separate Audited Financial Statements in respect of the Subsidiaries are also available on the website of the Company at www.hal-india.co.in

SUBSIDIARY/ ASSOCIATE/ JOINT VENTURE COMPANIES

As on March 31, 2025, your Company has 2 Subsidiaries including 1 Wholly Owned Subsidiary and 19 Joint Venture Companies (JVCs) including 7 Not-for-Profit Companies (Section 8 Companies).

During the year, following JVCs (Section 8 Companies) have been formed:

1. Electronic Warfare (Defence) Testing Foundation has been incorporated on May 21, 2024 with equity contribution of 20% (23,480 equity shares of ₹ 1,000 each) for setting up of Defence Testing Infrastructure under Electronic Warfare domain with government financial assistance in the state of Tamil Nadu;
2. Communication (Defence) Testing Foundation has been incorporated on May 31, 2024 with equity contribution of 25% (26,131 equity shares of ₹ 1,000 each) for setting up of Defence Testing Infrastructure under communication domain with government financial assistance in the state of Uttar Pradesh;
3. Advanced Materials (Defence) Testing Foundation has been incorporated on June 4, 2024 with equity contribution of 20% (27,320 equity shares of ₹ 1,000 each) for setting up of Defence Testing Infrastructure for Mechanical and Material Testing with government financial assistance in the state of Uttar Pradesh;
4. UAS Testing Foundation has been incorporated on June 21, 2024 with equity contribution of 33.33% (50,000 equity shares of ₹ 1,000 each) for setting up of Defence Testing Infrastructure for Unmanned Aerial System (UAS) with government financial assistance in the state of Uttar Pradesh; and
5. System Testing and Research for Advanced Materials Foundation has been incorporated on September 18, 2024 with equity contribution of 20% (20,000 equity shares of ₹ 100 each) for setting up of Defence Testing Infrastructure for Mechanical & Material Testing with government financial assistance in the state of Tamil Nadu.

Due to non-performance of Infotech HAL Ltd, a JVC, an application for its voluntary winding up had been submitted to NCLT on March 19, 2024. Winding-up Order from NCLT is awaited.

Pursuant to the provisions of Section 134(3)(q) of the Companies Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014, a Report on the performance and financial position of each of the JVCs and Subsidiary Companies is attached to this Report as **Annexure-II**.

SIGNIFICANT ACHIEVEMENTS

Significant achievements of the Company during the year are as follows:

- 1st Defence PSU to achieve the prestigious "Maharatna" status on October 12, 2024.





- First AL-31FP Engine under 240 engines contract was handed over to Indian Air Force on September 30, 2024, ahead of schedule.
- Received Directorate General of Civil Aviation (DGCA) Certification for Upgraded Dhruv Civil ALH on November 20, 2024.
- Delivered first Gas Generator (GG-01) module for CE-20, Cryogenic Engine from Integrated Cryogenic Manufacturing Facility (ICMF).
- Mistral-2 Missile Firing Trial conducted successfully on LCH Prachand, at the Integrated Test Range, Chandipur, Odisha, on December 2, 2024.
- Supplying of 12 types of riveted structures, four types of welded propellant tankages, and two types of feedlines, four fully integrated L-40 liquid boosters, to ISRO for its GSLV-F15 NVS-02 Mission.
- Received Certification from Centre for Military Airworthiness and Certification (CEMILAC) for HTT-40 Trainer Aircraft in presence of Hon'ble Raksha Rajya Mantri, during Aero India-2025.

CURRENT PROJECTS AND PROGRAMS

During the year, the Company has produced the Light Combat Aircraft (LCA) Tejas Mk1A & Mk1 Aircraft, Do-228 Aircraft, Advanced Light Helicopter (ALH) Dhruv, Light Utility Helicopter (LUH), engines, accessories and aerospace structures against various customer orders.

To ensure timely delivery to customers, production capacity is being ramped up in a phased manner for the major Projects namely, manufacturing of LCA at Bangalore and Nasik plants, manufacturing of LCH at Tumakuru plant, manufacturing & ROH of AL-31FP engines and manufacturing of ALH at Bangalore.

DESIGN AND DEVELOPMENT PROGRAMS

To meet the future requirements of Indian defence forces and non-military aerospace market in India, the Company continued to boost the "Atmanirbhar Bharat Abhiyan" of Govt. of India with its focused efforts towards design & development of products and acquiring technologies & capabilities.

The Company has made considerable progress towards the realization of indigenous programmes viz. Basic Trainer Aircraft (HTT-40), Light Combat Aircraft (LCA) MK1A, Light Utility Helicopter (LUH), Indian Multi-Role Helicopter (IMRH) and development of engines. The progress achieved in respect of these Projects during the year is as under:

BASIC TRAINER AIRCRAFT (HTT-40)

HTT-40 is the Basic Trainer aircraft indigenously designed and developed by HAL. HTT-40 would be used for basic flight training, aerobatics, instrument flying and close-formation flights whereas its secondary roles would include navigation and night flying. Two flying prototypes and one Structural Test Specimen (STS) have been built.

The Company has received the Certification from CEMILAC in February, 2025. Two production lines have been established at Aircraft Division, Bangalore and Aircraft Manufacturing Division, Nasik, delivery planned to commence from FY 2025-26 onwards.

LIGHT COMBAT AIRCRAFT (LCA) Mk 1A

LCA Mk1A is an advanced variant of indigenously developed LCA Mk1 equipped with Active Electronically Scanned Array (AESA) Radar, unified Electronic Warfare (EW) suite, Mission Computer (MC), Digital Map Generator (DMG), Smart Multi-function Display (SMFD), Software Defined Radio (SDR), Combined Interrogator and Transponder (CIT), Advanced Radio Altimeter and capable to fire ASTRA and ASRAAM missiles.

The design and development activities for LCA Mk1A systems were undertaken and design validation trials on LCA Mk1A are in the advanced stages for achieving Type Certification. Concurrently, series production activities are also being progressed to facilitate delivery of aircraft from FY 2025-26 onwards.

LIGHT UTILITY HELICOPTER (LUH)

LUH is a new generation helicopter in the 3-Ton class incorporating the state-of-the-art technology features like Glass Cockpit with Multi-Function Displays (MFD) and powered by single Turbo Shaft engine with sufficient power margin to cater to demanding high altitude missions. Three flying prototypes have been built and were extensively flight tested.

INDIAN MULTI ROLE HELICOPTER (IMRH) AND DECK BASED MULTI ROLE HELICOPTER (DBMRH)

The Company has undertaken design and development of IMRH, a Medium Lift Helicopter of 13-ton class primarily for high altitude troop and cargo transport. The sea variant of IMRH is named as Deck Based Multi Role Helicopter (DBMRH).

IMRH and DBMRH are being designed to meet the requirement of all the three military services. Its future extension roles like, off shore operations, utility, VVIP transport will help the Company to diversify into Civil market.

The preliminary design studies of IMRH has been completed. The Company is progressing with the D&D activities as a Lead agency by adapting the following strategy for development:

- Design, development and production of Airframe, Mechanical Systems, Electrical & Avionics, Automatic Flight Control System, Mission System and Weapons Integration through Indian Private Sector.





- Design, development and supply of Rotor & Transmission system for IMRH & DBMRH through global OEMs.
- Design, development and production of Engines for IMRH/DBMRH through a Joint venture Company "SAFHAL Helicopter Engines Pvt Ltd".

SU-30 MKI INDIGENOUS UPGRADE

To enhance the operational capabilities of IAF, as Lead System Integrator, the Company has undertaken design and development for indigenous upgrade of Su-30MKI.

The Aircraft upgrade involves revamp of avionic architecture with integration of Indigenous systems like Mission Computer, Improved Sensors viz. AESA Radar, Electro Optic / Infra-Red (EO/IR), Improved EW suite, Indigenous weapon control systems and weapons, Higher Size displays, Sensor fusion, Net Centric warfare capability and other associated indigenous avionic systems.

UTILITY HELICOPTER-MARITIME (UH-M)

To enable stowage in Indian Navy ships, Utility Helicopter – Maritime (UH-M), a 5.7 tonne dedicated Helicopter is being developed for deck-based operations with all four Main Rotor Blades foldable, for reducing its size.

Design and Development activities are progressing with internal funding. Preliminary Design Review (PDR) has been completed and further design review of major systems like Traversing system and other LRUs is progressing. Flight tests on UH-M Prototypes are planned in FY 2025-26.

25 kN TURBOFAN ENGINE (HTFE-25)

The Company has undertaken Design and development of a 25kN thrust class turbofan engine, which can be used on Basic/Advanced military trainers, on small business jets and also large UAV applications. The engine can be used on a 5-ton weight class aircraft in single engine configuration and on aircraft of up to nine- ton weight class with twin-engine configuration. Two core engines and one full engine have been built and tested. Core engine tested for light up, acceleration and speeds up to 99.5%. Further trials are under progress.

1200 kW TURBOSHAFT ENGINE (HTSE-1200)

Design and development of a 1200 kW Turbo shaft engine is being undertaken for 3 to 6-ton category helicopters. Two prototype engines (Jet mode engine & Power mode engine) have been built. Components like radial straightener, diffuser, and rear bearing support have been 3-D printed and evaluated in the Jet mode version engine. Power mode engine run up to a power level of 600 kW. Further trials are under progress.

RESEARCH AND DEVELOPMENT ACHIEVEMENTS

During the year, the Company has incurred a total R&D expenditure of ₹2,48,233 Lakh, which is 8.25 % of the Turnover. The Company has transferred a sum of ₹ 92,176 Lakh (15% of Operating PAT) to R&D reserve for contribution to R&D corpus.

The significant R&D achievements are as under:

- To enhance departure characteristics and spin resistance across the flight envelope, Hindustan Jet Trainer (HJT-36), HAL's flagship jet trainer aircraft, has been renamed as 'Yashas' following extensive modifications.
- First flight of indigenous Automatic Flight Control System (AFCS) for LUH, carried out on August 30, 2024 and further evaluation trials towards certification are progressing.
- Site Acceptance Test (SAT) of the first Jaguar DARIN III Fixed Base Full Motion Simulator (FBFMS) completed.
- HAL has been identified as the Centre of Excellence for Design, Development and Upgrade of flight simulators for both fixed wing and rotary wing platforms.
- HAL has received export orders from M/s Lockheed Martin, USA for design, development and Supply of SIL units of CIT for Indian Navy's MH60R program.
- HAL is developing AESA radar for UH-M platform in design consultancy with LRDE, DRDO.
- HAL developed Full Authority Digital Engine Control (FADEC) has been cleared for flight test.
- HAL has completed development of Software Defined Radio (SDR), latest development in aviation communication.
- Combat Air Teaming Systems (CATS) was displayed in Aero India 2025.
- HAL obtained ITSO certification from DGCA for VHF Radio used for Voice communication in ATC frequency band.
- Flight trials of indigenously designed & developed Nose Landing Gear Actuator completed successfully on Do-228, on January 10, 2025.
- First run of improved PTAE-7 engines in TWIN engine configuration for CATS-W application completed on November 21, 2024.
- Design & Development of Mission Management System for DO-228 aircraft completed.
- Release trials of RudraM-III weapon from modified Su-30MKI aircraft successfully carried out.

During the year, the Company has filed 208 IPR applications, out of which, 94 IPRs have been granted.

Further, out of total number of 2620 IPRs filed by the Company, 1127 IPRs have been granted so far (Patents – 371, Industrial Designs – 171, Copyrights – 583, Trademark – 2).




New Initiatives:

During the year, the Company has entered into following major strategic partnerships and collaborations:

- Manufacturing of GE-414 aero-engines for LCA Mk2 Aircraft in India through ToT with General Electric (GE), USA.
- Airframer contract with SAFHAL Helicopters Engines Pvt. Ltd. (a JVC with Safran Helicopter Engines, France) for design, development, manufacture and support of Engines for IMRH and DBMRH.
- Contract with Safran Aircraft Engines (SAE), for export of ring forgings for LEAP engines.
- Establishing up to 6 yearly C Checks facility for A-320 family of aircraft at Nasik in collaboration with M/s Airbus, France. It is intended to establish an integrated MRO hub in India for providing one stop MRO solutions to commercial airlines.

During the year, the Company has taken many R&D initiatives for providing customised and superior technology solutions through indigenous Design & Development for both Fixed and Rotary Wing platforms. Some development initiatives are as under:

- Level D Full Flight Simulator (FFS) for Civil Hindustan-228 aircraft for Pilots training.
- Directional Infra-Red Counter-Measure (DIRCM) for LCH.
- Smart Multi-Function Display (SMFD), Software for Mission Computer (MC), Head Up Display & Up-Front Control Panel and Control Display Unit for Su-30 MKI indigenous upgrade.
- Environment Control & Fuel Monitoring system- Electronic Unit (ECFM-EU), Radio Altimeter (RAM), VHF Omni-Range / Instrument Landing System (VOR/ILS), Tactical Air Navigation (TACAN) for LCA Mk2.

The Company is leveraging Artificial Intelligence (AI) in various aspects of defense systems development for reducing Pilot Workload, enhancing Situation Awareness, Safety & Fleet availability for Fixed Wing and Rotary Wing platforms.

The Company has also taken initiatives in Industry 4.0 & Quality 4.0 in selected areas.

BOARD AND ITS COMMITTEE MEETINGS

During the year, 13 (Thirteen) Board Meetings were held and the maximum interval between any two meetings was not more than 120 days.

The details of meetings of the Board and Committees thereof held during the year are furnished in the Corporate Governance Report, which forms part of this Report.

COMMITTEES OF THE BOARD

As on March 31, 2025, the Board has five Statutory Committees namely Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility & Sustainable Development Committee, Stakeholders Relationship Committee and Risk Management Committee. However, due to non-appointment of requisite number of Independent Directors, Audit Committee and Nomination & Remuneration Committee were not in valid constitution.

A detailed note on the composition, terms of reference and meetings of the Board and its Committees is provided in the Corporate Governance Report.

CHANGES IN BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, following changes took place in the Board of Directors and Key Managerial Personnel (KMP) of the Company:

Appointment

- Dr. D K Sunil, Director (Engineering and R&D) was appointed as Chairman and Managing Director (CMD) w.e.f. September 09, 2024.
- Shri Shalabh Tyagi, Joint Secretary (P&C), DDP, MoD was appointed as Government Nominee Director w.e.f. September 10, 2024.
- Dr. Rajalakshmi Menon, DS&DG, DRDO was appointed as Government Nominee Director w.e.f. September 13, 2024.
- Shri Barenya Senapati, Executive Director (Finance) was appointed as Director (Finance) w.e.f. October 22, 2024 and as CFO w.e.f. November 14, 2024.
- Shri Ravi K, Executive Director (Corporate Planning) was appointed as Director (Operations) w.e.f. November 26, 2024.

Cessation

- Shri C B Ananthakrishnan ceased as Director (Finance) & CFO due to superannuation on August 31, 2024.
- Shri Jayadeva E P ceased as Director (Operations) due to superannuation on August 31, 2024.
- Shri T Natarajan ceased as Government Nominee Director due to withdrawal of Nomination w.e.f. September 10, 2024.
- Shri M Z Siddique ceased as Government Nominee Director due to withdrawal of Nomination w.e.f. September 13, 2024.
- Dr. Divya Gupta ceased as Independent Director on completion of her tenure w.e.f. December 27, 2024.
- Shri Atasi Baran Pradhan ceased as Director (HR) due to superannuation on February 28, 2025.





DECLARATION OF INDEPENDENCE

Declarations from Independent Directors of the Company have been received, confirming that the Independent Director met the criteria of independence as prescribed under Section 149(6) of the Companies Act and Regulation 25(8) of the SEBI (LODR) Regulations.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The appointment, tenure and remuneration of Functional Directors including Chairman and Managing Director (CMD) are determined by the Government of India. The Terms & Conditions of appointment, including the period of appointment, the Scale of Pay and other entitlements are notified by the Government of India.

Government Nominee Directors are appointed by the Department of Defence Production, Ministry of Defence and they are not entitled to any remuneration / sitting fees.

Independent Directors are appointed by the Government of India and they are entitled to sitting fees for attending the Board / Committee meetings as prescribed by the Board in line with the Companies Act and Rules made thereunder.

As per Gazette Notification No GSR 463 (E) dated June 5, 2015 of the Ministry of Corporate Affairs (MCA), the Company, being a Government Company, is not required to frame a Policy on Directors' appointment and remuneration, including criteria for determining qualifications etc. under Section 134(3)(e) of the Companies Act.

BOARD EVALUATION

Pursuant to the Gazette Notification No GSR 463 (E) dated June 5, 2015 of the MCA, formal annual evaluation by the Board of its own performance, its Committees and individual directors, are exempted for the Company.

However, the performance of the Functional Directors is evaluated by the Independent Directors in their meeting. The performance evaluation of Independent Directors is carried out by the Board without the presence of Independent Directors.

ANNUAL RETURN

In accordance with the provisions of the Companies Act, Annual Return in the prescribed format has been hosted on website of the Company at https://hal-india.co.in/backend/wp-content/uploads/2025/07/Draft-MGT-7.pdf

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company being a defence Central Public Sector Enterprise (CPSE), the disclosure of information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo under the provisions of Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is exempted vide Notification GSR No.680 (E) dated September 4, 2015.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, Companies (Corporate Social Responsibility Policy) Rules, 2014 & Amendment thereof and DPE Guidelines, the Company has undertaken various activities during the year as per its CSR Policy. The projects / programmes / activities taken up are in line with Schedule VII of the Companies Act. The thrust areas under CSR are Health care, Education, Skill Development, Rural Development, Women Empowerment, Promotion of Sports, etc. The other areas in which support extended were contribution of vehicles and Assistive Devices to Divyangjans, Organizing camps for early detection of Cancer among Women, addressing Malnutrition and Stunting amongst Children, provisioning of portable hand held X-Ray Machines for screening of patients under National TB Elimination Programme (NTEP), Setting up of Green Gyms, Sanitation etc. The Company has spent an amount of ₹ 16,711 Lakh under CSR for the Financial Year 2024-25 against the CSR budget/ obligation of ₹ 14,411 Lakh.

The Corporate Social Responsibility Policy, Composition of the Committee and CSR Projects/ Activities of the Company is available on the Company's website at https://hal-india.co.in/investors/corporate-social-responsibility-2. Salient features of the Policy form part of the Annual Report.

Annual Report on CSR activities undertaken by the Company during the year, pursuant to Section 135 of the Companies Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is attached to this Report as **Annexure-III**.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2)(f) of SEBI (LODR) Regulations, the Company has prepared Business Responsibility and Sustainability Report (BRSR) on Environment, Social and Governance (ESG) parameters in the prescribed format for the year 2024-25 and attached to this Report, along with reasonable assessment or assurance Report of BRSR Core, received from Independent Assessment or Assurance Provider.





DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has a Board approved Risk Management Policy, in place. The Policy aims at elimination or reduction of risk exposures through identification and analysis of various types of risks and facilitating timely action for taking risk mitigation measures.

In line with Regulation 21 of the SEBI (LODR), Regulations, the Board of Directors had constituted the Risk Management Committee for monitoring and reviewing of the risk management plan and such other functions as it may deem fit, including Financial, Operational, ESG, Cyber Security and Business Continuity Plan, etc.

SIGNIFICANT AND MATERIAL ORDERS

During the year, no significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and operation of the Company in future.

PUBLIC DEPOSITS

Your Company has not accepted any deposit during the year. Further, there was no outstanding deposit and/or unpaid or unclaimed principal amount or interest against any deposit either at the beginning or at the end of the year 2024-25.

ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

During the year, the Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.

MATERIAL CHANGES SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

No material change / commitment of the Company has occurred after the end of the year 2024-25 and till the date of this report, which affect the financial position of the Company.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Pursuant to Gazette Notification No. G.S.R. 463 (E) dated June 5, 2015 issued by the MCA, disclosure of particulars of employees drawing remuneration in excess of the limits specified under provisions of Section 197 of the Companies Act and the relevant Rules thereof, are exempted for the Company.

MOU WITH GOVERNMENT

Your Company has signed Memorandum of Understanding (MoU) with the Ministry of Defence (MoD), Government of India (GoI) for the year 2024-25, the performance rating of which is awaited.

However, your Company has achieved "Excellent" performance rating with a score of 92.50 for the year 2023-24.

INDIGENISATION AND ATMANIRBHAR BHARAT

Concerted efforts are undertaken by the Company to enhance self-reliance, boost innovation, improve national security and economic growth. Towards this, some of the key initiatives taken by the Company are as under:

- Complex Aircraft systems, LRUs & other critical items are identified for indigenisation under Positive Indigenisation Lists (PILs).
- Creation of a dedicated indigenisation fund by transfer of 3% Operating Profit after Tax of the Company, to offer further impetus towards indigenisation.
- A total of 3,215 items (including 51 PILs items) have been indigenised, resulting into anticipated annual Foreign Exchange saving of around ₹ 25,800 Lakh.
- NIL value PSO (Project Sanction Orders) for 60 items are released to Indian Industry Partners there by taking this number to a total of around 660 items for indigenisation under Make-II.
- During the year, approx. 2,000 items are uploaded on Srijan Portal (an Indigenisation portal) for inviting Indian Industry Partners to participate in the indigenisation programs of the Company. This number stand at around 27,000 in total.
- Taking forward the vision of Atmanirbharta and to sensitize Indian Industry Partners for opportunities available for indigenisation and their enhanced participation in the Company's indigenisation programs, 34 various vendor development programs/ seminars/ webinars/ conclaves/ exhibitions covering wide spectrum of vendors across the Country were conducted/ participated by the Company.

EXPORTS

During the year, the Company has achieved approx. 29% higher exports in comparison to previous Financial Year. To boost export, following initiatives have been taken by the Company:

- The Company participated in leading international Air & Defence Shows including Defence Services Asia (DSA)-2024 (Malaysia), Farnborough International Air Show (FIA)-2024 (UK), Egypt International Air Show (EIAS)-2024, Selangor Aviation Show (SAS)-2024 (Malaysia), Africa Aerospace & Defence (AAD)-2024 (South Africa), Asian Defense and Security (ADAS)-2024 (Philippines), Vietnam International Defence Expo (VIDEX)-2024. Flying & Static display of Do-228 and ALH were undertaken during Selangor Aviation Show (SAS)-2024 (Malaysia) and Egypt International Air Show (EIAS)-2024 respectively.
- Customer Demonstration Flights (CDFs) on HAL's platforms and visits to HAL facilities were extended to the prospective overseas customers during Aero India 2025.





- Imparting trainings to Guyana Defence Forces requisite for operating HAL supplied Hindustan-228 aircrafts.
- Successfully completed major overhaul of one ALH helicopter of Mauritius Police Force.
- HAL's exportable products have been enlisted on the Aero Expo portal–a virtual international exhibition platform of aviation sector.

VENDOR DEVELOPMENT

During the year, the Company has taken several vendor development initiatives to increase the number of vendors.

The Company has conducted 46 Vendor Development Programmes, of which 08 were for Micro & Small Enterprises (MSEs) owned by SC/ST Entrepreneurs & Women Entrepreneurs, 03 was meant exclusively for MSEs owned by SC/ST Entrepreneurs, 04 was meant exclusively for MSEs owned by Women Entrepreneurs while the balance 31 were for across all categories.

The Company has registered with RXIL, Mynd Solution and also A TReDS Ltd. for enabling payments through TReDS platform to MSMEs. A total of 83 Invoices worth of ₹ 5,400 Lakh were uploaded and discounted on TReDS platforms.

The Company has registered with MSME SAMBANDH portal and the procurement details are being updated monthly in this Portal. The Company has also registered with MSME SAMADHAAN and CHAMPION portal and the same is being monitored regularly for resolution of payment or procedural complaints of MSEs, if any.

The Company has implemented companywide e-Procurement system through its own e-Procurement portal which is adopted for tenders issued outside GeM portal. A 24X7 e-Procurement help desk has been established to provide information, support, training, operational issues/clarifications to the vendors.

To encourage 'Make in India' and promote manufacturing and production of goods & services in India, the Company has implemented the Public Procurement (Preference to Make in India), Order 2017, and its amendments thereof, issued by Department for Promotion of Industry and Internal Trade (DPIIT).

PROCUREMENT THROUGH GeM PORTAL

The Company has implemented companywide procurement through GeM portal. All efforts are continuously being made to persuade the potential domestic suppliers (covering area of Goods, Services and Outsourcing) to on-board them on the GeM Portal.

During the year, more than 14,278 orders were placed through GeM portal amounting to ₹ 3,86,900 Lakh.

PROCUREMENT FROM MICRO & SMALL ENTERPRISES (MSEs)

The Company has implemented the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012 & its amendments issued by Ministry of MSME vide order No. 21(22)-2018-MA dated November 9, 2018. The Company has achieved 53% of procurement from MSEs in the year 2024-25, which is more than the mandated procurement of 25% from MSE entrepreneurs (excluding specific defence procurement as per Sl.No.14 of the policy).

During the year, the total value of procurement (including outsourcing) made from MSEs was ₹ 2,59,300 Lakh.

The Company has made payment to all its MSE vendors within the specified time in compliance with Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

INTEGRITY PACT (IP)

Your Company has system of signing of Integrity Pact (IP) with vendors for all procurement of Goods, Services & Works / contracts having value of ₹ 5 Crore and above. Only those vendors/ bidders, who commit themselves to IP with the Company would be considered competent to participate in the bidding process. Further, to encourage competition in procurement and to reduce processing lead time, the Company has implemented the Omnibus Integrity Pact with effect from January 1, 2018. This Omnibus IP shall be valid upto 5 years and the same can be proposed by bidder for consideration against any offers submitted by the vendor during the validity period of Omnibus IP.

HUMAN RESOURCE DEVELOPMENT

The strength of employees as on March 31, 2025 stood at 23,999.

As on March 31, 2025, a total of 4,019 Apprenticeship were engaged in the Company in various Trades, which forms 11.56% of the total manpower strength including contractual staff.

EMPLOYEE WELFARE

The Company continues to provide a wide range of welfare measures for employees and their families, including comprehensive Medical Facilities, Housing Facilities, Educational Facilities for employees' children and Sports Facilities, among others. Further, various initiatives are also being taken to support employee well-being and overall development. In line with this, the Company has introduced HAL Sabbatical Scheme for employees enabling them to take leave for self-renewal, skill development, or personal pursuits, offering flexibility to address social obligations, family support needs, or wellness journeys.



In furtherance of its employee-centric approach, the Company continues to provide financial security through the Group Life Insurance Policy of ₹ 10 Lakh for all employees. Additionally, the Financial Assistance Scheme offers monthly monetary support ranging from ₹ 15,000/- p.m. to ₹ 50,000/- p.m., based on the Grade/Scale of the employee, to dependents of deceased employees, reaffirming the Company's dedication to comprehensive employee welfare beyond the workplace.

REPRESENTATION OF SC/STs RECRUITED / PROMOTED:

Representation of SC/STs in the total strength of the Company as on March 31, 2025 is as under:

Category (Grade / Scale of Pay)	Total Strength as on		Number of SCs as on		Number of STs as on	
	31.3.2024	31.3.2025	31.3.2024	31.3.2025	31.3.2024	31.3.2025
Group – A (Grade – II & above)	7,454	**7,265**	1,355	**1,329**	473	**465**
Group – B (Grade-I)	12	**125**	2	**23**	1	**7**
Group – C (Scale-3 to Special Scale)	16,299	**16,608**	2,920	**2,991**	1,315	**1,341**
Group – D (Scales – 1 & 2)						
(i) Excluding Safai Karmacharis	1	**1**	-	**-**	-	**-**
(ii) Safai Karmacharis	-	**-**	-	**-**	-	**-**
Total	**23,766**	**23,999**	**4,277**	**4,343**	**1,789**	**1,813**

Recruitments made during the period April 1, 2024 to March 31, 2025 and the SC/STs amongst them.

Category (Grade / Scale of Pay)	Total number of Post filled	No. of Reservations made for		No. of Posts filled by appointment of	
		SCs	STs	SCs	STs
Group – A (Grade – II & above)	58	8	2	8	1
Group – B (Grade-I)	16	1	-	1	-
Group – C (Scale-3 to Special Scale)	1,057	205	95	192	72
Group – D (Scales – 1 & 2)					
(i) Excluding Safai Karmacharis	-	-	-	-	-
(ii) Safai Karmacharis	-	-	-	-	-
Total	**1,131**	**214**	**97**	**201**	**73**

Vacancy based Promotions made during the period April 1, 2024 to March 31, 2025 and the SC/STs amongst them.

Category (Grade / Scale of Pay)	Total number Promoted	No. of Reservations made for		No. of Posts filled by Promotion of	
		SCs	STs	SCs	STs
Group – A (Grade – II & above)	1,174	NA	NA	192	76
Group – B (Grade-I)	105	14	7	14	7
Group – C (Scale-3 to Special Scale)	-	-	-	-	
Group – D (Scales – 1 & 2)					
(i) Excluding Safai Karmacharis	-	-	-	-	-
(ii) Safai Karmacharis	-	-	-	-	-
Total	**1,279**	**14**	**7**	**206**	**83**

EMPLOYEE RELATIONS (ER) / INDUSTRIAL RELATIONS (IR)

The Employee Relations / Industrial Relations Scenario remained peaceful & cordial during the year. Effective communication between the Management and the Trade Unions / Associations paved way for maintenance of industrial harmony and to eliminate any scope of conflicts & misunderstandings. Meetings with the representatives of the Recognized Unions / Officers Associations at the Divisional, Complex & Corporate Levels were held periodically to discuss various issues and its resolutions.





Plant Level, Shop Level and various bi-partite Committees with representatives from the Management / Union are functioning in the Divisions to discuss & resolve production related & other matters. In order to address Employee Grievance / Representations, Grievance Redressal Mechanisms are also in place in the Company. Employee Grievance Redressal Portal has been launched during the year for employees to submit their Grievances online.

WOMEN EMPOWERMENT

Women Empowerment & Leadership Programs are being conducted by the Company. The main objective of the programs is to enhance self-awareness & self-management, enhance competencies to drive business results, enhance ability to influence & harness the power of effective networking and to build essential leadership competencies. At present, around 82 Women Employees hold Senior Management posts i.e., above Grade VII.

HAL is a Corporate Life Member of Women in Public Sector (WIPS) Forum. Women employees are encouraged to participate in programmes / activities of WIPS Forum. The Company has been conferred with "Second Place for Best Enterprise Award", under Maharatna Category during the 35th National Meet of WIPS Forum held on February 17-18, 2025 at Vigyan Bhawan, New Delhi.

Ladies Clubs / Families Welfare Associations are also functioning at different locations to take up various philanthropic / socio-cultural activities. Women's Day is celebrated on 8th March every year.

PROHIBITION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified in the Company. In line with the Guidelines received from time to time, necessary actions have been taken to prevent Sexual Harassment of Women at Workplace. The HAL CDA Rules applicable to Officers and the Certified Standing Orders applicable to Workmen have the required provisions in this regard.

Internal Complaints Committees as per Section 4 of the Act have been constituted. Information for the year 2024-25 in terms of Section 22 of the Act and Schedule V of SEBI (LODR) Regulation 2015, is as indicated below:

(i)	Number of Cases pending as on 01.04.2024	:	Nil
(ii)	Number of Complaints of Sexual Harassment received in the Financial Year 2024-25	:	5
(iii)	Number of Complaints disposed of during the Financial Year 2024-25	:	3
(iv)	Number of Cases pending as on 31.03.2025 & its status	:	2 [Inquiry completed & Report awaited]

Awareness Programme on Sexual Harassment were also conducted at Divisions / Offices during the year.

RAJBHASHA IMPLEMENTATION

The Company is constantly taking efforts to implement Official Language in all the Divisions/ Offices effectively as per directives issued by Dept. of Official Language, Ministry of Home Affairs and Dept. of Defence Production, Ministry of Defence. The inspection reports pertaining to Parliamentary Committee inspections and compliance reports related to the assurances given to the Committees are being forwarded to the concerned Authorities/ Offices in time after reviewing the report at the Corporate Office level.

The meetings of Official Language Implementation Committee in all the Divisions including Corporate Office are being conducted regularly. Guidelines issued by the Dept. of Official Language, Ministry of Home Affairs, New Delhi are being circulated to all the Divisions/ Offices, to make aware of latest orders pertaining to implementation of Official Language. The periodical reports are also being sent online as per directives issued by the Department of Official Language, Ministry of Home Affairs, New Delhi.

Hindi Incentive Scheme has been implemented effectively in the Company. Further, In-House Hindi Magazines are being published by the Divisions/ Offices to motivate the employees. In accordance with the Official Language guidelines, Hindi workshops and seminars are also being conducted on various topics from time to time by the Company, so that Employees could do their routine work in Hindi as far as possible.

The Inspection meetings were successfully done by Committee of Parliament on Official Language at various Divisions of the Company such as Kanpur Division, ACD, Aircraft Division and Liaison Office, New Delhi.

During the year, Company has organized two days National Seminar on Technical Terminology in Indian Languages in coordination with CSTT, New Delhi under the aegis of Town Official Language Implementation Committee, (Undertakings), Bangalore and two half-yearly meetings of Town Official Language Implementation Committee, (Undertakings), Bangalore has also been organized under the Chairmanship of HAL. Further, the Company has conducted 5 days Technical Translation Training Programme exclusively for the Official Language professional of the Company by Central Translation




Bureau, New Delhi. Akhil Bharatiya Kavi Sammelan was also organized to popularize Hindi in 'C' region.

INFORMATION TECHNOLOGY (IT) INITIATIVES

During the year, your Company has taken many IT initiatives towards adopting the latest technology, increasing customer satisfaction, implementing paperless processes and improving Cyber security. Some of the major IT initiatives and achievements of the Company during the year are:

- **Project Parivartan – upgrade of ERP system:** Project Parivartan was conceptualised for upgradation of existing IFS to the higher version (IFS Apps 10) and deployment in a centralised new generation hardware with built-in redundancy and establishment of disaster recovery site at Bangalore. Initial phases of the project such as Business process as-is study, To-be process finalisation, Project Office & Hardware setup and Process demonstrations have been completed. Development of customisations, reports and dashboards are in progress.
- **Integrated Communication System for LAN & internet:** To take forward the digital transformation, an integrated system has been evolved where critical information will be made available to top executives in a secured manner on demand at faster pace.
- **Infrastructure Modernisation:** IT infrastructure in the Company have been modernised by replacing obsolete desktop machines and undertaking 3486 MS Office Licenses.
- **Implementation of Maya OS & Chakravyuh server:** Maya OS is a hardened Linux OS developed by CIRA (Cyber Information Research Agency) with several advanced security implementations in place which reduces the probability of impact during any security breach. As per recommendation of CIRA, Maya OS has been deployed in 700 internet facing machines. For windows based machines, log collector has been installed in 1216 machines, which helps to monitor the security aspects centrally by CIRA.
- **Implementation of e-Office:** With a view to achieve paperless office and enabling document movement in digital form across organisation, e-Office system has been implemented.

AWARDS & RECOGNITIONS

During the year, your Company has received various Awards and Recognitions. Some of the important accolades conferred to the Company are as under:

- "Outstanding PSU of the year" awarded at All India Management Association (AIMA) Managing award ceremony on April 23, 2024 at New Delhi.
- First prize in the "33rd National Award for Innovative Training & Skill Development Practices" from Indian Society for Training & Development (ISTD) on April 10, 2024 at New Delhi.
- First prize in the "Swacchta Pakhwada Award – 2023" organized by DDP, MoD during December, 2023, which was announced on June 18, 2024.
- Gold award at the "ET Government PSU Leadership & Excellence Awards 2024" in the category of 'Skill Development & Capacity Building' during the 5th National PSU Summit held at New Delhi on June 21, 2024 for its outstanding initiatives towards Critical Skill Transfer (CST).
- "Rajbhasha Kirti Puraskar" First prize for the year 2023-24 among the Public Sector Undertakings category of Region 'C' for excellence in implementation of Official Language during the Hindi Day and 4th All India Official Language Conference organized at New Delhi on September 14, 2024.
- Dun & Bradstreet award for being "India's Top Value Creator 2024 – Defence" during the Dun & Bradstreet- G7 CR Technologies 'India's Top 500 Value Creators' summit held on November 29, 2024 in Mumbai.
- Platinum award for "Operational Performance Excellence" as well as Bronze award for "Corporate Social Responsibility and Sustainability" at 14th PSE Excellence award event held on December 12, 2024 in New Delhi.
- "IEI Industry Excellence Award 2024" (Platinum Award) under Engineering Manufacturing and Processing Category for demonstrating Outstanding Performance with High Order of Business Excellence. The award was presented by The Institution of Engineers (India) (IEI) in an event held at Kolkata on December 19, 2024.
- "Aerospace and Defence Awards 2025" under the category "Outstanding Contribution in Aerospace Industry" instituted by "SAP Media Worldwide Ltd" during the 10th Aerospace & Defence Awards ceremony held on February 09, 2025 at Bengaluru.
- "Sunrise Sector Pioneer Award" at Global Investors Meet 2025 for leading Aerospace and Defence Innovation on February 13, 2025.
- Conferred with the certificate of appreciation for the successful indigenisation of VPX-135 Single Board Computer for Light Combat Aircraft in association with M/s Mistral Solution Pvt. Ltd, Bangalore during the indigenisation event "Samarthya" held during Aero India 2025, Bangalore in the presence of Hon'ble Raksha Mantri.





VIGILANCE

The Company has a well establishment and dedicated Vigilance Department headed by Chief Vigilance Officer (CVO). To uphold high ethical standards, transparency, accountability and responsibility in the workplace, the Company has implemented various initiatives. Towards this, vigilance officers are posted at various Divisions and Offices of the Company. Preventive vigilance has been the thrust area of the Vigilance Department during the current year.

Some of the key activities that have been carried out by Vigilance Department during the year are as under:

i. **Preventive Vigilance:** 191 complaints were handled, 341 regular scrutiny/surprise checks and 06 CTE type intensive examinations were carried out across the Company. Four system studies were also carried out on various topics and system improvement suggestions were made.

   A total of 190 awareness sessions were conducted on various topics. Key note address by eminent speakers were organized to spread vigilance awareness among employees on various topics.

ii. **Vigilance Publications:** Two in-house vigilance e-magazines were published, as under:

   - "Marg Darshan Vol.XXI" Issue No.1, an annual magazine was released during Vigilance Awareness Week (VAW) 2024 on the theme "Gender Dimension in Fighting Corruption".
   - "Vishleshan IV-A compendium of Vigilance Interventions" - a preventive vigilance initiative wherein an attempt is made to bring out the deviations noticed by vigilance department in certain areas and system improvement suggestions implemented to improve the area.

iii. **System Improvement measures:** Based on the recommendations of vigilance, several system improvements have been implemented by the management in the areas of HR, IMM, stores, works and finance etc. Some of major system improvement undertaken such as Sensitization of guidelines - provisions applicable to MSME; Online Employee grievance redressal system, Police Verification of Contractual Employees, Calculation of Liquidated Damages (LD) on account of delay in completion of works, Monitoring of Estate Management, Procurement on proprietary basis, R&D project and content management portal, Vigilance Guidelines for Recruitment Activities, Directive on use of Remote Access Software and Rate contract terms & conditions for procurement, supply of In-house pharmacy.

iv. **Vigilance Awareness Week:** Vigilance Awareness Week was conducted throughout the organization from October 28, 2024 to November 03, 2024 on the theme "Culture of Integrity for Nation's Prosperity". In order to spread wider awareness and to promote transparency, accountability & integrity amongst employees, other stakeholders and school children, various activities and events were conducted.

   Further, three months' campaign was also carried out from August 16, 2024 to November 15, 2024 in the areas of:

   - Capacity Building programs,
   - Identification and Implementation of Systemic Improvement measures,
   - Updation of Circulars /Guidelines /Manuals
   - Disposal of Complaints
   - Dynamic Digital Presence

v. **Capacity Building Program for Vigilance Officers:** 26th annual conference of vigilance officers of the Company was conducted during October, 2024, as a part of capacity building measures, which provides a platform for vigilance professionals for knowledge sharing, adoption of transparent policies etc. Also training programs are conducted for officers and staff in premier training institutions of the Country.

vi. **Digital Initiatives:** The R&D project & content management portal and Online Employee grievance redressal system in the Company was launched in December, 2024, as part of digital initiatives.

QUALITY INITIATIVES AND FLIGHT SAFETY

- During the year, DGCA has granted fresh approval to various divisions of the Company for the following:
  a) CAR 21 – POA "Production Organisation Approval" granted to Engine Division, Bangalore.
  b) CAR 145 – MOA "Maintenance Organisation Approval" granted to Helicopter-MRO Division, Bangalore and Avionics Division, Korwa.
- During the year, various divisions of the Company have been awarded fresh approvals by the authority of the National Aerospace and Defence Contractors Accreditation Program (NADCAP) Management Council for special processes, which are as under:
  a) Hardening process & Tempering process at Accessories Division, Lucknow.




b) Sulphuric Acid Anodising at Avionics Division, Hyderabad.

c) Sulphuric Acid Anodizing & Magnesium Chromating at TAD-Kanpur.

d) Chemical processes at Aircraft Division, Bangalore.

- As per Govt. of India initiative of 100 days 100 projects for Quality 4.0 in 2024, 10 Quality 4.0 projects were successfully completed on-time by the Company.
- Institute of Printed Circuit (IPC) training has been conducted by Institute of Printed Circuit India for HAL employees working in Electrical & Electronics field and certified 161 employees of the Company during the year.
- 263 Operators have been approved by DGAQA across HAL divisions for self-verification of inspection stages to empower the Operators for intermediate inspection stages and less complex inspection stages as per Guidelines on Operator Self-Verification Program (CQAG 9015).
- Conducted 18 training programs/workshops at customer bases/field units and 70 training programs/workshops at HAL premises for Customers on critical aircraft systems.
- During the year, Internal Corporate Quality Audit has been successfully Completed for 18 Manufacturing & Overhaul Divisions, 10 R&D Centres, 4 PBL Bases of ICG and 5 IAF Bases.
- HAL & DGAQA have jointly released a guideline for Approval of Supplier/ Sub-contractor & its Quality Management System (CQAG-9017: ASQMS) enabling Suppliers/ Sub-contractors to clear and supply Products produced by them under "Certificate of Confirmity (COC)". During Aero India 2025, M/s Godrej & Boyce Mfg. Co. Ltd, Mumbai has been approved under ASQMS by HAL Accessories Division, Lucknow.
- Trained HAL officers by accreditation body to conduct audits for AS9100 compliance across the divisions to ensure the product meets the highest standards of Safety and Quality. The total number of auditors available across the HAL Divisions are:

  a) Lead Auditors - 10 Officers

  b) Internal Auditors - 691 Officers

- LCA-Tejas Division, Bangalore has developed AI Based solution for Snag Disposition Information Management System.
- A fully automated system has been developed and integrated with SCADA (Supervisory Control and Data Acquisition) system with Heat Treatment furnaces to control & monitor the furnaces parameters online without human intervention and to eliminate the errors at TAD Kanpur, Engine Division, Koraput and Engine Division, Bangalore.
- Foundry & Forge Division, Bangalore has established Rapid Quench Heat Treatment (RQHT) facility and the facility is integrated with Industry 4.0 features utilizing SCADA system for comprehensive record management, documentation and process control. Key features of this facilities are 3 Axis Robotic Manipulator, automated loading and unloading which will result in 133% increase in working volume and improvement in productivity by 4-6 folds.

AUDITORS

Statutory Auditors

HAL being a CPSE, Statutory Auditors of the Company were appointed by the Comptroller & Auditor General of India (C&AG). M/s Gupta Nayar & Co, Chartered Accountants, Bengaluru was appointed as Statutory Auditors for auditing the Accounts of the Company for the year and 17 firms of Chartered Accountants were appointed as Branch Auditors. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

The Auditors' Report on financial statements for the year 2024-25 and comments of the Comptroller & Auditor General of India (C&AG) under Section 143(6) of the Companies Act are attached to this Report, which is self-explanatory.

Cost Auditors

The Company has appointed M/s Murthy & Co. LLP, Cost Accountants, Bengaluru as Cost Auditors for conducting the Cost Audit of the Company for the year 2024-25. The Company maintains cost records as specified by the Central Government under Section 148(1) of the Companies Act, which are audited by Cost Auditors.

Internal Auditors

The Company has appointed 13 firms of Chartered Accountants and 1 Cost Accountant firm for carrying out internal audit of the Company for the year 2024-25.

Secretarial Auditors

In pursuant to the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed, M/s. DPSP & Associates, Practicing Company Secretaries, Bengaluru as Secretarial Auditors of the Company for the year 2024-25.

The Secretarial Audit Report is annexed to this Report as **Annexure - IV**. The management's reply on the qualification of the Secretarial Auditor, form part of Secretarial Audit Report, which is self-explanatory.





As per Regulation 24A of the SEBI (LODR) Regulations, the Company has filed the Annual Secretarial Compliance Report for the year 2024-25, signed by the Secretarial Auditor with the BSE Limited and National Stock Exchange of India Limited within the stipulated time.

CORPORATE GOVERNANCE REPORT

In terms of Regulations 34 read with Schedule V of SEBI (LODR) Regulations and DPE Guidelines, a report on Corporate Governance for the year 2024-25 along with Compliance Certificate on Corporate Governance issued by the Secretarial Auditor of the Company, is attached to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per Regulations 34(2)(e) of the SEBI (LODR) Regulations, the Management Discussion and Analysis Report (MDAR) forms part of the Annual Report.

VIGIL MECHANISM

The Company has a Whistle Blower Policy approved by the Board. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and the same is hosted on the Company's website at www.hal-india.co.in/investors

Employees are encouraged to raise any of their concerns by way of whistle blowing and none of the employees have been denied access to the Chairman of the Audit Committee.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, your Directors state that:

(a) In the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2025 and of the profit and loss of the Company for the year ended on that date;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a "going concern" basis;

(e) the directors have laid down internal financial controls which are being followed by the Company and that such internal controls are adequate and are operating effectively;

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors are extremely thankful and acknowledge the excellent support extended by the Government of India, in particular the Ministry of Defence, Department of Defence Production, Defence Acquisition and Defence Finance as well as other Ministries of the Government of India in all the endeavours of the Company.

Your Directors also place on record their sincere appreciation towards the Company's valued customers, in particular the Indian Defence Services, for the support and confidence reposed by them in the Management of the Company, and look forward to the continuance of this mutually supportive relationship in the future.

The Company wishes to place on record its appreciation for the co-operation extended and services provided by the Comptroller & Auditor General of India (C&AG), the Principal Director of Commercial Audit & Ex-officio Member, Audit Board, Statutory/ Internal Auditors, Cost Auditors, Secretarial Auditor, Bankers, Collaborators, JV Partners and Suppliers.

Your Directors are also thankful to the shareholders for the trust and confidence reposed in the Company and look forward to their continued support to propel the Company to greater heights.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's Executives and Workmen for progress and prosperity of the Company.

For and on behalf of the Board of Directors
Hindustan Aeronautics Limited



(Dr. D K Sunil)
Chairman and Managing Director

Place : Bengaluru
Date : July 21, 2025

Annexure I to Board's Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangement or transactions not at arm's length basis:

Sl. No.	Name (s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in General Meeting as required under first provision to Section 188
1	BAeHAL Software Ltd (BAeHAL)	Joint Venture	Rate Contract on single tender nomination basis	1 year	Rate Contract with BAeHAL Software Ltd, on single tender nomination basis, for renewal of Annual Technical Support (ATS) of Oracle and AMC of IFS ERP for a period of 1 year from 01.04.2024 to 31.03.2025 at a total value of ₹ 418.85 Lakhs including 18% GST.	AMC services are required for ensuring continued availability of the ERP services and obtaining support for the ERP Database from the OEMs.	16th May, 2024	-	-
2.	SAFHAL Helicopter Engines Pvt Ltd.	Joint Venture	Airframer Contract with JVC	Long Term Contract	Design, Development, Manufacture, Supply and Support of the engine for IMRH and DBMRH in India.	The contract was signed in line with the Joint Venture Agreement between HAL and Safran Helicopter Engines, France for design, development and manufacture of engines for IMRH and DBMRH in India.	August 14, 2024	-	-
3	Naini Aerospace Ltd (NAeL)	Subsidiary Company	Service Contract through Nomination basis	3 years	In line with the terms of the MoU approved by the Board, 6 Nos of PO with value of ₹ 1,380 Lakhs were placed on NAeL.	As per MoU signed between HAL and NAeL.	Transactions were noted by the Board on November 14, 2024.	-	-





Sl. No.	Name (s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in General Meeting as required under first provision to Section 188
4	Samtel HAL Display Systems Ltd (SHDS)	Joint Venture	Service Contract	5 years	Repair of 872 nos. of Color Multi-Function Display (CMFD) of Su-30MKI for a period of 5 years (from date of signing of contract) at total basic value of ₹ 8,025.79 Lakhs on FOR HAL Korwa basis. (i.e., Total landed cost ₹ 9,554.72 Lakhs including F&I @ 0.89%, and GST @ 18% or extra if applicable at the time of delivery).	SHDS is the OEM for the proposed Color Multi-Function Display (CMFD) hence the Service Contract is on single tender / nomination basis.	November 14, 2024	-	-
5	Naini Aerospace Ltd (NAeL)	Subsidiary Company	Service Contract through Nomination basis	3 years	In line with the terms of the MoU approved by the Board, 4 Nos of PO with value of ₹ 1,069 Lakhs were placed on NAeL.	As per MoU signed between HAL and NAeL	Transaction entered under the MoU were noted by the Board on December 16, 2024.		
6	BAeHAL Software Ltd (BAeHAL)	Joint Venture	Service Contract on single tender basis	2 years or till the utilization of 2,47,500 Man Hours	Insourcing of Software Development Services for Flight Simulator Software for a period of 2 years for a total order value of ₹ 26,22,60,900/- inclusive of GST @18% on Single Tender basis.	BAeHAL has successfully executed software services for HAL various simulator projects and having requisite expertise.	January 23, 2025	-	-
7	Naini Aerospace Ltd (NAeL)	Subsidiary Company	Service Contract through Nomination basis	3 years	In line with the terms of the MoU approved by the Board, 1 No of PO with value of ₹ 160 Lakhs was placed on NAeL.	As per MoU signed between HAL and NAeL	Transaction were noted by the Board on February 12, 2025	-	-





Sl. No.	Name (s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in General Meeting as required under first provision to Section 188
8	BAeHAL Software Ltd (BAeHAL)	Joint Venture	Service Contract on single tender / nomination basis	1 year	Annual Technical Support (ATS) of Oracle Licenses at a total value of ₹164.28 Lakh incl. GST and Annual Maintenance Contract (AMC) of IFS-ERP Licenses at a total value of ₹280.77 Lakh incl. GST for one year from 01-04-2025 to 31-03-2026 on single tender basis. The total value of the Contract is ₹445.05 Lakh inclusive of GST @18%.	IFS-ERP and Oracle Licenses have been supplied, installed, implemented and maintained by BAeHAL since 2004.	March 20, 2025	50% of the total PO value shall be paid as interest free advance without Bank Guarantee after placement of PO. Balance amount shall be paid after completion of 6 months of the contract.	-
9	Naini Aerospace Ltd (NAeL)	Subsidiary Company	Service Contract through Nomination basis	3 years	In line with the terms of the MoU approved by the Board, 4 No of PO with value of ₹120 Lakhs was placed on NAeL.	As per MoU signed between HAL and NAeL	Transaction entered under the MoU for the period from January, 2025 to March, 2025, were noted by the Board on May 14, 2025	-	-

2. Details of material contracts or arrangements or transactions at arm's length basis

Sl No.	Name(s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any:	Remarks (Sanction No.)
	———	———	———	NIL	———	———	———	———

For and on behalf of the Board of Directors
Hindustan Aeronautics Limited



(Dr. D K Sunil)
Chairman and Managing Director

Place : Bengaluru
Date : July 21, 2025











Annexure II to Board's Report

REPORT ON FINANCIAL PERFORMANCE OF THE JOINT VENTURE COMPANIES AND SUBSIDIARY COMPANIES

(a) As on March 31, 2025, HAL has two Subsidiaries including one wholly owned Subsidiary and Nineteen Joint Venture Companies (JVCs) including Seven Not-for-Profit Companies (Section 8 Companies).

During the year under review, the total turnover reported by the JVCs/Subsidiaries is ₹ 764.49 Crore, as per details given below:

(Amount in ₹ Crores)

Sl. No.	Name of the JVCs / Subsidiaries	HAL Share Holding (%)	Revenue from operations	Profit Before Tax/(Loss)
I	**Operational JVCs**			
1	BAeHAL Software Ltd.	49	31.21	6.54
2	Indo Avia Services Ltd. (Erstwhile Indo Russian Aviation Ltd.)	48	50.26	15.34
3	Safran HAL Aircraft Engines Pvt. Ltd.	50	216.19	28.15
4	Samtel HAL Display Systems Ltd.	40	21.89	0.15
5	HALBIT Avionics Pvt. Ltd.	50	3.55	0.12
6	HATSOFF Helicopter Training Pvt. Ltd.	50	67.65	21.29
7	International Aerospace Manufacturing Pvt. Ltd.	50	355.45	41.39
8	Helicopter Engines MRO Pvt. Ltd.	50	0.04	(2.32)
9	SAFHAL Helicopter Engines Pvt. Ltd.	50	-	(0.29)
	Sub - Total		**746.24**	**110.37**
II	**JVCs under closure**			
10	HAL-Edgewood Technologies Pvt. Ltd.	50	-	-
11	Multi-Role Transport Aircraft Ltd.	50	-	13.24
12	Infotech HAL Ltd.	50	-	-
	Sub - Total		**-**	**13.24**
III	**Section-8 Company (Not-for-profit)**			
13	Aerospace & Aviation Sector Skill Council	50	-	-
14	Defence Innovation Organisation	50	-	-
15	UAS Testing Foundation	33.33	-	-
16	Electronic Warfare (Defence) Testing Foundation	20	-	-
17	Communication (Defence) Testing Foundation	25	-	-
18	Advanced Materials (Defence) Testing Foundation	20	-	-
19	Systems Testing and Research for Advanced Materials Foundation (STREAM)	20	-	-
	Sub - Total		**-**	**-**
	A - Total		**746.24**	**123.61**




Sl. No.	Name of the JVCs / Subsidiaries	HAL Share Holding (%)	Revenue from operations	Profit Before Tax/(Loss)
IV	**Subsidiaries**			
20	Indo Russian Helicopters Ltd.	50.5	-	(0.16)
21	Naini Aerospace Ltd.	100	18.25	1.38
	B - Total		**18.25**	**1.22**
	Grand Total (A + B)		**764.49**	**124.83**

Note: Figures in brackets () indicate loss

(b) During the current financial year, 2 (two) JVCs viz. Indo Avia Services Limited and International Aerospace Manufacturing Pvt Ltd. have paid total dividend of ₹ 4.91 Crore to HAL.

Sl. No.	Name of JVCs	₹ in Crore
1	Indo Avia Services Ltd.	3.32
2	International Aerospace Manufacturing Pvt. Ltd.	1.59
	Total	**4.91**

For and on behalf of the Board of Directors
Hindustan Aeronautics Limited

(Dr. D K Sunil)
Chairman and Managing Director

Place : Bengaluru
Date : July 21, 2025





Annexure III to Board's Report

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2024-25

1. Brief outline on CSR Policy of the Company:

- The CSR Policy of the Company has been approved by the Board and is in consonance with the CSR Policy framework enshrined in the Section 135 of Companies Act, 2013, Companies (CSR Policy) Rules, 2014 as amended from time to time by Ministry of Corporate Affairs, Government of India and Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India.
- All the CSR activities of the Company is carried out in an economically, socially and environmentally sustainable manner that is transparent and ethical, for the interest of all the stakeholders.
- The thrust areas under CSR are Health care, Education, Skill Development, Rural Development, Women Empowerment, Promotion of Sports, etc. The other areas in which support extended were contribution of vehicles and Assistive Devices to Divyangjans, Organizing camps for early detection of Cancer among Women, addressing Malnutrition and Stunting amongst Children, provisioning of portable hand held X-Ray Machines for screening of patients under National TB Elimination Programme (NTEP), Setting up of Green Gyms, Sanitation etc.
- The Policy provides for undertaking CSR projects / programs in local areas / vicinity of the Divisions / Complexes where it operates giving preference for the theme identified by the Department of Public Enterprise (DPE) for undertaking CSR activities by Central Public Sector Enterprises (CPSEs).

2. Composition of CSR Committee as on March 31, 2025:

Sl No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Divya Gupta (till 27.12.2024)	Chairperson/ Independent Director	4	4
2	Shri C.B. Ananthakrishnan (till 31.08.2024)	Member/ Director (Finance) & CFO	3	2
3	Shri Jayadeva E P (till 31.08.2024)	Member/ Director (Operations)	3	3
4	Shri A B Pradhan*	Chairperson from 27.12.2024 till 28.02.2025 / Director (HR)	4	4
5	Dr. D K Sunil*	Chairperson/ CMD with addl. charge of Director (Engineering and R &D) & Director (HR)	1	1
6	Shri Deepak Abasaheb Shinde (w.e.f 27.12.2024)	Member/ Independent Director	-	-
7	Shri Barenya Senapati (w.e.f.22.10.2024)	Member/ Director (Finance) & CFO	-	-
8	Shri Ravi K (w.e.f.26.11.2024)	Member/ Director (Operations)	-	-

***Notes:**

- Shri A B Pradhan ceased as member of the Committee w.e.f. February 28, 2025.
- Dr. D K Sunil became member of the Committee from September 01, 2024 to November 26, 2024 by virtue of holding additional charge of Director (Operations) and became Chairperson w.e.f. March 01, 2025 by virtue of holding additional charge of Director (HR).




3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The web-links are as under:

- Composition of CSR Committee:

  https://hal-india.co.in/backend/wp-content/uploads/2024/09/Composition-of-CSR-Committee-3.pdf

- CSR Policy approved by the Board:

  https://hal-india.co.in/backend/wp-content/uploads/2024/09/CSR_Policy.pdf

- Projects approved by the Board:

  https://hal-india.co.in/backend/wp-content/uploads/2024/09/CSR_Projects.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable.

The executive summary of Impact Assessment of following CSR Projects, conducted by Independent Agencies are enclosed to this report:

- ❖ Establishment of Additional Skill Development Labs at HAL-IISc SDC, Challakere, Chitradurga.
- ❖ Establishment of Solar Power Generation Plant at HAL-IISc SDC, Challakere, Chitradurga.
- ❖ Contribution of Medical equipment's to Central Sterile Service Department (CSSD at Institute of Gastroenterology Sciences and Organ Transplant (IGOT), Bengaluru
- ❖ Information and Communication Technology infrastructure for implementation of Digital Literacy in "Karnataka Residential Educational Institutions Society (KREIS) PU Colleges"
- ❖ Establishment of Advanced Centre for Bio-Energy Research at University of Agricultural Science, Bengaluru
- ❖ Skill Development & Entrepreneurship Development program, Chikkaballapura, Kolar & Bengaluru
- ❖ Imparting Education to children in and around Sunabeda, Koraput.
- ❖ Construction of Community Centre and Playground at Dande ka Purwa Village, Bidhnoo Block, Kanpur
- ❖ Contribution of Medical Equipment's to GSVM Govt. Hospital / Medical College, Kanpur
- ❖ Contribution of underground Smart Bins and Compactor Vehicles to Nagar Nigam, Lucknow.
- ❖ Vocational Skill Training in Lucknow / Barabanki Districts, Uttar Pradesh through National Institute of Entrepreneurship & Small Business Development (NIESBUD), Min. of Skill Development & Entrepreneurship, GoI
- ❖ Apprenticeship Training in different trades under CSR, Lucknow.

The web-link(s) of Impact Assessment of above CSR Projects is as under:

https://hal-india.co.in/backend/wp-content/uploads/2024/09/impact_2425.pdf

5.	(a)	Average net profit of the Company as per sub-section (5) of section 135	**₹ 7,30,251 Lakh**
	(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135.	**₹ 14,605 Lakh**
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	**₹ 873 Lakh**
	(d)	Amount required to be set-off for the financial year, if any	**₹ 1,067 Lakh**
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	**₹ 14,411 Lakh**





6.	(a)	Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects).	**₹ 16,271 Lakh**
	(b)	Amount spent in Administrative Overheads	**₹ 434 Lakh**
	(c)	Amount spent on Impact Assessment, if applicable	**₹ 6 Lakh**
	(d)	Total amount spent for the Financial Year [(a) + (b) + (c)].	**₹ 16,711 Lakh**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹ Lakh)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub section (5) of section 135		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
16,711	Nil	NA	Nil	Nil	NA

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per sub section (5) of section 135	14,605
(ii)	Total amount spent for the Financial Year	16,711
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,106
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	873
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,300*

(*) a) Total CSR Amount Spent for the Financial Year: ₹ 16,711 Lakh

b) Total CSR Obligation for the Financial Year 2024-25: ₹ 14,411 Lakh

c) Amount available for set off in succeeding financial years (a-b): ₹ 2,300 Lakh

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in ₹ Lakh)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹ Lakh)	Amount spent in Financial Year (in ₹ Lakh).	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years. (in ₹ Lakh)	Deficiency, if any
					Amount (in ₹ Lakh)	Date of transfer		
1.	2021-22	300	Nil	300	NA	NA	NA	NA
2.	2022-23	Nil	NA	NA	NA	NA	NA	NA
3.	2023-24	Nil	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount in the financial year: YES / NO

No

If Yes, enter the number of Capital assets created/ acquired: **NA**




Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
NA							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

- Not Applicable.

Director (Finance)

(Chairman of CSR Committee)





Executive Summary (Report) – CSR Project Impact Assessment Conducted by External Agencies during FY 2024-25

Project Name:	**Augmenting of HAL-IISc Skill Development Centre (SDC) under CSR - Establishment of Additional Skill Development Labs at HAL-IISc SDC at Challakere, Chitradurga**
Sector:	**Skill Development**
Location:	**Challakere, Chitradurga**
Start Date:	**01.04.2021**
Completion Date:	**31.03.2023**
Impact Assessment Conducted by:	**M/s. Alpha Value Consulting, Noida, Uttar Pradesh**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	The HAL-IISc Skill Development Centre (HAL-IISc SDC) is a collaborative step taken by HAL & Indian Institute of Science towards establishment of a modern Skill Development facility at Challakere, Chitradurga, Karnataka, towards boosting Skill Development and contribute to the Nation's Development. The Project had been supported by HAL in order to fully harness the Potential of the SDC and impart skill development trainings in niche engineering fields. The additional Skill Development labs, as indicated below, were established at the HAL-IISc SDC: (a) Augmented & Virtual Reality, (b) UAV and Multi Drone Lab (c) Energy Internet Based Next Generation Smart Grid Lab
2.	Fulfilment of the objectives for the activity/ project	It is observed the Skill Development labs as indicated above are being used for imparting training in the respective niche engineering domain by the respective faculties in the HAL-IISc SDC, by utilizing both online as well as offline mode and have been well appreciated by the participants, generally comprising of youths.
3.	a. Beneficiaries (*) of the activity/ project b. Approximate Numbers	a. Trainees including unemployed youth, Research Students, Scholars, Science Teachers from Govt. Schools / ITIs, faculties from various Govt. Skill Development Programmes, etc. b. 3000 Trainees per year
4.	Budget utilization	₹ 245 Lakhs
5.	Implementation aspects	The Project was implemented by the Indian Institute of Science, Bengaluru and was funded by HAL.
6.	Timely completion of the targets	The Project was completed during in FY 2022-23, well within time.
7.	Impact of the activity/ project on social, economic and environment perspective	The facility is being utilised for imparting training in Skill Development activities related to niche fields in science and technology, viz. Augmented & Virtual Reality, UAV and Multi Drone Lab and Energy Internet Based Next Generation Smart Grid Lab. The facilities also contributed to the training of people in other prominent areas in emerging technologies & engineering such as Aerospace, Mechanical, Electrical and Electronic sectors at multiple levels, in line with the "Make in India" Mission.
8.	Any other relevant points	The HAL-IISc Skill Development Centre is a collaborative step taken by the Premier Defence PSU - HAL & Centre of Excellence – IISc towards establishment of the Modern Scientific Laboratories in the campus, which is envisaged to give the extra edge in providing training to youths of the Nation in niched fields of Engineering, which is the need of the hour and thus providing staunch support to the emerging Skill Eco-System in India and propel in achieving self-reliance, in the days to come.




Project Name:	**Augmenting of HAL-IISc Skill Development Centre under CSR - Solar Power Generation Plant at HAL-IISc - SDC at Challakere, Chitradurga**
Sector:	**Skill Development, Ensuring Environmental Sustainability**
Location:	**Challakere, Chitradurga**
Start Date:	**01.04.2021**
Completion Date:	**31.03.2023**
Impact Assessment Conducted by:	**M/s. Alpha Value Consulting, Noida, Uttar Pradesh**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	The HAL-IISc Skill Development Centre (HAL-IISc SDC) established by HAL & Indian Institute of Science towards establishment of a modern Skill Development facility at Challakere, Chitradurga, Karnataka, towards boosting Skill Development and contribute to the Nation's Development. The campus houses many unique facilities which are a perfect amalgamation of modern architecture with use of natural light, wind and alternative power sources. The Project of establishment of a 1MW Solar Power was supported by HAL and implemented by IISc. This is another step towards conservation of Natural Resources by encouraging use of renewable energy. This Solar Power Plant is designed not only to encourage use of Green Energy at massive level, but also towards imparting training / showcasing the functioning of a modern Solar Power to thousands of trainees visiting the campus, on regular basis.
2.	Fulfilment of the objectives for the activity/ project	The Solar Power Generation Plant, established by HAL has helped the SDC campus to become self-sufficient in terms of its Power needs for the Main Administrative Building, Classrooms, Canteens, Laboratories, Auditorium, and Hostels.
3.	a. Beneficiaries (*) of the activity/ project.	a. Trainees include mostly unemployed Youths; Students from various Colleges & Research Scholars across the country; Teachers from various Govt. Schools and ITIs, Participants of Skill Development Programmes organized in the Campus, In-house trainees residing in the Hostels, etc.
	b. Approximate Numbers	b. 4500 People per year
4.	Budget utilization	₹ 624 Lakhs
5.	Implementation aspects	The Project was implemented by the Indian Institute of Science, Bengaluru and was funded by HAL.
6.	Timely completion of the targets	The Project was completed in time in FY 2022-23, well within time.





Sl. No.	Particulars	Details
7.	Impact of the activity/ project on social, economic and environment perspective.	The 1 MW Solar Power project is implemented based on the special design with an exceptional arrangement for mounting PV panels (8ft above ground level). This facility is unique, as it houses a modular arrangement of Solar Panels to showcase the modern layout of Solar Panel installation, specially designed by the senior Professors at IISc to showcase maximum utilization of space, which is being demonstrated to visiting Students & other organizations, helping them in understanding the technology behind an efficient Solar Power System. A 100 kW battery backup with UPS is also installed and is powering the Skill Development Centre complex. Apart from saving substantial cost and conservation of energy, the unique and modular design of this Solar Power Plant utilizes the space ingeniously, wherein the space below PV panels is not only utilised for installing the batteries/battery management system but also for conducting Solar Power related training activities, in line with the "Make in India" Mission. A portion of space is also utilised for growing vegetables for the SDC Mess, thus exemplifying conservation of natural resources. The facility is being utilised for training the participants in skill development activities related to solar energy systems, Power Electronics, Renewable Energy, Mechanics, Battery Management, Maintenance of Electrical vehicles, etc.
8.	Any other relevant points	The establishment of the 1 MW Solar Power Generation Plant at IISc-HAL Skill Development Centre, funded by HAL and curated by the experts at IISc, is a collaborative step taken to display the combination of many 'Firsts' in bringing practicality, purpose and harmony with nature. The facility acts as a source of information and inspiration to hundreds of Youth visiting the campus, where they are exposed to cutting-edge tech going hand-in-hand with utilization of space and natural resources. It is envisaged that, in days to come, the Solar Power facility, will not only act as a standing testimony towards use of Renewable Energy at Mass level, but will also demonstrate how the same can be put to multiple usages.




Project Name:	**To support the Institute of Gastroenterology Sciences and Organ Transplant by providing requisite equipment to Central Sterile Service Department (CSSD)**
Sector:	**Promoting Health Care**
Location:	**Bengaluru, Karnataka**
Start Date:	**11.11.2021**
Completion Date:	**31.12.2023**
Impact Assessment Conducted by:	**Dept. of Social Work, Bangalore University, Karnataka**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	The Institute of Gastroenterology Sciences and Organ Transplant (IGOT), Bengaluru is an autonomous Institute under Dept. of Health, Govt. of Karnataka, Offering affordable treatment, including surgeries, in the fields of Gastroenterology Sciences and Organ Transplant, Healthcare to patients from economically weaker backgrounds. The request was received from the Institute to provide a Central Sterile Service Department (CSSD) for the improving the medical services being extended to these patients and to enhance their safety.
2.	Fulfilment of the objectives for the activity/ project	It is seen that main objectives of the establishment of the CSSD, ie., to ensure that various medical equipment, devices and accessories used for Intensive operative procedure as well as day-to-day OPD Services are fully sterilized, decontaminated, free from any infections, etc., are fulfilled and the system is working to the satisfaction of concerned team of dealing Doctors in the Institute.
3.	a. Beneficiaries (*) of the activity/ project b. Approximate Numbers	a. Hundreds of Patients visiting IGOT on daily basis, inclusive of in-patients as well as Out-Patients b. 60000 People per year
4.	Budget utilization	₹ 200 Lakhs
5.	Implementation aspects	The Projects was implemented by The Institute of Gastroenterology Sciences and Organ Transplant, an autonomous Institute of Govt. of Karnataka and funded by HAL.
6.	Timely completion of the targets	The Project was completed on time during the FY 2022-23.
7.	Impact of the activity/ project on social, economic and environment perspective	It is observed that the CSSD contributed by HAL to M/s. IGOT is acting as the central control sterilization point facilitating in smooth operation of the entire Hospital by ensuring that critical components essentially required for performing various operations are fully sterilized and free from any infections / foreign components, thereby enhancing the overall level of health services for the Pre as well as Post-Operative Patients. The above initiative has enabled M/s. IGOT in increasing the number of surgeries being conducted in a safe way. The facility is also effective for enhancing the safety of hundreds of out-patients visiting the Institute on daily basis.
8.	Any other relevant points	Nil





Project Name:	**Information and Communication Technology infrastructure for implementation of Digital Literacy in the "Karnataka Residential Educational Institutions Society (KREIS) PU Colleges" through Karnataka State Council for Science and Technology (KSCST)**
Sector:	**Promoting education**
Location:	**61 locations across various Districts across Karnataka**
Start Date:	**01.4.2022**
Completion Date:	**31.01.2024**
Impact Assessment Conducted by:	**National Productivity Council, Bangalore, Karnataka**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	Based on a requested received from Karnataka State Council for Science and Technology (KSCST), the Project towards provisioning of 'Information and Communication Technology (ICT)' infrastructure for implementation of Digital Literacy in the Karnataka Residential Educational Institutions Society (KREIS) PU Colleges through KSCST, for Digital Literacy in 61 KREIS Residential Science PU Colleges of Karnataka for classes XI and XII was considered.
2.	Fulfilment of the objectives for the activity/ project	The objective of the Projects was to implement Digital Literacy in Karnataka Residential Educational Institutions Society (KREIS) PU Colleges by usage of technology & e-content in teaching to enhance the level of Knowledge and exposure of the Students. As part of the Project, KSCST has established ICT Infrastructure for Digital Literacy in 61 (Sixty-one) KREIS Residential Science PU colleges across Karnataka. This initiative, funded by HAL's CSR program during 2022-23 & 2023-24, includes provisioning of Laptops, Projectors, Library Books, Network Connectivity and All-In-One Desktop Computers at these colleges.
3.	a. Beneficiaries (*) of the activity/ project b. Approximate Numbers	a. Students from Economically Weaker section. b. 3000 Students per year
4.	Budget utilization	₹ 364 Lakhs
5.	Implementation aspects	The Project was funded by HAL and implemented by Karnataka State Council for Science and Technology (KSCST) in 61 KREIS Residential Science PU Colleges of Karnataka, located at Districts such as Bengaluru Rural, Davangere, Kolar, Kanakapur, Tumakuru, Gundlupete, Mangaluru, Hassan, Mandya, Mysuru, Udupi, Dharwad, Bidar, etc. The Karnataka State Council for Science and Technology (KSCST) was established in the year 1975 and is one of the first State S&T Councils to be established in the country. It is an autonomous S&T organization under the Department of Science & Technology, Government of Karnataka.
6.	Timely completion of the targets	The implementation of the project has been completed as per time schedule.




Sl. No.	Particulars	Details
7.	Impact of the activity/ project on social, economic and environment perspective	As per feedback received, it is observed that the students are getting benefited from the online classes using the laptop and projectors provided as part of the Project under CSR. The books provided to them are very useful while preparing for UG entrance exams. Both teachers and students have expressed that introduction of ICT infrastructure has been highly beneficial and is a positive development. Live Experiments in subjects like Physics, Chemistry and Biology can be seen and taught multiple times, if needed. Overall, teaching has become much more interactive and engaging, providing the students a much more efficient platform to learn in a better environment and excel in their studies. It is also observed that the above infrastructure is helping the students to prepare for the various Joint Entrance Examinations (JEE).
8.	Any other relevant points	The independent Agency, M/s. NPC has conducted visits to Twelve Residential Science PU Colleges, where it physically observed all the equipment contributed by HAL under CSR are being used efficiently by students and also interacted with the students, teachers, and principals. In addition, NPC analysed the data collected during those interactions, as well as the feedback obtained through forms. The findings indicate that providing ICT infrastructure has a positive impact on students, teachers, principals, and the community at large.





Project Name:	**Establishment of Advanced Centre for Bio-Energy Research at University of Agricultural Sciences, Bangalore**
Sector:	**Ensuring Environmental Sustainability, Skill Development**
Location:	**Bangalore**
Start Date:	**14/12/2020**
Completion Date:	**31/03/2023**
Impact Assessment Conducted by:	**M/s. Atlas Management Consultancy Services Pvt. Ltd., Ranchi, Jharkhand**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	The Department of Forestry & Environment of the University of Agricultural Sciences, Bangalore (UASB) is involved in running the Advanced Centre for Bio-Energy Research in the University where advanced research on producing bio-fuel from feed stock is being undertaken. In addition, research work on bio-energy, developing improved technology, processes, designs and techniques for promoting the manufacturing & adoption of bio-fuels were being carried out at this Centre. The Department of Forestry & Environment of the University of Agricultural Sciences, Bangalore had requested the HAL for financial support to expand the existing infrastructure at the Centre for Bio-Energy Research. Accordingly, the project was considered under CSR.
2.	Fulfilment of the objectives for the activity/ project	The contribution under CSR from HAL has been utilized by M/s. UASB towards construction of the first floor of the existing ground floor building at the Center (including equipment rooms, accounts room, training hall, etc.) and for the procurement of 3 advanced laboratory equipment, Viz. i. Fourier Transform Infra-Red (FTIR) Spectroscopy with Attenuated Total Reflection (ATR), ii. High Performance Liquid Chromatography (HPLC) with PDA, Fluorescence, ELSD Detectors., iii. Gas Chromatograph (GC) Analyzer.
3.	a. Beneficiaries (*) of the activity/ project	a. Various Researchers, Scientists, Government Officials, Farmers, Students and Potential Entrepreneurs, as per their needs.
	b. Approximate Numbers	b. 1000 People per year
4.	Budget utilization	₹ 200.00 Lakhs
5.	Implementation aspects	The Project was implemented by University of Agricultural Sciences, Bangalore (UASB) and funded by HAL.
6.	Timely completion of the targets.	The implementation of the project has been completed as per time schedule.




Sl. No.	Particulars	Details
7.	Impact of the activity/ project on social, economic and environment perspective.	The expansion of the Advanced Centre for Bio-Energy Research in the University of Agricultural Sciences, Bangalore has facilitated research and imparting training to farmers and other stakeholders on bio-energy based economy including young researchers, students and entrepreneurs. The new infrastructure at the Advanced Centre has enhanced the learning experience of the trainees by providing modern facilities, advanced equipment and a conducive environment for skill development. It has boosted efficiency, enabling trainers to deliver instructions in an efficient manner and participants to grasp concepts effectively. Enhanced amenities foster comfort and motivation, thus improving focus and productivity. Similarly, procurement of the 3 advanced laboratory equipment by the Centre has significantly enhanced research and innovation capabilities of the researchers using these equipment. It has enabled precise and efficient experimentation, leading to accurate results and faster breakthroughs.
8.	Any other relevant points	The modern centre provides a comfortable infrastructure and conducive environment for the Research Scholars and the participants of various training programmes. The advanced laboratory equipment are being used by researchers, scientists, students for various studies. More than 17 such researchers have conducted tests of more than 100 samples in the last 2 years.





Project Name:	**Skill Development & Entrepreneurship Development, Chikkaballapur, Kolar & Bangalore**
Sector:	**Promoting employment enhancing vocation and livelihood enhancement**
Location:	**Chikkaballapur, Kolar & Bangalore Rural in Karnataka**
Start Date:	**02/06/2022**
Completion Date:	**31/03/2023**
Impact Assessment Conducted by:	**M/s. Atlas Management Consultancy Services Pvt. Ltd., Ranchi, Jharkhand**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	M/s. Entrepreneurship Development Institute of India (EDII), an Institution promoted by all India financial institutions, approached HAL with a proposal to train around 1,000 individuals, mostly women belonging to socially backward and impoverished backgrounds, identified as the target group for imparting trainings on various trades. The objective was to promote entrepreneurial work culture through skill training and entrepreneurship development.
2.	Fulfilment of the objectives for the activity/ project	In order to promote Entrepreneurship Development amongst rural area in a cost effective manner, EDII carried out a detailed value chain analysis of each activity / product. The analysis included local resource mapping, skill mapping, available infrastructure & entrepreneurial ecosystem. Thereafter, batches of 40 persons were formed, training 1000 persons in 25 batches. The initiatives have resulted in improved socio-economic conditions of the people in the area with increased access to better facilities and infrastructure especially where it was most needed – among women of socially backward classes in the rural areas under its Skill Development & Entrepreneurship Programs.
3.	a. Beneficiaries (*) of the activity/ project b. Approximate Numbers	a. A total of 1,000 individual, mostly women, have been trained in different trades in the Training Centres in Chikkaballapur, Kolar & Bangalore Rural by EDII, Bengaluru. b. 1,000 Trainees
4.	Budget utilization	₹ 177 Lakhs
5.	Implementation aspects	The Project has been Implemented by Entrepreneurship Development Institute of India and funded by HAL.
6.	Timely completion of the targets	The implementation of the project has been completed as per time schedule planned.
7.	Impact of the activity/ project on social, economic and environment perspective	Prior to the implementation of the project, it was observed that most of the beneficiaries were unemployed with negligible personal income. With low education, backward social status, impoverished background and no skills, life was directionless with nothing creative and remunerative to do. After the EDII training, almost half (48%) of the beneficiaries said that now either they were already self-employed or were eagerly planning / having the confidence to get self-employed in the near future. Similarly, More than half (52%) of the beneficiaries said that the perception of their family members about them had changed for the better. Moreover, two out of every three (66%) beneficiaries said that after the training, there was increased self-awareness and the ability to overcome challenges in public forum had got a boost. This had developed a feeling of self-worth among them.




Sl. No.	Particulars	Details
8.	Any other relevant points	The Entrepreneurship Development training imparted under the project have started to manifest positive impacts on the lives of the beneficiaries trained by EDII with the support of HAL. Two out of every 5 such beneficiaries (40%) said that they observed that the perception of the community about them had changed. These beneficiaries said that with the new skill sets acquired through the training, they had reduced inhibitions, had better communication skills and had developed a problem solving attitude. They said that with this sense of accomplishment, they intend to grow further in life. The visits to the Training cum Production Centres (TCPCs) witnessed large number of trainees thronging the Centres to get training in Garments Stitching and Jute Bags Making. Even before the official commencement of the new training schedule, the overzealous trainees were regular visitors to the Centres. Interactions with the current batch of trainees, presently pursuing their training, were witness to the impact these Training Centres had on the beneficiaries who have completed their trainings. These show the major impact that the project has made in their lives.





Project Name:	**Imparting Education to poor children in and around Sunabeda, Koraput in HAL run Educational Institutions**
Sector:	**Promoting education**
Location:	**Koraput District, Odisha**
Start Date:	**01/04/2022**
Completion Date:	**31/03/2023**
Impact Assessment Conducted by:	**Odisha Rural Development & Marketing Society (ORMAS), Koraput, Odisha**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	The School education is a focus area since launching of the Aspirational District programme. In order to provide access to quality education, enhancing infrastructure and investing in teacher's training and community involvement. Promotion of education through Educational institutions running under Aeronautics Education Society (AES), is a regular ongoing project of HAL, Koraput Division carried out since FY 2015. It was identified by the Divisional CSR & SD committee after consideration of due request from the local people from economically underprivileged background and residents of adopted villages by HAL as part of CSR.
2.	Fulfilment of the objectives for the activity/ project	The Primary objective was Promotion of education in backward area of Koraput District. Interactive sessions were held with students from various surrounding villages studying in the AES Schools. Based on their response, it was concluded that the students were quite confident and interactive. Despite coming from peripheral villages and many of them being the 1st learners from their families, they were learning and satisfied with their education here. It is also found that students were highly satisfied, benefited and motivated by the education they received in this school as compared to the education their peers received in other educational institutions in their locality.
3.	a. Beneficiaries (*) of the activity/ project b. Approximate Numbers	a. Students from Economically underprivileged background of surrounding areas of HAL, Sunabeda belongs to Semiliguda and Koraput Block of Koraput District. b. 1200 Students per year
4.	Budget utilization	₹ 500 Lakhs
5.	Implementation aspects	Direct Implementation by HAL, Koraput Division, Aeronautics Education Society, Sunabeda. Odisha.
6.	Timely completion of the targets	The allocated fund were expended towards the project during 01.04.2022 & 31.03.2023.
7.	Impact of the activity/ project on social, economic and environment perspective	Many govt. schools operating in the tribal areas lack adequate resources, hygienic environment, qualified teachers and relevant curricula resulting in lower of quality education and inadequate preparation for higher education and future employment. It is observed that through this project, the gap in the regions has been minimized which was present before availability of resource and providing quality education. Students are being empowered with the modern facilities and experienced teachers, which were limited due to factors like cost and acceptability in the past.
8.	Any other relevant points	This scheme is a thoughtful and effective project undertaken as a CSR Activity for developing quality of education of children living in the 14 adopted villages. These children are exposed to quality education along with a confident environment for their overall development.




Project Name:	**Construction of Community Centre and Playground at Dande ka Purwa Village of Bidhnoo Block, Kanpur**
Sector:	**Rural development projects and promotion of sanitation**
Location:	**Kanpur, Uttar Pradesh**
Start Date:	**01/04/2020**
Completion Date:	**31/03/2023**
Impact Assessment Conducted by:	**Department of Social Work, University of Lucknow, Lucknow, Uttar Pradesh**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	The request was received from the District Administration, Kanpur towards consideration of the 'Construction of Community Centre and Playground at Dande ka Purwa Village of Bidhnu Block, Kanpur', under CSR.
2.	Fulfilment of the objectives for the activity/ project	During the impact assessment, villagers as well as representatives from the Local Authorities reported that the Community Centre and Playground are effectively addressing the long-standing requirement of a common place for organizing communal and recreational Activities. Public, especially women and families from the marginalized communities now have a safe, dedicated and clean place for their cultural, social and educational function needs. This directly aligns with SDG (Sustainable Cities & Communities) and Indian Government priorities (SAGY, RURBAN mission).
3.	a. Beneficiaries (*) of the activity/ project b. Approximate Numbers	a. The residents of the villages; Gadeva Mohsinpur, Dande ka Purwa, Baiji Purwa, Dev ka Purwa and Sem ka Purwa. b. 5000 residents from all five villages
4.	Budget utilization	₹ 117.31 Lakhs
5.	Implementation aspects	Direct Implementation by HAL, Kanpur Division
6.	Timely completion of the targets.	The implementation of the project has been completed as per time schedule planned.
7.	Impact of the activity/ project on social, economic and environment perspective	Stakeholders confirm that the community centre seamlessly complements existing rural development initiatives. Village-level committees observed minimal overlap with parallel programs. The project fits the government's push for improved rural infrastructure, supporting SDG and broader Indian rural development policies (PMAY-G, SAGY, Jal Shakti Abhiyan). Survey data shows the facility is used daily by various groups, including women's collectives, youth clubs and marginalized households. Respondents unanimously stated that the centre increased social interaction and community events. This resonates with SDG (Reduced Inequalities) and the Indian government's focus on inclusive, community-driven development.
8.	Any other relevant points	Survey Observations reveal notable improvements in social cohesion, cultural preservation and youth engagement. Small vendors noted increased sales around events in the centre. These findings align with SDG (Decent Work & Economic Growth) and strongly support local rural transformation objectives (e.g., Shyama Prasad Mukherji urban Mission).





Project Name:	**Contribution of Medical Equipment to GSVM Govt. Hospital / Medical College, Kanpur**
Sector:	**Promoting Healthcare**
Location:	**GSVM Govt. Hospital/Medical College, Kanpur (Uttar Pradesh)**
Start Date:	**01/04/2022**
Completion Date:	**31/03/2023**
Impact Assessment Conducted by:	**Department of Social Work, University of Lucknow, Lucknow, Uttar Pradesh**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	As per priorities areas and request received from the District Administration /Principal, GSVM Medical College Kanpur, the CSR activity was planned and executed towards Contribution of Medical Equipment to GSVM Govt. Hospital / Medical College, Kanpur, viz. (i) Language mapping inter-operative Electrocorticography with built-in Cortical Simulation, Handle Electric Simulation and evoked Potential Machine, and (ii) Neuro Navigation System.
2.	Fulfilment of the objectives for the activity/ project	Respondents (medical staff & patients) stated the advanced equipment (Neuro Navigation, Electrocorticography) effectively addresses essential diagnostic gaps. Marginalized groups benefit from more equitable healthcare services (SDG-3). Stakeholders noted strong compatibility with government health priorities and minimal duplication. The hospital's existing resources are synergized, ensuring the equipment fits seamlessly into broader upgrade strategies.
3.	a. Beneficiaries (*) of the activity/ project b. Approximate Numbers	a. Patients from Kanpur District and nearby 18 Districts b. Approx. 2000 patients yearly.
4.	Budget utilization	₹ 408 Lakhs
5.	Implementation aspects	Directly implemented by HAL, Kanpur Division
6.	Timely completion of the targets	Installation was completed within planned timelines with minimal disruptions to hospital functioning. Maintenance schedules are in place. Overall, resource management was lauded as efficient.
7.	Impact of the activity/ project on social, economic and environment perspective	Most respondents reported substantial improvements in patient care speed and accuracy, leading to greater satisfaction among staff and patients. Objective data showed reduced wait times and more timely surgeries, fulfilling main goals. Rise in patient inflow from remote areas was also observed, which indicates enhanced public healthcare capacity.
8.	Any other relevant points	Within weeks of installation of the Medical Equipment under CSR, the Hospital was able to undertake complex brain surgeries, guided by the real time language mapping that minimized post-operative speech deficits in patients. Soon after training was also imparted to junior doctors and nurses to harness the capabilities of new Medical Equipment. The enhanced synergy among staff elevated the hospital's neurosurgical standards and GSVM started to see higher referral rates from rural Kanpur districts. The newly formed synergy bolstered staff morale, showing how equitable access to high-tech tools empowers medical personnel to deliver top-notch healthcare to all, irrespective of social background.




Project Name:	**Providing Underground Smart Bins and Compactor Vehicles to Nagar Nigam, Lucknow**
Sector:	**Promoting Healthcare And Sanitation**
Location:	**Lucknow (Uttar Pradesh)**
Start Date:	**01/06/2022**
Completion Date:	**31/03/2023**
Impact Assessment Conducted by:	**Department of Social Work, University of Lucknow, Lucknow, Uttar Pradesh**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl . No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	The request was received from the Lucknow Nagar Nigam to consider the project under CSR. The project responded directly to concerns of the citizen towards improving the coverage of disposal of waste and addressing the waste pick-up, as key issues. Also, Activities like Underground Bin Installation, Compactor Vehicle Deployment and Awareness Campaigns aligned with Promoting Sanitation, Swachh Bharat Mission and Solid Waste Rules of the State, emphasizing high relevance.
2.	Fulfilment of the objectives for the activity/ project	The intervention yield measurable results across multiple objectives, viz; sanitation, environmental hygiene and public engagement indicators, as indicated below: • Waste Collection Reliability rose from 60% to 92% of scheduled pick-ups in one year. • Visible Pollution Reduction: 88% of respondents reported cleaner streets and drains. • Health Indicators: Local clinics saw a 35% drop in waste-related complaints (respiratory, dermatological). • Community Participation: 80% of households reported active engagement in segregation and local clean-up drives. These outcomes exceeded the original targets (80% reliability, 70% pollution reduction), underscoring the project's success in transforming operational inputs into tangible results.
3.	a. Beneficiaries (*) of the activity/ project b. Approximate Numbers	a. Citizens of Lucknow city b. 75000 -100000 Yearly.
4.	Budget utilization	₹ 246 Lakh
5.	Implementation aspects	Direct Implementation by HAL Lucknow Division
6.	Timely completion of the targets	The implementation of the project has been completed as per time schedule planned.
7.	Impact of the activity/ project on social, economic and environment perspective	The broader impacts extended well beyond the immediate project outcomes: • Environmental Gains: Scientific sampling confirmed a 40% reduction in toxic leachate levels near dump yards. Urban biodiversity indicators improved with a 12% rise in avian presence. • Social Capital: Community cohesion improved, with 78% of surveyed residents expressing civic pride. Schools introduced solid waste lessons, embedding long-term behavioural change. • Livelihoods: The project created 45 formal jobs and supported 30 waste-linked micro-enterprises (e.g., recyclables collection, organic compost sales).
8.	Any other relevant points	The project has achieved its primary objectives of enhancing urban sanitation, safeguarding public health, and galvanizing community support. Quantitative ratings consistently exceeded 80% positive in critical domains, and qualitative feedback underscores meaningful environmental and social returns on investment.





Project Name:	**Vocational Skills Training in make-up, Tailoring, Mobile Repairing etc. in Lucknow/Barabanki, Uttar Pradesh (FY 2022-23) through the National Institute for Entrepreneurship & Small Business Development (NIESBUD), Ministry of Skill Development & Entrepreneurship, Govt. of India**
Sector:	**Skill Development**
Location:	**District Lucknow & Barabanki, Uttar Pradesh**
Start Date:	**30/05/2022**
Completion Date:	**31/03/2023**
Impact Assessment Conducted by:	**Department of Social Work, University of Lucknow, Lucknow, Uttar Pradesh**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	As part of its CSR commitments for the financial year 2022–23, HAL partnered with the National Institute for Entrepreneurship and Small Business Development (NIESBUD) to implement a vocational skills training program targeting youth and women from Lucknow and Barabanki districts, two regions characterized by high population density and limited economic opportunities, particularly for the marginalized and unskilled segments. By providing targeted skill development and entrepreneurial training, the initiative sought to empower beneficiaries economically, foster self-reliance and stimulate local economic growth.
2.	Fulfilment of the objectives for the activity/ project	• Training led to actual income generation • High female participation (58%) and inclusion of participants from the marginalized communities (65%) reinforced social equity goals. • An overwhelming majority felt a significant improvement in their technical and entrepreneurial capabilities, confirming the effectiveness of the training content and method.
3.	a. Beneficiaries (*) of the activity/ project b. Approximate Numbers	a. Marginalized and unemployed youth aged 18–45 in Lucknow and Barabanki district, Uttar Pradesh b. 300 Youths during the Course of the Programme
4.	Budget utilization	₹ 163 Lakhs
5.	Implementation aspects	Implemented by National Institute of Entrepreneurship and Small Business Development (NIESBUD), Noida and funded by HAL.
6.	Timely completion of the targets	The implementation of the project has been completed as per time schedule planned.
7.	Impact of the activity/ project on social, economic and environment perspective	As an outcome of the Programme, creation of 124 micro-enterprises to: • Increased household incomes • Community-level service improvements • Social mobility, especially for women • Positive spillover effects included eco-friendly repair culture and local market activation.
8.	Any other relevant points	The Livelihood Generation through Entrepreneurship cum Skill Development Programmes funded by HAL, Lucknow and implemented by NIESBUD exhibit strong early signs of sustainability and potential for replication in other regions.




Project Name:	**Apprenticeship Training under CSR, Lucknow**
Sector:	**Skill Development, Employment enhancing vocation skills**
Location:	**Lucknow, Uttar Pradesh**
Start Date:	**01/04/2022**
Completion Date:	**31/03/2023**
Impact Assessment Conducted by:	**Department of Social Work, University of Lucknow, Lucknow, Uttar Pradesh**

The external agency has evaluated the Projects / activities w.r.t. the following information:

Sl. No.	Particulars	Details
1.	Need for choosing the activity/ project (Conduct of Baseline Survey)	While educational qualifications have increased, employability remains low due to inadequate vocational training, poor access to quality skill development institutions, and limited industry linkages. Conventional vocational training programs are often theoretical, lacking real-time industrial exposure, mentorship, and soft skill development. This is particularly true for youth from economically disadvantaged backgrounds, where early school leaving, limited guidance, and low confidence further diminish opportunities for gainful employment. In this context, HAL's Apprenticeship Training Program seeks to fill this gap by providing structured, mentor-led, trade-specific technical training within a live industrial environment.
2.	Fulfilment of the objectives for the activity/ project	The program directly addressed regional youth unemployment and skill mismatch in trades like Mechanical, Electrical, Computer Science, IT, MOM-SP in diploma engineering apprenticeship and trades like Machinist, Fitter, Turner, Welder, COPA etc. in ITI apprenticeship. It aligned with national policies (Skill India Mission, NAPS) and community-identified needs. Cost-effective implementation using HAL's existing infrastructure. Cost per apprentice (₹ 9,200) was 20% lower than comparable programs.
3.	a. Beneficiaries (*) of the activity/ project b. Approximate Numbers	a. Unemployed, Semi-skilled and early-career youth, residing in Lucknow and the nearby districts of Uttar Pradesh b. 300 per year
4.	Budget utilization	₹ 178 Lakhs
5.	Implementation aspects	Direct Implementation by HAL, Lucknow Division
6.	Timely completion of the targets	The implementation of the project has been completed as per time schedule planned.
7.	Impact of the activity/ project on social, economic and environment perspective	• The training program directly responded to critical local needs such as youth unemployment, technical skill gaps, and gender disparities in vocational engagement. It was thoughtfully aligned with national priorities including Skill India and NAPS, while also reflecting community-specific socio-economic needs. Apprentices found the training relevant to their academic background and career aspirations. • There was a strong alignment between program design and existing educational and policy frameworks. Internally, the integration of mentorship, real-time industrial projects, and HAL's operational environment enhanced learning outcomes. Externally, the curriculum coherence with ITI standards and national certification systems (NSDC/DGT) ensured employability.
8.	Any other relevant points	HAL has embedded the apprenticeship model within its CSR and HR systems, establishing annual targets and monitoring processes. Financially, a percentage of annual CSR budget has been allocated to sustain future apprenticeship cycles. The HAL Apprenticeship Training initiative stands out as a model CSR-based vocational intervention, blending industrial mentorship with community upliftment. The program not only built market-relevant skills but also enhanced employability, self-reliance, and socio-economic inclusion. While outcomes in technical domains are exceptional, incorporating structured modules on digital literacy, communication, and career counselling can further augment the program's long-term impact.

CSR Activity



HAL signed a Memorandum of Understanding with National Sports Development Fund (NSDF) and Sports Authority of India (SAI) for establishment of state-of-the-art HAL-SAI High Performance Sports Science Centre at SAI, Bengaluru.



Advanced Vestibular and Auditory Neuroscience facility at NIMHANS, Bengaluru.



Dialysis centre at Kasaragod, Kerala.



High-end Computed Tomography (CT) Scan Machine to King George Medical University, Lucknow.



Motorized vehicles to Divyangjans at Tumakuru, Kolkata, Koraput, Hyderabad and Machilipatnam.



Establishment of CNC Machining Centres at National Skill Training Institute (NSTI), Kanpur.



Entrepreneurship development program for Women in Bengaluru Rural Areas.



Establishment of Telangana State Welfare Residential School & Degree College for Girls at Medchal – Malkajgiri District, Telangana.



Contribution of Fire-Fighting Vehicle to Ojhar Nagar Parishad, Nasik.



Basic and Advanced Life Support Ambulances to Government Hospitals at Bengaluru, Barrackpore and Nasik.



Improving Rural Infrastructure & Sanitation at Korwa.



Improving Inter-Village Connectivity at Koraput.





Annexure IV to Board's Report

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31st March 2025)

[pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Hindustan Aeronautics Limited
Bangalore - 560001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate governance practices by **Hindustan Aeronautics Limited** (Hereinafter called the "Company") for the Financial Year 2024-25. Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on **31st March 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner, subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on **31st March, 2025** according to the applicable laws and more specifically the following:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable during the audit period)**

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable during the audit period)**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2021; **(Not Applicable during the audit period)**




h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the audit period)**

(vi) Guidelines issued by Department of Public Enterprises;

(vii) Guidelines issued by Department of Investment and Public Asset Management (DIPAM);

(viii) Order / Regulations issued by the Govt. of India from time to time;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. as mentioned above subject to the following observations during examination of the relevant documents and records in pursuance thereof on test-check basis:

- *The Company has received exemption from the Department of Investment and Public Asset Management, Ministry of Finance from compliance of DIPAM Guidelines pertaining to Buyback of Shares, issue of Bonus Shares and Split of Shares for the financial year 2024-25.*

- *During the year under review Bombay Stock Exchange Ltd (BSE) and National Stock exchange (NSE) have imposed total fine of ₹ 43,56,560/- for non-compliance under SEBI (LODR) Regulations, 2015.*

We further report that:

As on 31st March 2025, the Company was required to appoint 6 independent directors including woman independent director and 2 functional directors to comply with the direction of Ministry of Defence vide letter dated 5th December 2014 w.r.t. composition of Board.

Further,

(i) half of the Board was not Independent.

(ii) No Woman Independent Director on the Board w.e.f. 28th December 2024.

(iii) There was no validly constituted Audit Committee w.e.f. 28th December 2024.

(iv) There was no validly constituted Nomination and Remuneration Committee w.e.f. 28th December 2024.

Due to the vacancies created in the position of independent directors, as on 31st March, 2025, the Company was not able to comply with the requirements of Audit Committee and Nomination & Remuneration Committee as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

On the above referred non-compliances, it was explained by the Company that, since, the appointment of Directors in the Government Companies has to be made by the concerned Administrative Ministry of the Government of India, multiple requests/ reminders were made/sent by the Company for filling the vacant posts of Directors in the Company, within the stipulated time, referring penal provisions both under the Companies Act, 2013 and SEBI Regulations. However, as on 31.03.2025, there are 6 vacant posts of Independent Directors including woman independent Director and 2 vacant posts of functional Directors in the Company.

It was further explained that, since, the matter was beyond the control of the Company, application for waiver of fines was made to the Stock Exchanges. In response, the Stock Exchanges have advised the Company to make application for waiver only after compliance of the same.





We further report that:

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda before the meeting and for meaningful participation at the meeting.

All decisions are carried out unanimously and the Members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For DPSP and Associates
Company Secretaries

P. Dakshayani
Partner
C.P. No. 8411
UDIN: F008993G000374787
P.R. No. 1067/2021

Date: 19/05/2025
Place: Bangalore

This report is to be read with our letter with given date which is annexed as **'Annexure A' and forms an integral part of this report.*




'ANNEXURE A'

To,
The Members
Hindustan Aeronautics Limited
Bangalore – 560001

Our report with given date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of **HINDUSTAN AERONAUTICS LIMITED** ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DPSP and Associates
Company Secretaries



P. Dakshayani
Partner
C.P. No. 8411
UDIN: F008993G000374787
P.R. No. 1067/2021

Date: 19/05/2025
Place: Bangalore





Management Discussion & Analysis Report

1. INDUSTRY

Aerospace, Defence & Space industry is a critical sector that includes the design, development, production, and maintenance of aircraft, spacecraft, and airborne systems. It serves both civilian and military needs, producing commercial aircraft, private jets, helicopters, fighter jets and UAVs. The industry also plays a significant role in space exploration, developing spacecraft, satellites, and space launch vehicles for both government and commercial purposes.

Research & Development (R&D) is crucial for the Aerospace & Defence (A&D) industry. Significant investments are made in developing new technologies and improving existing ones. This includes advancements in materials science, propulsion systems, avionics, and autonomous systems. The industry significantly impacts the global economy. It operates under strict regulations to ensure safety and compliance.

1.1 Global Scenario

Recent developments, such as the war in Ukraine, geopolitical disturbance and internal disturbances in Africa, and in the Middle East, have highlighted evolving trends in military requirements and technologies. Cyber warfare has gained prominence, with nations investing heavily in cybersecurity and offensive cyber capabilities to protect critical infrastructure and disrupt enemy operations.

The rise of advanced air defence systems and the increasing use of drones and UAVs have reduced the reliance on manned fighter jets. These technologies offer more cost-effective, flexible, and safer alternatives for many military operations. As a result, the role of traditional fighter aircraft is evolving, with a greater emphasis on integrating new technologies and adapting to the changing nature of warfare.

As per SIPRI Report, world military expenditure, driven by recent global conflict rose by 6.8 per cent in real terms to $2443 billion in 2023, the highest level ever recorded. Total military expenditure accounted for 2.3 per cent of the global Gross Domestic Product (GDP) in 2023. The five biggest spenders in 2023 were the United States, China, Russia, India and Saudi Arabia, which together accounted for 61 per cent of world military spending.

Artificial intelligence (AI) is widely adopted for autonomous systems, predictive maintenance, and cybersecurity. Additive manufacturing and 3D printing advanced significantly, enabling the production of lightweight components and addressing supply chain challenges. The Internet of Military Things (IoMT) connecting soldiers, vehicles, and devices, enhancing real-time data sharing and decision-making is also evolving at a faster pace.

Sustainability initiatives are a major focus in the industry with developments in electric propulsion systems and alternative fuels aimed at reducing carbon emissions. Innovations in hydrogen-powered aircraft and lightweight materials are also gaining traction. The space sector continues to expand, with increasing investments in satellite technologies, space tourism, and deep-space missions. Militarisation of space and management of space debris are area of concern. These developments underscore the dynamic and rapidly evolving complexities of the A&D industry, driven by technological innovation, increased defence spending, a strong commitment to sustainability and need to manage newer threats.

1.2 Indian Scenario

In 2024, the Indian Aerospace and Defence (A&D) industry saw significant growth and development. The market size was valued at approximately ₹ 2.26 Lakh Crore, with a projected Compound Annual Growth Rate (CAGR) around 7% from 2024 to 2033. This growth is driven by several key factors, including rising demand in both the civil and defence sectors, government initiatives, and technological advancements.

The civil aviation sector experienced robust growth, with an anticipated 8% annual increase in air traffic over the next two decades. This was fuelled by an expanding middle class, increasing demand for air travel and addition of new routes and destinations. The Indian government's commitment to enhancing infrastructure, including plans to increase the number of operational airports from 157 in 2024 to 350-400 by 2047, further supported this growth.

The government's focus on self-reliance and indigenous manufacturing, under initiatives like "Make in India" and "Atmanirbhar Bharat," led to substantial investments in domestic defence production capabilities. In the budget ₹ 1.12 Lakh Crore earmarked for procurement from domestic industries. Technological advancements play a crucial role in the industry's growth. The adoption of advanced technologies such as artificial intelligence (AI) and robotics, enhance production efficiency and innovation. Additionally, the development of electric propulsion systems and alternative fuels aimed at reducing carbon emissions highlighted the industry's commitment to sustainability.




Overall, the Indian A&D industry in 2024 was characterized by significant growth, driven by increased demand, government support, and technological innovation. These developments underscore India's strategic importance in the global A&D landscape and its commitment to becoming a major player in the industry.

2. ORGANISATION STRUCTURE

Presently, the Company has 21 Divisions and 9 R&D Centres. These Divisions and R&D Centres are located at ten geographic locations in seven states across the Country. HAL's Divisions and R&D Centres are organized into five Complexes with current & future operations given below:

- Bangalore Complex (BC): Production, MRO and upgrade of Fixed-wing Aircraft and Engines of Indian and Western origin, Aerospace Structures & Castings, Forgings & Rolled Rings.
- MiG Complex (MC): Production of indigenous Fixed-wing Aircraft, Production, MRO and upgrade of Fixed-wing Aircraft and Engines of mainly Russian origin, Civil MRO and UAV Projects.
- Helicopter Complex (HC): Production, MRO and upgrade of Helicopters of Indian and Western origin. Production of Composite parts for Fixed and Rotary-wing Platforms.
- Accessories Complex (AC): Production, MRO and upgrade of Transport Aircraft. Production and MRO of Accessories and Avionics for Fixed-wing and Rotary-wing Platforms (Indian, Russian and Western origin). Depot Level Maintenance of UAVs.
- Design Complex (DC): R&D of Fixed-wing and Rotary-wing Aircraft, Unmanned Aerial Vehicles (UAV), Aero-engines, Avionics and Accessories.

BC, MC, HC and AC are headed by Chief Executive Officers (CEOs). Head of Divisions under each Complex reports to the respective CEOs, whereas Head of R&D Centres under Design Complex report to Director (Engineering and R&D). All the Functional Directors and CEOs report to Chairman & Managing Director (CMD).

3. SWOT ANALYSIS

SWOT Analysis is the tool to identify potential opportunities and threats in the external environment and assess internal strengths and weaknesses of the organization. The SWOT analysis of the Company is as follows:

Strengths

- Integrated aerospace business which includes R&D, Production and MRO including PBL solutions of the Fixed-wing Aircraft, Rotary-wing Aircraft, Aero-engines, LRUs and airborne systems.
- Expertise in aircraft upgrade for the Defence Customers which includes major changes like re-engining, avionics upgrade, and weapon system integration.
- Expertise in execution of Transfer of Technology (ToT) projects. HAL has successfully absorbed ToT and produced MiG-21, MiG-27, Su-30MKI, Jaguar, Hawk, Dornier-228 and AVRO.
- Expertise in Design & Development of a wide range of helicopters including Utility and Combat helicopters. The Company has developed flagship platforms like ALH Variants, LCH, LUH in 3.5 to 5.5 ton class. Further, the Company is developing IMRH and DBMRH in 10-15 ton class, proving D&D capabilities in wide range of helicopters.
- Trusted partner of Indian Defence Forces for providing support.
- Development of large scale Defence infrastructure with the support of Government of India and trained manpower with expertise in aerospace industry.

Weaknesses

- Dependency on foreign OEMs for critical materials and LRUs.
- Little presence outside India in global market.
- Dependency on limited customers for the contracts.

Opportunities

- Atmanirbhar Bharat Abhiyan and other policy reforms such as Positive Indigenisation List (PIL) by the Government promoting self-reliance and indigenous products.
- Focus of Government to develop A&D ecosystem in the Country to reduce import bill and make India an A&D hub.
- Civil MRO opportunities in India.
- Development of new potential market in India such as for regional jets, UAVs etc.





- Active support from Govt. of India for export promotion to friendly foreign countries.

Threats

- Collaborations of Indian Private Companies with Global OEMs and capability building by their entities.
- Change in preference of regular customers by moving from nomination to competitive procurement.
- The Strategic Partnership (SP) Model may deprive the Company from some high value Defence orders.
- Direct competition from foreign companies entering into Indian market.
- Dependence on MoD for the contracts. Any change in procurement policy / preference can adversely affect our ability to grow or maintain our sales, earnings and cash flow.

4. OUR STRATEGIES

We intend to pursue the following principal strategies to leverage our strengths and grow our business:

- Enhance indigenisation content in our products.
- Enhance export sales.
- Enhance customer satisfaction and improved quality of products and services.
- Opening Export Offices in the target geographies to explore global market and export opportunities.
- Progress Design and Development programs with initial company funding for Indian Defence Services.
- Focus on increasing operational efficiencies by adapting technologies such as Industry 4.0, automation, additive manufacturing, etc.

5. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Ministry of Corporate Affairs vide Notification No 1/2/2014-CL-V dated 23rd February, 2018 has exempted Government companies engaged in Defence Production to the extent of application of Ind AS 108 on "Operating Segment". Disclosure in this regard has been made at Clause No.37 of Note No.49 to the Accounts.

6. OUTLOOK

The Indian Aerospace & Defence (A&D) industry is experiencing significant growth, largely driven by various government initiatives aimed at promoting self-reliance and enhancing domestic capabilities. The "Make in India" and "Atmanirbhar Bharat" initiatives have been pivotal in encouraging local manufacturing and reducing dependency on imports. These programs have led to the development and induction of indigenous platforms such as the Tejas Mk1A fighter and advancements in the LCA Mk2 & Advanced Medium Combat Aircraft (AMCA) program. The government's focus on public-private partnerships has also fostered innovation and expanded the industry's capabilities. Moving forward, the Indian A&D sector is expected to continue its upward trajectory, with a strong emphasis on self-reliance, technological advancement, and strategic collaborations to bolster national security and economic growth.

Leading aircraft Original Equipment Manufacturers (OEMs) see India as an important market for both exports and manufacturing because of the high demand for aircraft, parts and equipment, strategic geographic location, engineering expertise, and competitive labour costs. To capture the Civil sector opportunities, the Indian Government has revised its MRO policy to increase the ease of doing business, with the goal of making India a global leader in the MRO sector. Approximately 90 percent of India's MRO activity occurs outside of India, predominantly in Sri Lanka, Singapore, and Malaysia. Local capabilities are nascent but exhibit growth potential. Efforts are underway to make India a regional hub for MRO services, given its advantageous geographic location between Europe and Southeast Asia and its proximity to the Middle East. India's growing fleet of aircraft is likely to translate into an increase in demand for maintenance services and MRO facilities.

7. RISKS AND CONCERNS

The major risks and concerns for the Company are:

- Dependence on foreign OEMs for supply of critical components and spares.
- Dependence on limited customers for new contracts.
- Competition from domestic and foreign players.

8. MEASURES TO TACKLE CHALLENGES

HAL has taken the following focus areas to address the challenges, concerns and risks:

- Indigenisation - to ensure higher indigenous content in our products to reduce dependency on foreign OEMs and Suppliers.
- Enhancing participation of Startups, SME/MSME companies in R&D and production for A&D industry development.




- ❖ Diversification into complementary business areas like civil aviation domain to enhance share of revenue and mitigate the risks of skewed Sales Portfolio toward Defence.
- ❖ Opening Export Offices in the target geographies to expand its exports market and revenue from exports.
- ❖ Market-oriented products and technology developments to complement with Company's goals to expand in commercial and export market.
- ❖ Enhanced digitalization and IT & AI enabled systems for speedy communication and decision making.
- ❖ Use of advanced materials, advanced manufacturing technologies and automation to improve product quality and achieve operational efficiencies.

9. CUSTOMER ORIENTATION

Customer Orientation is at the heart of the Company's operations and strategic philosophy. The Company is committed to not only delivering world class products but also building enduring relationships with our Customers through responsiveness, customization and collaborative engagement.

Following are the key initiatives towards Customer Orientation:

i. **Indian Army-HAL Vayu Portal:** Actions initiated towards integration of Army and HAL ERP to ensure transparent & responsive aviation logistic supply chain data. AOG, RRT and RMSO interfaces have been launched.

ii. **Indian Air Force- HAL Vayu Vitt Portal:** In line with the policy of Digital India, HAL is planning to fully digitize the transactions with customer and payment authority. Towards this Vayu Vitt Portal is being conceptualized and RDAQA, IAF and DCDA have been taken onboard for digital clearance of deliverable documents and preferring claims digitally.

iii. **SPOC (Single Point of Contact) Re-Orientation Programme:** To enhance the skill sets and to give a better awareness on Customer Service practices and procedures followed in the Company, a re-orientation program was conducted for already established SPOCs.

iv. **Deputation of dedicated Logistics Officer:** On request of the Company, a dedicated Logistics Officer from IAF was deputed, to liaison with the Company for improvement in data reconciliation and logistics correspondences, which resulted into considerable progress in various aspects of logistics management.

v. **Visit of Senior Management & SPOC to Customer Bases / Commands:** Visit of Senior officers/ SPOCs to Customer Bases / Commands for interactions and understanding the Customer issues / concerns, if any, and faster resolution of the same.

10. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. The Company has in place adequate internal financial controls for ensuring efficient conduct of its business.

To evaluate the effectiveness of internal controls, systems and procedures across different functions in the organisation, the Company has an independent Systems Audit Department. The Department evaluates the design and effectiveness of internal controls, identifies weaknesses and recommends improvements to mitigate risks. It also monitors compliance with laws, regulations and internal policies. Necessary systems improvement guidelines are also issued by the Department. The major observations of Systems Audit are placed before the Audit Committee for review.

11. DISCUSSION AND ANALYSIS OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

(₹ in Lakh)

Sl. No	Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
1	Turnover	30,10,465	28,16,185
2	Revenue from Operations	30,98,092	30,38,084
3	Value of Production	37,72,854	30,11,802
4	Gross Margin	12,16,833	11,63,747
5	Profit Before Tax	10,82,001	10,19,897
6	Tax Expense	2,50,321	2,60,393
7	Profit After Tax	8,31,680	7,59,504
8	R&D Expenditure	2,48,233	2,82,624
9	Net Worth	34,84,285	29,04,642
10	Trade Receivable	4,64,754	4,61,667





(₹ in Lakh)

Sl. No	Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
11	Cash and Bank Balance	38,17,076	26,42,184
12	Borrowings	-	-
13	Book Value Per Share (Face value of ₹ 5) (₹)	520.99	434.32
14	Earnings Per Share (Face value of ₹ 5) (₹)	124.36	113.57
15	Dividend Per Share (Face value of ₹ 5) (₹)	25	35*
16	Debtors Turnover Ratio (No. of times)	6.50	6.03
17	Inventory Turnover Ratio (No. of times)	1.73	2.22
18	Interest Service Coverage Ratio	-	-
19	Current Ratio	2:1	1.7:1
20	Debt Equity Ratio	-	-
21	Operating Profit Margin (%) on Turnover	27	29
22	Net Profit Margin (%) on Turnover	28	27
23	Return on net worth %	24	26

**Includes final dividend of ₹ 13 per share of face value of ₹ 5 each declared in the 61st AGM for the financial year 2023-24.*

Reason for significant changes in ratios for FY 2024-25:

- Inventory Turnover Ratio has reduced in current year due to increase in inventory of major projects LCA Mk1A, AL-31FP and others.

12. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The major HR Initiatives for the Financial Year 2024-25 aimed at enhancing employee benefits, recognizing performance excellence, leveraging technology for operational efficiency and modernizing corporate identity are summarized as under:

A. Introduction of National Pension Scheme: National Pension Scheme (NPS) was introduced in the Company in addition to the existing HAL Defined Contribution Pension Scheme. NPS provides employees with greater financial flexibility through options to allocate funds across different asset classes (Equity, Corporate Bonds & Government Securities), change Pension Fund Manager annually, select Annuity Schemes from PFRDA approved Annuity Service Providers and avail deferment of Annuity & withdrawal of lump sum.

B. HAL Reward Scheme for Exemplary Performance: A structured recognition program was implemented with revised Individual category clustering Officers in Grades I to V and VI-VII, alongside Team and Project categories. The Scheme acknowledges outstanding contributions through cash award of ₹ 1,00,000 accompanied by a Scroll of Honour, enabling a culture of excellence and motivation across the organization.

C. AI-based HR Bot: An Artificial Intelligence based HR Bot was launched to streamline employee access to HR information from various manuals. This technological advancement enhances communication and operational efficiency by enabling employees to ask questions through a simple chat interface and receive detailed answers extracted directly from HR manuals, thereby eliminating the need to search through extensive documentation.

These initiatives demonstrate HAL's continued commitment to employee welfare, technological advancement, and organizational excellence while creating a more responsive and modern workplace environment.

13. HAL MANAGEMENT ACADEMY (HMA)

During 2024–25, HMA conducted 148 programs against a plan of 87, covering 3,419 Officers (5,183 participants) and generating 32,594 man-days of training. This amounts to 47% of the officers of the Company. Additionally, 681 external candidates participated in various training programs. Some of the initiatives undertaken in training/ development programme during the year, are as under:

(i) Leadership Development Program (LDP-5 and LDP- 6): As part of succession planning, LDP-5 and LDP-6 participants completed various phases, including the Orientation Module, Bridge Module, and Interim Phase modules at HMA. Two domestic modules were held at IIM Ahmedabad, and action learning projects were carried out under the guidance




of HMA faculty and IIM-A professors. Participants also underwent a two-week international module at the Aerospace Valley in Toulouse, France.

(ii) **Certification Programs:** Certification programs such as UTKARSH - Master Class for Strategic Leadership and IPMA Level B were conducted. Total 61 executives were certified.

(iii) An MoU was signed with IIIT Dharwad to facilitate executive enrolment in online M.Tech programs aimed at developing Industry 4.0 capabilities. IIIT Dharwad will also develop a Centre of Excellence in AI/ML at HAL.

(iv) An MoU was signed with the Defence Institute of Advanced Technology (DIAT), Pune, allowing HAL Executives to register for Ph.D programs and attend niche technology capsules in collaboration with Cranfield University, UK.

(v) An MoU was signed with BEML to enhance skill and competency at various levels through induction, leadership, and management development programs, and to foster cross-industry exposure.

14. SKILL DEVELOPMENT

During the year, the Company has undertaken the following initiatives for skill development:

- A total of 182 job roles have been identified and released for Direct and Indirect employees of the Company. Skill mapping was carried out based on the job role standards. 775 training contents have been developed to impart the skill training to the employees across the Company.
- Around 91% employees have been trained and assessed (direct & indirect) across various divisions. The skill development process in the Company consists of Classroom Training (CRT), Shop-floor Training (SFT), Coaching/Mentoring Training (CMT) and Assessment.
- 89 employees have completed three-day intensive training (residential) program at CMTI, Bengaluru on Advanced Manufacturing Practices including Industry 4/5.0 & Smart Manufacturing technologies.
- The employees of highly skilled and exceptional category are trained on adjacent job roles as recommended by their Supervisor & HOD. Multi-skilling will enable the management to effectively address the sudden change in production process & schedules. 98 employees have completed the multi skill training so far, and continued.

15. MANPOWER

Total Employees as on March 31, 2025	Officers	Workmen		Total Workmen
		Direct	Indirect	
23,999	7,390	10,881	5,728	16,609

16. ENVIRONMENT PROTECTION & CONSERVATION

Various Divisions of the Company located at Bangalore, Nasik, Koraput, Hyderabad, Lucknow, Kanpur, Korwa, Kasaragod and Barrackpore have taken measures towards Environment Protection & Conservation, governed by various Acts & Rules like the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, Solid Waste Management Rules, 2016, The Air (Prevention and Control of Pollution) Act, 1981, Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution) Act, 1974, etc. All the Divisions are ISO 14001 certified and comply with the rules prescribed by respective State Pollution Control Boards. All emissions and waste generation are monitored as prescribed by the Pollution Control Boards.

Various measures taken by the Company for environment protection and conservations are as under:

Non-hazardous Waste Management:

Municipal Solid Waste (MSW) generated from Townships and Factories is segregated at source in Townships and Factories (Wet, Dry, Garden, Sanitary and Rejects). Through the process of Vermi-Composting, the Bio-degradable waste comprising of domestic waste and horticulture waste is being converted to manure. For better utilization of biodegradable waste generated from HAL Estates, the Company has installed Solid Waste Management Units like Organic Waste Converters and Bio Gas Plants at selected locations. Metal scrap is stored in designated areas and disposed periodically through MSTC. The Company has taken an initiative towards recycling and reusing the waste paper generated from various offices of HAL, Bangalore by setting up a Waste Paper Recycling Unit (75kg / day). Various products made from the unit include Writing Pads, Visiting Cards, Bags, Files, Folders, etc.

Hazardous Waste Management

Effluents: The Divisions which use and generate hazardous effluents such as chrome, acid/alkali, cyanide etc are having independent Effluent Treatment Plants (ETPs) for treatment. Effluent samples after treatment are periodically checked in the Laboratories. The sludge from the ETPs is disposed through Agencies authorized by





Pollution Control Boards. The waste water discharged from the ETPs is tested and further treated in Sewage Treatment Plants (STPs) if meeting the norms. The water processed in the STPs is being used for horticulture purposes within the Divisions and no waste water is discharged outside the premises. The sludge generated from the STPs is converted into manure and reused or disposed through authorized agencies.

E-Waste: The Company, as part of its operations, generates e-waste from old Electrical and Electronics Systems such as LRUs, Avionics Control / Test Systems, Electronics Items in Plant & Machinery, Computer Systems (IT) and Communication Systems, which needs to be disposed after their life expiry or damage. Apart from production activities, e-waste is also generated in Townships which is segregated and collected at source. The e-waste generated & collected is stored in designated areas (under cover) and auctioned through MSTC Limited (Central PSU) for disposal through authorized Dismantlers / Recyclers / Refurbishers.

Used Oil/Lubricants: Used Oil and Lubricants produced during testing, maintenance / overhauling of equipment, vehicles and machinery is collected at source in leak proof containers. The same is stored safely in demarcated areas inside salvage yards and handed over to recyclers authorized by the respective Pollution Control Boards, through MSTC Limited.

Plastic: Most of the Divisions have taken initiatives towards banning of Plastics Bags / Articles and declaring 'No-Plastics' Zones. The non bio-degradable waste like polythene etc., is being collected and sent to recycling Agencies, as per Rules.

Other Hazardous wastes such as bio-medical waste, composite waste etc are collected, stored and disposed through authorized agencies as per respective Pollution Control Board norms.

Rain Water Harvesting (RWH):

The Company has installed Rain Water Harvesting (RWH) systems at all its locations. The harvested water is either used for ground water recharge or stored and used for gardening. Rain Water Harvesting Systems are made compulsory in all new Buildings.

Air emissions:

The emissions from process stacks and Diesel Generators are periodically monitored for compliance with the limits prescribed by Pollution Control Board.

Afforestation:

During the year, about 86,000 saplings were planted / distributed to enhance green cover and improve environment.

Renewable Energy:

Solar Power: During the year, Company has commissioned 1.5MW capacity captive solar power plants at its Divisions located in Kanpur, Korwa, Lucknow and Corporate Office at Bangalore. The cumulative capacity installed is 35.35 MW.

Wind Energy: HAL has installed 14.7 MW capacity wind power plants in Karnataka.

The entire energy generated by the above power plants is utilized for captive consumption at our production units. The captive consumption is avoiding around 64,000 Tons of CO_2e emissions in the reporting year thereby contributing to the mitigation of climate change.





Corporate Governance Report

1. COMPANY'S PHILOSOPHY AND CODE OF GOVERNANCE

Your Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, by adopting the highest standards of professionalism, honesty, integrity, accountability, timely, adequate and accurate disclosures, compliances, and ethical behavior. The Company continuously strives for enhancing the stakeholders' value and financial prudence. The Company follows the philosophy of building sustainable businesses that are rooted in the Community and demonstrates care for the environment. The Company seeks to protect and facilitate the exercise of the right by the shareholders, provide timely, adequate and accurate information to them and ensure equitable treatment to all shareholders. Our corporate structure, business and disclosure practise have been aligned to our Corporate Governance Philosophy.

Your Company being a Listed CPSE, adheres to Corporate Governance requirements for listed entity enunciated by Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Department of Public Enterprise (DPE).

2. BOARD OF DIRECTORS

The Board of Directors headed by the Executive Chairman and Managing Director (CMD) is the apex body which oversees the overall functioning of the Company. The Board provides long-term vision, strategic thinking, major plans of action, setting performance objectives, monitoring the performance of the Company with the objective of creating long-term value for the various stakeholders and the Company. The Board has constituted various Sub-Committees with specific terms of reference to facilitate for smooth and efficient decision-making process.

The sanctioned strength of the Board of Directors of the Company consists of:

- Five Whole-time/ Functional Directors including Chairman and Managing Director (CMD);
- Two Government Nominee Directors; and
- Seven Independent Directors.

As on March 31, 2025, the Board of Directors of the Company comprised of three Whole-time / Functional Directors, two Government Nominee Directors and one Independent Director.

Your Company being a Government Company, all the Directors are appointed by the President of India, through Administrative Ministry. As on March 31, 2025, the position of Director (Engineering and R&D) and Director (Human Resources) and 6 independent directors were lying vacant. As an interim measure, CMD has been entrusted with additional charge of Director (Engineering and R&D) and Director (Human Resources) of the Company by the GoI. The matter with respect to filing of vacant post of directors is under consideration.

Directors of the Company are not *inter-se* related to each other.

(a) Composition and Category of Directors

As on March 31, 2025, the composition of the Board of Directors of the Company was as under:

Sl. No.	Name of Director	DIN
Whole-time / Functional Directors (Executive)		
1	Dr. D K Sunil* Chairman and Managing Director with Addl. charge of Director (Engineering and R&D) and Director (Human Resources)	09639264
2	Shri Barenya Senapati Director (Finance) & CFO	08525943
3	Shri Ravi K Director (Operations)	10807781
Government Nominee Directors (Non-Executive)		
1	Shri Shalabh Tyagi Joint Secretary (P&C)	10042888
2	Dr. Rajalakshmi Menon Distinguished Scientist & DG (AS), DRDO	10776165
Independent Director (Non-Executive)		
1	Shri Deepak Abasaheb Shinde	00288460

**Holding additional charge of Director (Engineering and R&D) and Director (Human Resources) w.e.f. September 9, 2024 and March 1, 2025 respectively.*





(b) Meeting and attendance of Directors and their Committee details:

Sl. No	Directors	Board Meeting held during respective tenure of Director	No. of Meetings attended	Attendance at the 61st AGM	No. of other Directorship	Name of other listed entity in which Directorship held & category	No. of Committee memberships across all Companies #	
							Chairman	Member
Whole-time/ Functional Director (Executive)								
1	Dr. D K Sunil*	13	13	Yes	3	Nil	Nil	Nil
2	Shri Barenya Senapati*	5	5	NA	Nil	Nil	Nil	2
3	Shri Ravi K *	4	4	NA	1	Nil	Nil	Nil
4	Shri C.B. Ananthakrishnan*	5	5	Yes	2	Nil	Nil	2
5	Shri Jayadeva E P*	5	5	Yes	2	Nil	Nil	1
6	Shri A B Pradhan*	12	11	Yes	1	Nil	Nil	Nil
Government Nominee Director (Non-Executive)								
7	Shri Shalabh Tyagi*	7	5	NA	2	Nil	Nil	Nil
8	Dr. Rajalakshmi Menon*	7	5	NA	Nil	Nil	1	1
9	Shri T Natarajan*	6	5	No	2	Bharat Electronics Ltd- Govt Nominee Director	Nil	Nil
10	Shri M Z Siddique*	6	3	No	Nil	Nil	Nil	Nil
Independent Director (Non-Executive)								
11	Dr. Divya Gupta*	10	10	Yes	3	Nil	1	2
12	Shri Deepak Abasaheb Shinde	13	13	Yes	8	Nil	1	2

NA – Not Applicable

 # In accordance with Regulation 26 of the Listing Regulations, Membership/ Chairpersonship of only Audit Committee and Stakeholders' Relationship Committee have been considered.

***Notes:**

- Dr. D K Sunil, Director (Engineering and R&D) appointed as Chairman and Managing Director (CMD) w.e.f September 09, 2024
- Shri Barenya Senapati appointed as Director (Finance) w.e.f. October 22, 2024 and as CFO w.e.f. November 14, 2024.
- Shri Ravi K appointed as Director (Operations) w.e.f. November 26, 2024.
- Shri C B Ananthakrishnan ceased as Director (Finance) & CFO due to superannuation on August 31, 2024.
- Shri Jayadeva E P ceased as Director (Operations) due to superannuation on August 31, 2024.
- Shri A B Pradhan ceased as Director (HR) due to superannuation on February 28, 2025.
- Shri Shalabh Tyagi appointed as Government Nominee Director w.e.f. September 10, 2024.
- Dr. Rajalakshmi Menon appointed as Government Nominee Director w.e.f. September 13, 2024.
- Shri T Natarajan ceased as Government Nominee Director due to withdrawal of Nomination w.e.f. September 10, 2024.
- Shri M Z Siddique ceased as Government Nominee Director due to withdrawal of Nomination w.e.f. September 13, 2024.
- Dr. Divya Gupta ceased as Independent Director on completion of her tenure w.e.f. December 27, 2024.




Notes:

i) None of the Directors is a Member of more than 10 Committees or Chairman of more than 5 Committees, across all the Companies in which he is a Director;

ii) None of the Directors serves as a Director in more than 7 listed Companies;

iii) As on March 31, 2025, none of the Directors is holding any share in the Company;

iv) The Directorships / Committee Memberships in other companies are based on the latest disclosure received from respective Directors.

(c) Meetings of the Board of Directors

During the year, Thirteen (13) Board Meetings were held. The details are as under:

Sl. No.	Date of Board Meeting	Sl. No.	Date of Board Meeting
1	May 16, 2024	8	October 18, 2024
2	June 06, 2024	9	November 14, 2024
3	June 26, 2024	10	December 16, 2024
4	July 19, 2024	11	January 23, 2025
5	August 14, 2024	12	February 12, 2025
6	September 09, 2024	13	March 20, 2025
7	September 20, 2024		

(d) Web link of familiarisation programmes imparted to Independent Directors:

In order to familiarise the Independent Directors with their roles, rights, responsibilities, business model, nature of the industry in which the Company operates, various policies and processes etc., the Company undertakes / facilitates various familiarisation programmes from time to time.

The details of the familiarisation programs imparted to Independent Directors are hosted on the website of the Company at https://hal-india.co.in/backend/wp-content/uploads/2023/07/Familiarization-programmes-imparted-to-Independent-Directors-1.pdf

(e) Skills/ Expertise/ Competence of the Board

Being a Government Company, all the Directors are appointed / re-appointed by the President of India through the Administrative Ministry. The skills /expertise/ competency of the Directors as required in the context of the business pertaining to the Company are identified and selected by the Government of India. The Board of your Company comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution in the proceedings of the Board and its Committees.

3. AUDIT COMMITTEE

(a) Terms of Reference: The Terms of Reference of the Audit Committee are provided on the website of the Company www.hal-india.co.in

(b) No. of Meetings: During the year, 6 (Six) Audit Committee Meetings were held. The details are as under:

Sl. No.	Date of Board Meeting	Sl. No.	Date of Board Meeting
1	May 16, 2024	4	August 14, 2024
2	June 06, 2024	5	October 18, 2024
3	June 26, 2024	6	November 14, 2024

(c) Composition of the Committee as on March 31, 2025 and Meetings attended by each member:

Member of the Committee	Category	Position	Meeting	
			Held during the tenure of respective member	Attended
Shri Deepak Abasaheb Shinde	Independent Director	Chairman	6	6
Dr. Divya Gupta	Independent Director	Member till 27.12.2024	6	6
Shri C B Ananthakrishnan	Director (Finance) & CFO	Member till 31.08.2024	4	4
Shri A B Pradhan	Director (HR) with addl. charge of Director (Finance)	Member from 01.09.2024 to 22.10.2024	1	1
Shri Barenya Senapati	Director (Finance) & CFO	Member w.e.f. 22.10.2024	1	1





Director (Operations) of the Company is the permanent invitee to the Committee.

The Company Secretary of the Company is the Secretary to the Committee.

As on 31st March, 2025, the Committee was not in valid constitution. However, on appointment of requisite number of independent directors, the Committee was reconstituted w.e.f. June 2, 2025.

4. NOMINATION & REMUNERATION COMMITTEE (NRC)

(a) Terms of Reference: The Terms of Reference of the Nomination & Remuneration Committee are provided on the website of the Company www.hal-india.co.in

The appointment/ remuneration and other matters in respect of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel are governed by the Policies and Procedures framed by the Company in line with the Government Guidelines.

(b) No. of Meetings: During the year, Three (3) meetings of the Committee were held on May 16, 2024, June 26, 2024 and December 16, 2024.

(c) Composition of the Committee as on March 31, 2025 and Meetings attended by each member:

Member of the Committee	Category	Position	Meeting	
			Held	Attended
Shri Deepak Abasaheb Shinde	Independent Director	Chairman	3	3
Dr. Divya Gupta	Independent Director	Member till 27.12.2024	3	3
Shri T Natarajan	Government Nominee Director	Member till 10.09.2024	2	2
Shri Shalabh Tyagi	Government Nominee Director	Member w.e.f. 20.09.2024	1	1

Director (Finance) and Director (HR) of the Company are the permanent invitees to the Committee.

The Company Secretary of the Company is the Secretary to the Committee.

As on 31st March, 2025, the Committee was not in valid constitution. However, on appointment of requisite number of independent directors, the Committee was reconstituted w.e.f. June 2, 2025.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

(a) Terms of Reference: The Terms of Reference of the Stakeholders Relationship Committee are provided on the website of the Company www.hal-india.co.in

(b) No. of Meetings: During the year, One (1) meeting of the Committee was held on October 18, 2024.

(c) Composition of the Committee as on March 31, 2025 and Meetings attended by each member:

Member of the Committee	Category	Position	Meeting	
			Held	Attended
Dr. Divya Gupta	Independent Director	Member and Chairperson till 27.12.2024	1	1
Shri C.B. Ananthakrishnan	Director (Finance) and CFO with addl. charge of Chairman and Managing Director	Member till 31.08.2024	-	-
Shri Jayadeva E P	Director (Operations)	Member till 31.08.2024	-	-




Member of the Committee	Category	Position	Meeting	
			Held	Attended
Dr. D. K. Sunil*	CMD with Addl. charge of Director (Engineering and R & D) & Director (Operations)	Member from 01.09.2024 till 26.11.2024	1	1
Shri Ravi K	Director (Operations)	Member from 26.11.2024 till 27.12.2024	-	-
Shri A B Pradhan*	Director (HR) with addl. charge of Director (Finance)	Member from 01.09.2024 till 22.10.2024	1	1
Shri Barenya Senapati	Director (Finance) & CFO	Member w.e.f. 22.10.2024	-	-
Dr. Rajalakshmi Menon	Government Nominee Director	Member & Chairperson w.e.f. 27.12.2024	-	-
Shri Deepak Abasaheb Shinde	Independent Director	Member w.e.f. 27.12.2024	-	-

***Notes:**

- ❖ Dr. D K Sunil, CMD became member of the Committee from September 09, 2024 to November 26, 2024 by virtue of holding additional charge of Director (Operations).
- ❖ Shri A B Pradhan, Director (HR) became member of the Committee from September 01, 2024 to October 22, 2024 by virtue of holding additional charge of Director (Finance).

The Company Secretary of the Company is the Secretary of the Committee.

(d) Name and Designation of Compliance Officer

Shri Shailesh Bansal,
Company Secretary & Compliance Officer,
Hindustan Aeronautics Limited,
15/1, Cubbon Road, Bengaluru – 560 001, Karnataka.
Phone: (080) 2232 0001
Email: investors@hal-india.co.in

(e) Number of shareholders' complaints received upto March 31, 2025: 522

(f) Number of shareholders' complaints resolved upto March 31, 2025: 502

(g) Number of pending complaints as on March 31, 2025: 20

6. CSR & SUSTAINABLE DEVELOPMENT COMMITTEE (CSR & SD)

(a) Terms of Reference: The Terms of Reference of the CSR & SD Committee are provided on the website of the Company www.hal-india.co.in

(b) No. of Meetings: During the year, Four (4) meetings of the Committee were held on April 23, 2024, June 26, 2024, August 14, 2024 and September 20, 2024.





(c) Composition of the Committee as on March 31, 2025 and Meetings attended by each member:

Member of the Committee	Category	Position	Meeting	
			Held during the tenure	Attended
Dr Divya Gupta	Independent Director	Member & Chairperson till 27.12.2024	4	4
Shri C.B. Ananthakrishnan	Director (Finance) & CFO	Member till 31.08.2024	3	2
Shri Jayadeva E P	Director (Operations)	Member till 31.08.2024	3	3
Shri A B Pradhan*	Director (HR)	Chairperson from 27.12.2024 till 28.02.2025	4	4
Dr. D K Sunil*	CMD with addl. charge of Director (Engineering and R &D) & Director (HR)	Member from 01.09.2024 till 26.11.2024 and Chairperson from 01.03.2025	1	1
Shri Deepak Abasaheb Shinde	Independent Director	Member w.e.f. 27.12.2024	-	-
Shri Barenya Senapati	Director (Finance) & CFO	Member w.e.f. 22.10.2024	-	-
Shri Ravi K	Director (Operations)	Member w.e.f. 26.11.2024	-	-

***Notes:**

- Shri A B Pradhan ceased as member of the Committee w.e.f. February 28, 2025.
- Dr. D K Sunil became member of the Committee from September 01, 2024 to November 26, 2024 by virtue of holding additional charge of Director (Operations) and became Chairperson w.e.f. March 01, 2025 by virtue of holding additional charge of Director (HR).

All CEOs of the Complexes, General Manager (Finance) and Head of Corporate CSR are the permanent invitees to the Committee.

The Company Secretary of the Company is the Secretary of the Committee.

7. RISK MANAGEMENT COMMITTEE

(a) Terms of Reference: The Terms of Reference of the Risk Management Committee are provided on the website of the Company www.hal-india.co.in

(b) No. of Meetings: During the year, Two (2) meeting of the Committee were held on August 14, 2024 and March 03, 2025.




(c) Composition of the Committee as on March 31, 2025 and Meetings attended by each member:

Member of the Committee	Category	Position	Meeting	
			Held during the tenure	Attended
Dr. Divya Gupta	Independent Director	Member & Chairperson till 27.12.2024	1	1
Dr. D K Sunil*	CMD with addl. charge of Director (Engineering and R &D) & Director (HR)	Chairperson from 27.12.2024	2	2
Shri C.B. Ananthakrishnan	Director (Finance) & CFO	Member till 31.08.2024	1	0
Shri Jayadeva E P	Director (Operations)	Member till 31.08.2024	1	1
Shri A B Pradhan	Director (HR)	Member till 28.02.2025	1	1
Shri Barenya Senapati	Director (Finance) & CFO	Member w.e.f. 22.10.2024	1	1
Shri Ravi K	Director (Operations)	Member w.e.f. 26.11.2024	1	1
Shri Deepak Abasaheb Shinde	Independent Director	Member w.e.f. 27.12.2024	1	1

**Dr. D K Sunil was a member of the Committee as Director (Engg. and R &D) till September 09, 2024. On appointment as CMD, he continued to be a member of the Committee by virtue of holding addl. charge of Director (Engg. and R &D) w.e.f. September 09, 2024.*

All CEOs of the Complexes and Executive Director (JV & OS), are the permanent invitees to the Committee.

The Company Secretary of the Company is the Secretary of the Committee.

8. OTHER COMMITTEES OF THE BOARD

Apart from the statutory committees, the Board also have Management Committee, Technology & Design Policy Committee and Procurement Committee for smooth operations of the Company.

9. SENIOR MANAGEMENT PERSONNEL

Particulars of senior management personnel including the changes therein since the close of the previous financial year:

Sl No.	Name	Designation	Changes during the year
1	Shri Barenya Senapati	Executive Director (Finance)	Till 22.10.2024 i.e. the date of his elevation as Director (Finance)
2	Shri Ravi K	Executive Director (Corporate Planning)	Till 26.11.2024 i.e. the date of his elevation as Director (Operations)
3	Shri Sajal Prakash	Chief Executive Officer, AC	Till 31.12.2024 i.e. the date of his superannuation
4	Shri Mihir Kanti Mishra	Chief Executive Officer, BC	Till 30.06.2024 i.e. the date of his superannuation
5	Shri S Anbuvelan	Chief Executive Officer, HC	-
6	Shri Saket Chaturvedi	Chief Executive Officer, MC	-
7	Shri Jayakrishnan S	Chief Executive Officer, BC	-
8	Shri M. Satyanarayana	Chief Executive Officer, AC	-





Sl No.	Name	Designation	Changes during the year
9	Shri D Deepak	Executive Director (HR), CO	Till 31.08.2024 i.e. the date of his superannuation
10	Shri Apurba Roy	Executive Director (Korwa), AC	Till 30.11.2024 i.e. the date of his superannuation
11	Dr. G. Srikantha Sharma	Executive Director (HMA)	Till 28.02.2025 i.e. the date of his superannuation
12	Shri Syamnath G	Executive Director (JV & OS), CO	Till 31.03.2025 i.e. the date of his superannuation
13	Shri Srinivas V S	Executive Director (FMD)	Till 30.11.2024 i.e. the date of his superannuation
14	Shri P G Jayan	Executive Director (ARDC), DC	Till 31.05.2024 i.e. the date of his superannuation
15	Shri Salesh Kumar Mehta	Executive Director (Finance), BC	-
16	Shri M G Balasubrahmanya	Executive Director (HR), CO	-
17	Shri Naresh Kumar Jain	Executive Director (Systems Audit), CO	Till 31.12.2024 i.e. the date of his superannuation
18	Shri Shirish Janardan Bhole	Executive Director (AURDC), DC	Till 31.03.2025 i.e. the date of his superannuation
19	Shri Sudhansu Mohan Jena	Executive Director (Koraput), MC	-
20	Shri Rajender Sharma	General Manager (Overhaul), BC	Till 30.04.2024 i.e. the date of his superannuation
21	Gp.Capt.(Retd) Anand M R	General Manager (CTP-RW, Helicopter), HC	-
22	Dr. Suneel Kumar Srivastava	General Manager(AD Lucknow), AC	Till 31.07.2024 i.e. the date of his superannuation
23	Shri Sridhar S	General Manager (RWRDC), DC	Till 30.06.2024 i.e. the date of his superannuation
24	Shri K Ramesh	General Manager (AERDC), DC	-
25	Shri Nagarajan R	Chief Designer (RWRDC), DC	Till 31.05.2024 i.e. the date of his superannuation
26	Shri Ravi Prakash	General Manager (Korwa)	-
27	Shri Devendra Kumar Srivastava	General Manager (Engine & IMGT), BC	Till 31.07.2024 i.e. the date of his superannuation
28	Shri Chandrakanth K	General Manager (HR), AC	Till 31.07.2024 i.e. the date of his superannuation
29	Shri Johney Thomas	General Manager (HMA)	Till 30.04.2024 i.e. the date of his superannuation
30	Smt. A Niranjana Devi	Chief of Projects (IMGT), BC	Till 30.04.2024 i.e. the date of her superannuation
31	Shri Mallick B B	Chief of Projects (AD, Korwa), AC	Till 31.07.2024 i.e. the date of his superannuation
32	Shri Anil Kumar V N	General Manager (F&F), BC	-
33	Shri Shishir Kumar Patra	General Manager (SED, Koraput), MC	-




Sl No.	Name	Designation	Changes during the year
34	Shri Ajay Kumar Shrivastava	General Manager (ARDC)	-
35	Wg.Cdr. S.P. John V M (Retd)	Chief Test Pilot (RW, Helicopter), HC	-
36	Shri Ananthakrishna Acharya U	General Manager (ARDC), DC	Till 30.11.2024 i.e. the date of his superannuation
37	Shri Tapas Ghose	General Manager (Indgn.), CO	Till 30.09.2024 i.e. the date of his superannuation
38	Shri Subrata Mondal	General Manager (AOD, Nasik), MC	-
39	Shri Pradhan B K	General Manager (Finance), DC	-
40	Shri B E Waghmare	Chief of Projects (TAD, Kanpur), AC	Till 30.04.2024 i.e. the date of his superannuation
41	Shri Prabal Mazumder	General Manager (SLRDC), DC	-
42	Shri Pradeep Kumar	General Manager (HR), BC	-
43	Smt. Nirmala S	General Manager (Tech), DC	-
44	Shri Mukesh Agrawal	General Manager(QA), CO	Till 30.06.2024 i.e. the date of his superannuation
45	Shri M Rajendran	General Manager (Technical), HC	Till 31.10.2024 i.e. the date of his superannuation
46	Shri Jasbir Singh	General Manager (RWRDC)	-
47	Shri Varinder Kumar	General Manager (Finance), MC	-
48	Shri Arup Kumar Mallick	General Manager (CS & QA), CO	-
49	Shri Sunil Bhati	Resident Manager (LO, Delhi)	-
50	Shri Muralidhar B S	Chief Designer (MS, RWRDC), DC	-
51	Shri Sriram R	General Manager (Finance), CO	-
52	Shri Ranjit Kumar Mandal	General Manager (Overhaul), BC	-
53	Gp Capt (Retd) K K Venugopal	Chief Test Pilot (FW, Aircraft), BC	-
54	Shri Ravi Malhotra	General Manager (Finance), HC	-
55	Shri M V Srinagesh	Chief Designer (SLRDC), DC	-
56	Shri Sai Prasad C	Chief Designer (Proj. RWRDC), DC	Till 31.01.2025 i.e. the date of his superannuation
57	Shri K H Ganapathy Krishnan	General Manager (MCSRDC), DC	-
58	Shri Balaji N	General Manager (Aerospace), BC	-
59	Shri Sandip Barman	General Manager (MS & IT), CO	-
60	Shri Tapas Kumar Mandal	General Manager (Barrackpore), HC	Till 31.12.2024 i.e. the date of his superannuation
61	Shri S K Barve	General Manager (ASERDC Lucknow), AC	-
62	Shri D Rama Mohana Rao	General Manager (Hyderabad), AC	-
63	Shri R M K Chowdhury	General Manager (Engine), BC	-
64	Shri Mohammed Abdul Salam	General Manager (LCA Tejas)	-
65	Shri S A Kothe	General Manager (AMD), MC	-
66	Shri Venkatesh K.T	General Manager (Finance), CPPC	-





Sl No.	Name	Designation	Changes during the year
67	Shri P Jeeva	General Manager (Vigilance), CO	-
68	Dr. G. Pradhan	Chief of Medical Services	-
69	Shri Ranga Rao P B	General Manager (Helicopter), HC	-
70	Gp Capt H V Thakur (Retd)	Chief Test Pilot (FW, Helicopter), HC	Appointment w.e.f. 01.07.2024
71	Shri Ramananda S	Chief Designer (ARDC), DC	Appointment w.e.f. 01.07.2024
72	Shri Mallikarjuna Rao P	General Manager (IMM), CO	Appointment w.e.f. 01.07.2024
73	Smt. Kala Das L	Chief Designer (RWRDC), DC	Appointment w.e.f. 01.07.2024
74	Smt. Sumana Prakash	Chief Designer (Systems & Structures, ARDC), DC	Appointment w.e.f. 01.07.2024
75	Shri K K Srivastava	Chief of Projects (AD, Korwa), AC	Appointment w.e.f. 01.07.2024
76	Dr. Abhishek Singh	Chief Designer (RWRDC), DC	Appointment w.e.f. 01.07.2024
77	Shri Navneet Kaul	General Manager (ACD), HC	Appointment w.e.f 01.07.2024
78	Shri. Ramesh K	General Manager (MRO), HC	Appointment w.e.f. 01.07.2024
79	Shri Shree Kumar Sen Sarma	General Manager (Finance), AC	Appointment w.e.f. 01.07.2024
80	Shri Tumane A M	Head of SPOC, AC	Appointment w.e.f. 01.07.2024
81	Shri Awadesh Kumar	General Manager (Indgn.), CO	Appointment w.e.f. 01.07.2024
82	Shri Puneet Kumar	Chief of Projects (TAD Kanpur), AC	Appointment w.e.f. 01.07.2024
83	Smt. Madhurambal A	General Manager (Systems Audit), CO	Appointment w.e.f. 01.07.2024
84	Shri Suji Abraham	General Manager (Plg), CO	Appointment w.e.f. 01.07.2024
85	Shri Ravindra Kumar	Chief of Projects (LCA Tejas), BC	Appointment w.e.f. 01.07.2024
86	Shri Kallol Bhattacharyya	General Manager (ED, Koraput), MC	Appointment w.e.f. 01.07.2024
87	Shri Kanwal Krishen Bhat	Chief of Projects (AD, Lucknow), AC	Appointment w.e.f. 01.07.2024
88	Shri Srikrishna Prasad V	General Manager (Aircraft), BC	Appointment w.e.f. 01.07.2024
89	Shri Manoj Yadav	General Manager (Marketing), Delhi	Appointment w.e.f. 01.07.2024
90	Shri Shantanu Chakraborty	General Manager (Finance), CO	Appointment w.e.f. 01.07.2024
91	Shri Shailendra Singh Chandel	General Manager (HR), AC	Appointment w.e.f. 01.07.2024
92	Shri Shailesh Bansal	Company Secretary & Compliance Officer	-

10. REMUNERATION OF DIRECTORS

Being a Government Company, the remuneration, benefits and Performance Related Pay (PRP) of Functional Directors of the Company are as per extant DPE Guidelines. Ministry of Corporate Affairs (MCA) vide Notification dated 05.06.2015, has exempted Government Companies from formulating policy relating to remuneration of Directors required under Section 178 of the Companies Act.

Government Nominee Directors (Part-time Official Directors) are not entitled to any remuneration / sitting fees.

Independent Directors (Part-Time Non-Official Directors) are paid a sitting fee of ₹ 40,000/- per meeting of the Board and ₹ 30,000/- per Committee meeting of the Board, as approved by the Board.




The details of remuneration paid to Functional Directors during the year, were as follows:

(₹ in Lakh)

Sl. No.	Name of Directors	Salary and Perquisites as per Section 17(1) & (2) of the Income Tax Act, 1961	Retirement & other benefits	Total
1	Shri C.B. Ananthakrishnan	64.00	45.00	109.00
2	Shri Jayadeva E P	47.00	45.00	92.00
3	Dr. D K Sunil	68.00	-	68.00
4	Shri A B Pradhan	63.00	45.00	108.00
5	Shri Barenya Senapati	52.00	-	52.00
6	Shri Ravi K	50.00	-	50.00

During the year, sitting fee paid to the Independent Directors for attending the meetings of the Board and Committees were as follows:

(₹ in Lakh)

Sl. No.	Name of Independent Director	Board Meetings	Committee Meetings	Total Sitting Fees
1	Dr. Divya Gupta	4.00	5.10	9.10
2	Shri Deepak Abasaheb Shinde	5.20	3.60	8.80

11. INDEPENDENT DIRECTORS' MEETING

The Independent Directors reviewed the performance of the Functional/ Whole-time Directors and the Board as a whole in separate meetings of Independent Directors held on July 19, 2024 and November 16, 2024.

12. CONFIRMATION ON INDEPENDENCE OF THE INDEPENDENT DIRECTORS

As per the Companies Act, Independent Directors have submitted declaration of independence to the Board and the Board confirms that all Independent Directors fulfil the conditions specified in the Companies Act and Listing Regulations and are independent of the management.

13. CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors of the Company has laid down a Code of Business Conduct and Ethics for all Board Members and Senior Management ("Code of Conduct") of the Company and the same is available on the Company's website at www.hal-india.co.in/Investors

All members of the Board and Senior Management have confirmed their compliance with the Code of Conduct for the year under review. A declaration signed by the Chairman & Managing Director in this regard is appended to this Report.

14. INSIDER TRADING POLICY

In pursuance of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has approved the Insider Trading Policy for dealing in securities of the Company by insiders and the same is available on the Company's website www.hal-india.co.in/Investors

The Policy is framed to ensure that insiders do not derive any benefit or assist others to derive any benefit from access to and possession of unpublished price sensitive information related to the Company.




15. CEO/CFO CERTIFICATION

As required under Regulation 17(8) of Listing Regulations and DPE Guidelines, CEO/CFO Certificate on the Financial Statements and Internal Controls relating to financial reporting for the year 2024-25, as submitted to the Board, forms part of this Report.

16. SHAREHOLDING PATTERN AS ON MARCH 31, 2025

Sl. No.	Category	Number of shareholders	Number of shares held	% of total holding
1	President of India	1	47,91,02,424	71.64
2	Mutual Funds	240	2,88,27,927	4.31
3	Alternative Investment Fund	14	2,09,618	0.03
4	Banks	6	3,76,660	0.06
5	Qualified Institutional Buyer	86	2,61,09,550	3.90
6	NBFC	7	4,880	0.00
7	Foreign Portfolio Investors	2	1,821	0.00
8	Foreign Portfolio - Corp	783	8,07,84,650	12.08
9	Resident Individuals	13,51,994	4,69,30,867	7.02
10	Non-Resident Indian Non Repatriable	8,913	7,30,105	0.11
11	Non-Resident Indians	11,375	12,75,380	0.19
12	Foreign Nationals	2	28	0.00
13	Bodies Corporates	3,436	29,22,185	0.44
14	H U F	16,140	14,35,651	0.21
15	Trusts	38	62,212	0.01
16	Clearing Members	19	1,042	0.00
	Total	**13,93,056**	**66,87,75,000**	**100.00**

16.1 Top 10 Shareholders as on March 31, 2025 (PAN based)

Sl. No.	Name	Number of shares held	% of total holding
1	President of India	47,91,02,424	71.64
2	Life Insurance Corporation Of India	1,81,64,244	2.72
3	HDFC Mutual Fund	75,97,507	1.14
4	Government of Singapore	51,18,651	0.77
5	Nippon Life India Trustee Ltd	35,96,792	0.54
6	NPS Trust	34,63,473	0.52
7	ICICI Prudential Mutual Fund	30,07,496	0.45
8	Vanguard Total International Stock Index Fund	26,93,454	0.40
9	Fidelity Investment Trust Fidelity Series Emerging Markets Opportunities Fund	26,60,600	0.40
10	Axis Mutual Fund	24,93,920	0.37




16.2 Distribution of Shareholding by Size as on March 31, 2025

Category	Number of Shareholders	% of Shareholders	Total Number of Shares	% of Shareholding
1-5000	13,91,847	99.91	4,80,85,982	7.19
5001- 10000	378	0.03	27,04,741	0.40
10001- 20000	247	0.02	35,77,632	0.53
20001- 30000	109	0.01	27,39,400	0.41
30001- 40000	58	0.00	20,36,200	0.30
40001- 50000	56	0.00	25,48,883	0.38
50001- 100000	118	0.01	85,57,076	1.28
100001 & Above	243	0.02	59,85,25,086	89.50
Total:	**13,93,056**	**100.00**	**66,87,75,000**	**100.00**

17. GENERAL BODY MEETINGS

(a) Details of the last three Annual General Meetings are as follows:

Meeting No.	Financial Year	Venue	Date & Time
59th	2021-22	Through Video Conferencing (VC) from Hindustan Aeronautics Limited, Corporate Office, 15/1, Cubbon Road, Bengaluru-560001	August 29, 2022 at 1500 Hrs.
60th	2022-23	Through Video Conferencing (VC) from Hindustan Aeronautics Limited, Corporate Office, 15/1, Cubbon Road, Bengaluru-560001	August 31, 2023 at 1500 Hrs.
61st	2023-24	Through Video Conferencing (VC) from Hindustan Aeronautics Limited, Corporate Office, 15/1, Cubbon Road, Bengaluru-560001	August 28, 2024 at 1500 Hrs.

(b) Special Resolutions

i. During the 59th Annual General Meeting, two special resolutions were passed w.r.t Appointment of Dr. Divya Gupta and Shri Deepak Abasaheb Shinde as Part-Time Non-Official (Independent) Directors of the Company.

ii. No Special Resolution was put up during 60th and 61st Annual General Meeting.

(c) No Special Resolution was passed last year through postal ballot.

(d) No Special Resolution is proposed to be passed through postal ballot.

18. MEANS OF COMMUNICATION

(a) Quarterly / Annual Results: The Company regularly updates its audited financial results with the Stock Exchanges, in compliance with the Listing Regulations. These financial results are generally published in atleast one leading English newspaper having wide circulation across the Country, in one Kannada newspaper having wide circulation across the region and one Hindi newspaper. The results are also made available on the Company's website.

(b) News Release, Presentation etc.: The relevant official news releases, detailed presentations, if any, made to institutional investors and financial analysts etc. are posted on the website of the Stock Exchanges and displayed on the Company's website www.hal-india.co.in

(c) Website: The Company's website www.hal-india.co.in contains separate section "Investors" where information for shareholders is made available as per Listing Regulations.





(d) Annual Report: Annual Report containing Financial Statements, Auditors' Report, Board's Report, Management Discussion and Analysis Report (MDAR), Corporate Governance Report and Business Responsibility and Sustainability Report and other important information is circulated through electronic mode to the members and others entitled thereto, in-line with the relevant circulars issued by MCA & SEBI from time to time.

19. SHAREHOLDERS' INFORMATION

(a) Annual General Meeting

In-line with the relevant circulars issued by MCA & SEBI from time to time, the 62nd Annual General Meeting of the Company for the year 2024-25 will be held through Video Conferencing, as per the following details:

Date	Thursday, August 28, 2025
Time	3:30 P.M. (IST)

(b) Financial Calendar

The financial calendar to approve quarterly/ annual audited financial results for the year 2025-26 is as under:

Approval of quarterly/ annual audited financial results	Tentative date of the Meeting of the Board
June 30, 2025	On or before August 14, 2025
September 30, 2025	On or before November 14, 2025
December 31, 2025	On or before February 14, 2026
March 31, 2026	On or before May 30, 2026

(c) Dividend Payment date

During the year, your Company has declared and paid Final Dividend of ₹ 13/- per Equity share for the financial year 2023-24 on September 10, 2024. Further for FY 2024-25, the 1st interim dividend of ₹ 25/- per Equity share was paid on March 01, 2025.

(d) Listing on Stock Exchanges

The equity shares of the Company are listed on the following Stock Exchanges:

BSE Ltd.
P.J. Towers, Dalal Street, Fort,
Mumbai-400001

National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, C-1, G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai-400051

The annual listing fees for the year 2024-25, as applicable, have been paid to the Stock Exchanges.

(e) Custody/ Issuer charges to Depositories

Your Company has paid custody/ issuer charges for the year 2024-25 to the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).

(f) Registrar and Share Transfer Agent

KFin Technologies Ltd.
(Formerly known as KFin Technologies Pvt Ltd.)
"Selenium Tower B", Plot No.31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad-500032
Telangana
Toll free number: 1800 309 4001
Email:einward.ris@kfintech.com
Website: https://www.kfintech.com and/ or https://ris.kfintech.com




(g) Share transfer system

The shares of the Company are traded in dematerialised form. The Company has constituted a Share Transfer Committee comprising of Director (Finance), Director (Operations) and Company Secretary for approving requests related to Dematerialization/ Rematerialization/ Transfer/ Transmission/ Splitting/ Consolidation/ Reissue of share certificates etc. received from shareholders from time to time.

(h) Dematerialisation of shares and liquidity

As on March 31, 2025, all the equity shares of the Company are held in dematerialised form with NSDL and CDSL. The details are as under

Sl. No.	Description	No. of Shareholders	No. of Shares	% of Equity
1	NSDL	3,73,164	64,01,01,533	95.71
2	CDSL	10,19,892	2,86,73,467	4.29
	Total	**13,93,056**	**66,87,75,000**	**100**

(i) Commodity price risk or foreign exchange risk and hedging activities

Relevant information in this regard is given in Clause No. 33(a) of Note 49 to the Financial Statements provided in this Annual Report.

(j) Registered / Corporate Office address and Plant Locations:

(i) Registered/ Corporate Office:

Hindustan Aeronautics Limited
15/1, Cubbon Road, Bengaluru – 560 001, Karnataka
Phone: (080) 2232 0001
Email: cosec@hal-india.co.in
website: www.hal-india.co.in

(ii) Production Divisions:

Aircraft Division, Bengaluru, Karnataka	Helicopter Division, Bengaluru, Karnataka	Engine Division, Koraput, Odisha
LCA Tejas Division Bengaluru, Karnataka	Helicopter Division, Tumakuru, Karnataka	Sukhoi Engine Division, Koraput, Odisha
Engine Division, Bengaluru, Karnataka	Helicopter MRO Division, Bengaluru, Karnataka	Transport Aircraft Division, Kanpur, Uttar Pradesh
Overhaul Division, Bengaluru, Karnataka	Aerospace Composites Division, Bengaluru, Karnataka	Accessories Division, Lucknow, Uttar Pradesh
Aerospace Division, Bengaluru, Karnataka	Aircraft Manufacturing Division, Nashik, Maharashtra	Avionics Division, Korwa, Uttar Pradesh
Foundry and Forge Division, Bengaluru, Karnataka	Aircraft Overhaul Division, Nashik, Maharashtra	Industrial & Marine Gas Turbine Division, Bengaluru, Karnataka
Barrackpore Division, Barrackpore, West Bengal	Avionics Division, Hyderabad, Telangana Strategic Electronic Factory, Kasargod, Kerala. (Branch Factory of Avionics Division Hyderabad)	





(iii) R & D Centres:

Aircraft Research and Design Centre (ARDC), Bengaluru, Karnataka	Transport Aircraft R&D Centre, (TARDC) Kanpur, Uttar Pradesh
Rotary Wing Research and Design Centre (RWR&DC), Bengaluru, Karnataka	Aerospace Systems & Equipment R&D Centre (ASERDC), Lucknow, Uttar Pradesh
Aero Engine R&D Centre (AERDC), Bengaluru, Karnataka	Strategic Electronics R&D Centre (SLRDC), Hyderabad, Telangana
Mission & Combat Systems R&D Centre (MCSRDC), Bengaluru, Karnataka	Aerospace Systems & Equipment R&D Centre (ASERDC), Korwa, Uttar Pradesh
Aircraft Upgrade R&D Centre (AURDC), Nashik, Maharashtra	

20. DISCLOSURE

(a) Material Related Party Transactions

During the year, there were no material related party transactions that had or may have potential conflict with the interest of the Company at large. A comprehensive Policy on Related Party Transactions (RPT) has been approved by the Board as per the Listing Regulations and Companies Act.

The details of transactions with Related Parties are disclosed in Clause No. 45A of Note No. 49 of the Notes to the Financial Statements for the year ended March 31, 2025. The Company has disclosed details of transactions with Related Parties as per the disclosure requirements of Ind AS-24 on Related Party disclosures. The Policy on related party transactions of the Company may be accessed at https://hal-india.co.in/backend/wp-content/uploads/2023/07/Policy-on-Related-Party-Transactions_11.04.2025.pdf

(b) Details of non-compliances on matters related to capital markets, during the last three years

The Company has received several notices from the Stock Exchanges during last 3 years for non-compliances with the provisions of the Listing Regulations with respect to Composition of Board, Quorum for Board Meeting and Composition of various Committees, due to non-appointment of requisite number of Independent Directors by the Government.

Subsequently, on appointment of two Independent Directors (including one woman Independent Director) on December 28, 2021 and April 28, 2022, the quorum for board meeting and composition of various committees were regularised. Being matter was beyond the control of the Company, based on the application, waiver of fines was granted to the Company.

Since, the Company was non-compliant w.r.t. composition of the Board, multiple requests were made to the Government for filling up the vacant post of Independent Directors. However, even after continuous follow up, six posts of Independent Directors were lying vacant as on March 31, 2025.

As the Company was not having requisite number of independent directors w.e.f. December 28, 2024, apart from non-compliance under Regulation 17 of Listing Regulations related to composition of Board, the Company became non-compliant under Regulation 18 & 19 with respect to composition of Audit Committee and Nomination & Remuneration Committee respectively.

Subsequently, on appointment of two independent directors in the Company w.e.f. May 15, 2025, constitution of all the Committees were regularized, and an application for waiver of fines was filed against the said non-compliances, being the matter beyond the control of the Company.

Apart from that, Stock Exchanges had imposed fines for delay in submission of disclosure of Related Party Transaction for the half year ended March 31, 2022. Though the Company pleaded that the said disclosure of Related Party Transaction was delayed due to non-availability XBRL Utility from the Stock Exchanges, the same was not agreed.

Similarly, Stock Exchanges had also imposed fines for delay in submission of voting results of 61st Annual General Meeting, irrespective of the fact that the same was submitted well within the prescribed timelines in PDF mode. However, the same was not agreed quoting the requirement of filing the same in the XBRL mode.




(c) Vigil Mechanism / Whistle Blower Policy

In terms of Regulation 22 of Listing Regulations and Section 177 of the Companies Act, to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics, the Company has formulated a Whistle Blower Policy, which is available on the Company's website www.hal-india.co.in/Investors

The Company has provided ample opportunities to encourage the employees to become whistle blowers (employees who voluntarily and confidentially want to bring the unethical practices, actual or suspected fraudulent transactions or violation of the Company's Code of Conduct or Ethics in the organization to the notice of the competent authority for the greater interest of the organization and the Nation). The Policy also ensures the availability of robust mechanism to protect whistle blowers from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Chairman of Audit Committee.

(d) Details of compliance with non-mandatory requirements

The Company has not adopted any discretionary requirements provided under Part-E of Schedule II of Listing Regulations.

(e) Policy for Determining Material Subsidiaries

A Policy for Determining Material Subsidiaries has been formulated with the approval of the Board of Directors, which may be accessed at following link: https://hal-india.co.in/backend/wp-content/uploads/2023/07/Material-Subsidiary-Policy_13.02.2025.pdf

The Company does not have any material subsidiary.

(f) Credit Rating

During the year, Credit Analysis and Research Limited have granted your Company a Credit Rating of CARE/AAA/Stable/CARE A1+ for long term and short-term credit facilities, including non-fund based limit amounting to ₹ 6,05,000 Lakh.

Further, ICRA Ltd have granted your Company a Credit Rating of [ICRA]AAA and outlook 'Stable' for long term and [ICRA] A1+ for short term for fund based / cash credit amounting to ₹ 4,00,000 Lakh, non-fund based limit amount to ₹ 2,05,000 Lakh.

(g) Disqualification of Directors

None of the Directors was debarred / disqualified from being appointed or continuing as Director of the Company during the year, and this has been certified by the Company Secretary in practice.

(h) Corporate Governance Compliance

The Company has duly complied with the DPE Guidelines on Corporate Governance and requirements specified in the Regulations 17 to 27 and Clause (b) to (i) of Regulation 46 (2) of Listing Regulations except to the extent that half of the board was not independent, no woman independent director on the board since December 28, 2024 and Audit Committee and Nomination & Remuneration Committee was not in valid constitution w.e.f. December 28, 2024.

(i) Fees paid to Auditors

Details of the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to statutory auditors during the year are given below:

(₹ In Lakh)

Particulars	Amount
Audit Fees	64
Tax Audit Fees	6
Other Services	82
Reimbursement of expenses	-

(j) Details of Unpaid Dividend as on March 31, 2025

The details of the dividend which remains unpaid as on March 31, 2025, are given below:

Financial Year in which dividend declared	Amount (In ₹)
2017-18	1,77,243.00
2018-19	2,52,133.00
2019-20	3,98,601.00
2020-21	5,71,869.00
2021-22	6,43,688.00
2022-23	8,73,503.00
2023-24	20,21,671.50
2024-25	49,53,229.00
Total	**98,91,937.50**

The dividend on equity shares which remain unclaimed/ unpaid for 7 years from the date of transfer to Unclaimed Dividend Account shall be transferred by the Company to Investor Education and Protection Fund (IEPF). The details of unclaimed/ unpaid dividend has been uploaded on the website of the Company at www.hal-india.co.in/Investors/Dividend





(k) Transfer to Investor Education and Protection Fund (IEPF)

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, all the shares in respect of which the dividend has remained unclaimed for seven consecutive years or more from the date of transfer to the unpaid dividend account shall also be transferred to the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

No unclaimed dividend from previous years is due to be transferred to the IEPF as on March 31, 2025. However, the unclaimed / unpaid dividend pertaining to FY 2017-18 was transferred to IEPF on May 29, 2025.

Details of shares transferred to IEPF have been uploaded on the website of IEPF as well as of the Company. In respect of dividends/shares which have been transferred to the IEPF, shareholders can claim the same from the IEPF authority by following the procedure prescribed under IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

(l) Reconciliation of Share Capital

Reconciliation of Share Capital was carried out by the Secretarial Auditor of the Company on quarterly basis. The Report(s) confirms that the total issued / paid up capital is in agreement with the total number of shares in physical and demat form.

(m) Accounting Standards

The Company is in compliance with all applicable Indian Accounting Standards (Ind AS).

Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated February 23, 2018 has exempted companies engaged in defence production to the extent of application of Ind AS 108 on "Operating Segment". Disclosure in this regard has been made at Clause No. 37 of Note No.49 to the Accounts.

(n) Loans and advances to entities in which directors are interested

The details of Loans and advances provided by the Company in the nature of loans to Firms/ Companies in which directors are interested are provided at Clause No. 55B of Note No. 49 to the Accounts.

Loan and advances provided by Subsidiary to the firms in which Directors are interested are provided at Clause No. 34(a) of Note No.49 to the Accounts of Consolidated Financial Statement (CFS).

(o) Audited Financial Statements of Subsidiaries

The Audited Financial Statements of subsidiaries has been uploaded on the website of the Company at https://hal-india.co.in/investors/subsidiary-companies

(p) Training of Directors

The Company undertakes training programmes for its Directors on Company's performance, business models, corporate plan and future outlook on their induction in the Board. Further, Directors also visits various plants/ factories of the Company located at different places to familiarize with business and operations of the Company. In addition, at the meeting of the Board/ Committee/ other meetings, detailed presentations are made on business related issues, risk assessment, risk policy etc.

(q) Right to Information

In order to address the provisions of the Right to Information Act, 2005 (RTI Act), First Appellate Authority, Central Public Information Officer and Assistant Public Information Officers responsible for providing information sought by stakeholders have been appointed. In compliance with Government directives, the Company has successfully introduced the online processing of applications under the RTI Act from September, 2014 onwards.

During the year, 1026 Nos. of Request for Information (RFI) applications were received & 47 Nos. were carried forward from 2023-24 under the RTI Act-2005, of which 929 have been disposed-off as of March 31, 2025 and 59 Nos. were transferred to other Public Authorities.

During the year, 103 Nos. of appeals were received & all were disposed off. No appeal was pending as on March 31, 2025.




The Hon'ble Central Information Commission (CIC), New Delhi, issued 19 Notices of hearings during the year and the same were attended by HAL Officials and were disposed-off by the Hon'ble CIC.

(r) Redressal of Public Grievances

In order to facilitate resolution of grievances in a transparent and time bound manner, the Department of Administrative Reforms & Public Grievances, Government of India has initiated a web-based monitoring system at www.pgportal.gov.in

The Company is committed to the resolution of public grievances in an efficient and time bound manner. Deputy General Manager (HR), Corporate Office has been designated as the Nodal Officer (Grievance) to facilitate the earliest resolution of public grievances received through the online portal from the President's Secretariat, Prime Minister's Office and the Ministry of Defence. As per the directions of GoI, public grievances are resolved within the stipulated time frame.

(s) Presidential Directives Regarding Reservations

All the Presidential Directives and Guidelines issued by the Government of India from time to time regarding reservations for SCs, STs, OBCs, Persons with Disabilities, Ex-Servicemen and Economically Weaker Sections (EWS) are complied with by the Company. Liaison Officers are appointed in all the Divisions / Offices located across the Country to ensure effective implementation of the Government Directives. Officers who are entrusted with the responsibility of looking after reservation in Recruitment and Promotion are provided with necessary training to enable them to update their knowledge on the subject and carry out their job effectively.

The representation of SCs/STs/OBCs in HAL as on March 31, 2025 was as under:

Category of Employees	Group – A	Group – B	Group – C	Group – D	Total
Scheduled Caste	1,329	23	2,991	0	4,343
Scheduled Tribe	465	7	1,341	0	1,813
Other Backward Classes	2,008	29	5,044	1	7,082

The representation of Persons with Disabilities and Ex-Servicemen as on March 31, 2025 was as under:

Category of Employees	Group – A	Group – B	Group – C	Group – D	Total
Persons with Disabilities	147	2	439	0	588
Ex-Servicemen	78	1	739	0	818

(t) Integrity Pact

The Company has adopted and provided for signing of Integrity Pact (IP) with bidders, and accordingly, a clause has been introduced in the Purchase Manual. Pre-contract IP is a binding agreement between the Company and bidders for a specific contract in which the parties promise that it will not resort to any corrupt practices in any aspect or stage of the contract.

The IP has strengthened the established systems and procedures by creating trust and has full support of the Central Vigilance Commission.

(u) Items of expenditure debited in Books of Accounts, which are not for the purpose of business

There are no items of expenditure in the books of account, which are not for the purpose of Business.

(v) Expenses incurred, which are personal in nature and incurred for the Board of Directors and Top Management

Expenses incurred for the Board of Directors and Top Management are in the nature of salaries, allowances, perquisites, benefits and sitting fees as permissible under the Rules of the Company. No other expenses, which are personal in nature, were incurred for the Board of Directors and Top Management during the year.





(w) Administrative and Office expenditure

The Administrative and Office expenditure of the Company for FY 2024-25 was 2.80% of total expenditure as against 1.85% in FY 2023-24. The financial expenditure stood at 0.04% of total expenditure in FY 2024-25 as against 0.15% in previous year.

For and on behalf of Board of Directors
Hindustan Aeronautics Limited

(Dr. D K Sunil)
Chairman and Managing Director

Place : Bengaluru
Date : July 21, 2025





Declaration of Compliance with the Code of Conduct

Pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Business Conduct & Ethics for Board Members & Senior Management of Hindustan Aeronautics Limited, for the year ended March 31, 2025.

(Dr. D K. Sunil)
Chairman and Managing Director

Place: Bengaluru
Date: July 21, 2025

CEO and CFO Certification Under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 and DPE Guideline on Corporate Goverance.

To,
The Board of Directors
Hindustan Aeronautics Limited

1. We have reviewed financial statements and the cash flow statement of Hindustan Aeronautics Limited for the year ended 31st March 2025 and that to the best of knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.

4. We have indicated to the auditors and the Audit Committee:

   i. that there are no significant changes in internal control over financial reporting during the period;

   ii. that there are no significant changes in accounting policies during the period.

   iii. that there are no instances of significant fraud to which we have become aware.

(Shri Barenya Senapati)
Director (Finance) & CFO
DIN: 08525943

(Dr. D K Sunil)
Chairman and Managing Director
DIN: 09639264





Certificate on Corporate Governance

To,
The Members of Hindustan Aeronautics Limited
Bengaluru

We have examined the compliance of Corporate Governance by Hindustan Aeronautics Limited, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, for the financial year ended March 31, 2025.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of corporate governance as stipulated in the said regulations.

On the basis of our findings from the examination of the records produced and information furnished to us, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, for the financial year ended March 31, 2025 except to the extent of following:

(i) Regulations 17 (1) & (1E)- provisions pertaining to Board Composition

a. Half of the Board was not Independent

b. No Woman Independent Director on the Board w.e.f. 28th December 2024

(ii) Regulation 18(1) - Provisions pertaining to Constitution of Audit Committee

There was no validly constituted Audit Committee w.e.f. 28th December 2024.

(iii) Regulation 19(1) - Provisions pertaining to Nomination and Remuneration committee:

There was no validly constituted Nomination and Remuneration Committee w.e.f. 28th December 2024.

Management Response:

On the above referred non-compliances, it was explained by the Company that, since, the appointment of Directors in the Government Companies has to be made by the concerned Administrative Ministry of the Government of India, multiple requests/ reminders were made/sent by the Company for filling the vacant posts of Directors in the Company, within the stipulated time, referring penal provisions both under the Companies Act, 2013 and SEBI Regulations. However, as on 31.03.2025, there are 6 vacant posts of Independent Directors including woman independent Director and 2 vacant posts of functional Directors in the Company.

Since, the matter is beyond the control of the Company, application for waiver of fines was made to the Stock Exchanges. In response, the Stock Exchanges have advised the Company to make application for waiver only after compliance of the same.



Dakshayani P
Partner
DPSP and Associates
Company Secretaries
FCS No.: 8993
C P No.: 8411
UDIN: F008993G000374743

Place: Bangalore
Date: 19/05/2025





Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Listed Entity**	L35301KA1963GOI001622
2.	**Name of the Listed Entity**	Hindustan Aeronautics Limited
3.	**Year of incorporation**	16/08/1963
4.	**Registered office address**	15/1, Cubbon Road, Bengaluru – 560001
5.	**Corporate address**	15/1, Cubbon Road, Bengaluru - 560001
6.	**E-mail**	cosec@hal-india.co.in
7.	**Telephone**	080-22320001
8.	**Website**	www.hal-india.co.in
9.	**Financial year for which reporting is being done**	2024-25
10.	**Name of the Stock Exchange(s) where shares are listed**	1. National Stock Exchange of India Ltd (NSE) 2. BSE Ltd (BSE)
11.	**Paid-up Capital**	₹ 334,38,75,000/-
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Shri Shailesh Bansal Company Secretary & Compliance Officer Hindustan Aeronautics Limited 15/1, Cubbon Road, Bengaluru – 560 001. Karnataka Phone: (080) 2232 0001, Email: cosec@hal-india.co.in
13.	**Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**	Standalone Basis
14.	**Name of assessment or assurance provider**	Sustainability Actions Private Limited, Gurgaon
15.	**Type of assessment or assurance obtained**	Reasonable Assurance

II. Products / Services

16. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacture of Aircraft, Helicopters and its Engines, Accessories	24
2.	Service	Repair, Overhaul and Maintenance, Upgrade of Aircraft, Helicopters and its Engines, Accessories	70





17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of Aircraft, Helicopters	30301, 30302 & 30305	24
2	Repair and Maintenance of Aircraft, Helicopters and Engines	3315	70

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	30 (21 Divisions & 9 R&D)	5	35
International	0	3	3

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	HAL produced aircraft are being operated by Indian Defence Services and other operators across the country.
International (No. of Countries)	Over the years HAL has sold its products to more than 25 Countries.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Approx. 1.1%

c. A brief on types of customers

The Company supplies to both national and international Customers catering to the Defence as well as Civil operations. However, majority of the company's supplies are for the Indian Defence Services namely Indian Air Force (IAF), Indian Navy (IN), Indian Army (IA) and Indian Coast Guard (ICG).

IV. Employees

20. Details as at the end of Financial Year:

a Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	22033	19954	90.56	2079	9.44
2.	Other than Permanent (E)	1966	1845	93.85	121	6.15
3.	**Total employees (D + E)**	**23999**	**21799**	**90.83**	**2200**	**9.17**
WORKERS						
4.	Permanent (F)	14662	13337	90.96	1325	9.04
5.	Other than Permanent (G)	1947	1834	94.20	113	5.80
6.	**Total workers (F + G)**	**16609**	**15171**	**91.34**	**1438**	**8.66**




b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	565	517	91.50	48	8.50
2.	Other than Permanent (E)	23	22	95.65	1	4.35
3.	**Total differently abled Employees (D + E)**	**588**	**539**	**91.67**	**49**	**8.33**
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	416	378	90.87	38	9.13
5.	Other than permanent (G)	23	22	95.65	1	4.35
6.	**Total differently abled workers (F + G)**	**439**	**400**	**91.12**	**39**	**8.88**

21. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17
Key Management Personnel	4	0	NA

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	0.21	0.04	0.25	0.21	0.05	0.26	0.23	0.05	0.28
Permanent Workers	0.05	–	0.05	0.11	–	0.11	0.07	–	0.07

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	BAeHAL Software Ltd.	Joint Venture	49	No
2	Indo Avia Services Ltd.	Joint Venture	48	No
3	Safran HAL Aircraft Engines Pvt. Ltd.	Joint Venture	50	No
4	Samtel HAL Display Systems Ltd.	Joint Venture	40	No
5	HAL-Edgewood Technologies Pvt. Ltd.	Joint Venture	50	No
6	HALBIT Avionics Pvt. Ltd.	Joint Venture	50	No




Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
7	Infotech HAL Ltd.	Joint Venture	50	No
8	HATSOFF Helicopter Training Pvt. Ltd.	Joint Venture	50	No
9	International Aerospace Manufacturing Pvt. Ltd.	Joint Venture	50	No
10	Multi-Role Transport Aircraft Ltd.	Joint Venture	50	No
11	Helicopter Engines MRO Private Ltd.	Joint Venture	50	No
12	SAFHAL Helicopter Engines Pvt Ltd	Joint Venture	50	No
13	Aerospace & Aviation Sector Skill Council	Joint Venture	50	No
14	Defence Innovation Organisation	Joint Venture	50	No
15	UAS Testing Foundation	Joint Venture	33.33	No
16	Electronic Warfare (Defence) Testing Foundation	Joint Venture	20	No
17	Communication (Defence) Testing Foundation	Joint Venture	25	No
18	Advanced Materials (Defence) Testing Foundation	Joint Venture	20	No
19	System Testing and Research for Advanced Materials Foundation	Joint Venture	20	No
20	Indo Russian Helicopters Limited	Subsidiary	50.5	No
21	Naini Aerospace Limited	Subsidiary	100	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) : Yes

(ii) Turnover (in ₹) : 30,10,465 Lakh

(iii) Net worth (in ₹) : 34,84,285 Lakh




VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. Centralized Public Grievance Redress and Monitoring System (CPGRAMS) under the Ministry of Personnel, Public Grievances & Pensions, the Department of Administrative Reforms & Public Grievances (www.pgportal.gov.in)	127	0	-	77	2	Two pending grievance were received on the last week of the financial year and both these grievances were addressed within a week.
Investors (other than shareholders)	NA	-	-	-	-	-	-
Shareholders	Yes*	522	20	-	152	0	-
Employees and workers	Yes (Service related matters) – Web Link**	36	35[#]	-	2	1	-
Customers	Yes[$]	158	0	-	197	0	The issues have been deliberated in structured meeting with Customers and have been attended.





Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Value Chain Partners	Yes, Champions Portal and Samadhaan Portal on MSME website (www.msme.gov.in)	14	NIL	-	10	NIL	-
Other (please specify)	-	-	-	-	-	-	-

**Shareholders queries / complaints are being handled by the Company both directly and with the support of RTA. Further, the Company has Stakeholders Relationship Committee to redress the complaints received from the shareholders as per SEBI Listing Regulations. Though there is no web-link. However, the Company has specifically dedicated email ID for receiving shareholder's complaints.*

***www.hal-india.co.in => About us => Human Resources => HRD => HR Manuals =>Book 6 => Page No. 169*

$ HAL deals with Defence Customers and therefore all the communication are through confidential mode as per their requirement. So there is no web link.

 # The online Employee Grievance Portal was launched during Feb-25. The Grievance submitted in the Portal (35 Nos) were at various stages for disposal.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Emission reduction and energy management	Opportunity	Opportunity to move towards energy efficiency, use of renewable energy, more efficient use of materials, biofuels, and hybrid technology to address climate change	Not Applicable	Positive
2	Corporate Governance	Risk	HAL being a CPSE, the appointment of Directors are made by Govt. of India (GoI) and the Company has no control over filling up of the vacancy within the stipulated time frame specified under the Act/ Rules / Regulations, to comply the same.	Continuous follow up are being made with Administrative Ministry, GoI, for filling up of vacant posts.	Negative




Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Health and Safety	Risk	Health & safety is an integral part of managing a business. Risk assessment is necessary to put measures in place to effectively control them to ensure that the hazards and risks do not cause harm to employees and workers.	Training/ awareness/ technological upgradation / review at senior level.	Negative
4	Waste Management	Opportunity	Opportunity to move towards reduction in waste generation, meeting statutory requirements and improving resource usage.	Not Applicable	Positive
5	Positive labour practices	Opportunity	Opportunity towards improving industrial relations leading to improvement in productivity.	Not Applicable	Positive
6	Human capital development	Opportunity	Opportunity towards talent development & retention leading to improvement in productivity and intellectual property.	Not Applicable	Positive
7	Cyber Security	Risk	Privacy and Data Security is becoming a major risk due to increased digitization.	Implemented measures as per IT Security Policy for protecting the Company from Cyber-attacks / threats.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements.

Disclosure Questions			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes											
1.	**a.**	**Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b.	**Has the policy been approved by the Board? (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c.	**Web Link of the Policies, if available**	Policies of the Company are available at www.hal-india.co.in/investors/code-and-policies								
2.		**Whether the entity has translated the policy into procedures. (Yes / No)**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes





Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.									
AS 9100 / 9110: Quality Management System requirements for Aviation, Space and Defence Organizations	√	√	√	√	-	√	-	-	√
CAR-21 / CAR-145 / CAR-147 (DGCA): Civil Aviation Requirements for Production / Maintenance / Training Organization	√	√	-	√	-	-	-	-	√
AFQMS: Approval of Firm and its Quality Management System by DGAQA	√	√	-	√	-	-	√	-	√
AS 7003 (NADCAP): Aerospace Standard document / requirements for implementing industry consensus-based accreditation / certification Program for specific services (Special Processes)	-	√	-	√	-	-	-	-	√
ISO 14001: Environmental Management System Requirements	√	√	√	√	-	√	-	-	-
ISO 45001: Occupational Health & Safety Management System **(OHSMS)** Requirements	√	√	√	√	-	-	-	-	-
ISO 50001: Energy Management System Requirements	-	-	-	√	-	√	-	-	-
ISO/IEC 17025: General requirements for the competence of Testing & Calibration Laboratories	√	-	-	√	-	-	-	-	-
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	HAL has set targets for key priority areas on environment sustainability such as climate change, water stewardship, plastic waste and circular economy, green energy and sustainable livelihoods. In line with the above, HAL have targets for Key Performance Indicators (KPIs) like specific energy consumption, specific greenhouse gas emissions, specific water intake and specific waste generation.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	In order to achieve above targets, all HAL Units have established management systems which entail regular monitoring of environmental KPIs, development of an environmental management plan, and reviewing progress on a regular basis to ensure that Businesses are on track with respect to the agreed roadmap.								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements *(listed entity has flexibility regarding the placement of this disclosure)*

At HAL, we deeply care about the impact of our operations and strive to make them sustainable by addressing the material issues and feedback from stakeholders. Over the years, we have made investments to adopt renewable energy, conserve natural resources, responsibly treat and dispose solid and liquid waste, and optimize the use of water.

Our renewable energy portfolio has increased to 50MW capacity with more solar plants installed during the current year. We also continue to make investments in energy efficient equipment such LED lighting, star rated Air-conditioners and other star rated equipment. We are also investing in building in-house waste management facilities to reduce the disposal outside our premises.




Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9

On the Social front, we have robust practices to address issues such as human rights, human capital development and health & safety of our employees, contractors, and customers. We have introduced Online Grievance Redressal System for our employees. HAL is also certified for ISO 14001-2015 Environment Management System and ISO 45001-2018 OHSMS (Occupational Health and Safety Monitoring System).

On the Governance front, being a CPSE, we are compliant with the various rules, regulations, and best practices prescribed by local and national regulatory bodies and have robust governance mechanisms to address any related issues. Further, to enhance the better governance practices in the Company, various policies are implemented in the Company in letter and spirit.

Also, we are committed for ensuring sustainable environment and social practices across our supply chain and in the communities we serve.

8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies).**	Director (Human Resources)
9.	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Yes, Concerned Directors / Committees

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Directors									As and when required.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Complied except with respect to composition of the Board of Directors and its sub-committees (Audit Committee and Nomination & Remuneration Committee) under SEBI (LODR) Regulations, due to non-appointment of requisite numbers of Independent Directors. Since, the Company is a CPSE, the appointment of directors has to be made by the Govt. Hence, the matter has been referred to the Administrative Ministry for filling up the vacant posts.									As and when required								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
					No				





12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this Report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	7	➢ Review of the Company's product and its processes including indigenization programme and quality assessment. ➢ Amendments in SEBI (LODR) Regulations, 2015 ➢ Internal Financial Controls ➢ Related Party Transactions (RPTs) ➢ Corporate Social Responsibility (CSR) ➢ Insolvency and Valuations	100
Key Managerial Personnel			
Employees other than BoD and KMPs	334 (For Officers)	(1) Training / Awareness Programme pertaining to CDA Rules, Safety & Wellness of the Employees, Leadership, Cyber Security, Industry 4.0, Quality Management, Lean Manufacturing, Environment & sustainability Concepts) (2) These trainings / awareness Programmes will enable the employees acquire knowledge / skills for enhancement of their capabilities.	87%
Workers	119 (for Workmen)		89%




2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	**Name of the regulatory / enforcement agencies / judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	Principle 1	NSE and BSE	23,600/-	Voting results were submitted to the Exchanges in pdf mode within the prescribed timeline. However, the same was not agreed quoting the requirement of filing the same in the XBRL mode.	No
Settlement	Principle 1	Recommendations of High level Committee headed by Commissioner of State Tax, Govt. of Maharashtra and subsequent introduction of Amnesty Scheme for PSU's by Govt. of Maharashtra.	2,471 Crore	High level Committee recommended out of court settlement of long-standing state tax disputes of HAL, Nasik Division with State Tax Deptt., Maharashtra. A sum of approx. ₹ 2,471 Crore was recommended for full and final payment against disputed amount of ₹ 10,079.44 Crore	No As the entire amount is reimbursable from IAF, there is no financial impact on the Company of this settlement.
Compounding fee	-	NIL	-	-	-

Non-Monetary				
	NGRBC Principle	**Name of the regulatory / enforcement agencies / judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	-	NIL	-	-
Punishment	-	NIL	-	-

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	**Name of the regulatory / enforcement agencies / judicial institutions**
Not Applicable	-

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has adopted the Code of Conduct, which lays down the principles and standards that should govern the actions of the Company and its employees. Accordingly, Whistle Blower Policy has been formulated in the Company with a view to provide a mechanism for employees of the Company for any potential violation of the code, to approach the Chairman of the Audit Committee / Director (HR) / Head of Systems Audit of the Company.





Web link of the policy is https://hal-india.co.in/backend/wp-content/uploads/2023/07/Whistle-Blower-Policy-28.04.2025.pdf

Further, integrity pacts are being signed with the vendors for procurement value beyond ₹ 5 Crore.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25	FY 2023-24
Directors	**0**	0
KMPs	**0**	0
Employees	**0**	0
Workers	**0**	0

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	**0**	**-**	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	**0**	**-**	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payables	**94**	94

9. Open-ness of business:

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	**NIL***	NIL*
	b. Number of trading houseswhere purchases are made from	**NA**	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	**NA**	NA
Concentration of Sales	a. Salestodealers / distributors as % of total sales	**Nil**	Nil
	b. Number of dealers / distributors to whom sales are made	**NA**	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	**NA**	NA




Parameter	Metrics	FY 2024-25	FY 2023-24
Share of RPTs in	a. Purchases(Purchases with related parties / Total Purchases)	**0.46%**	0.62%
	b. Sales (Sales to related parties / Total Sales)	**0.10%**	0.06%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	**0.82%**	5.83%
	d. Investments (Investments in related parties / Total Investments made)	**8.68%**	8.05%

*** Note:** HAL material procurement is made through qualified suppliers, i.e., either directly through OEMs or their authorized distributor/stockiest.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
46	Primarily our product category, technology requirement, etc. are deliberated in such meets. Even general requirement of extending facility to MSME such as Principle of inclusive growth is discussed. In respect of MSMEs, specifically as per directives of Ministry of MSME through MoD DDP, all units were asked to sensitize all MSME vendors having transactions with HAL, to get certified under Zero Defect Zero Effect (ZED) and Lean certification Schemes by Ministry of MSME. ZED is new sustainability with Quality of Production concept.	The indicated Awareness Program is done for engaging identifying new vendors. HAL itself implements sustainability concepts and try to incorporate or educate the same to value chain partners. For the existing domestic vendors including MSME's, as and when new improvements happen, major changes are implemented in the Company and special sessions are conducted to make them aware of such developments. For example: Transaction through TReDS Portal and now ZED are some of the major subjects in consideration during last year. For MSME vendors, special sessions were held w.r.t carrying out transaction on TReDS Portal and further sessions on Zero Defect Zero Effect (ZED) and Lean certification Schemes is under consideration with Ministry of MSME. These sessions are done periodically to bring in better awareness amongst domestic industries to take part in GoI initiatives on Quality and Sustainability. Approximately 42% of domestic vendors participated in programmes conducted for TReDS etc.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has in place "Code for Business Conduct and Ethics for Board Members and Senior Management Personnel through which Company avoid/ manage conflict of interests. Furthermore, in case of conflict of interest situation arise, no interested director are allowed to participate in the decision making process.





PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	**Not tracked**	Not tracked	-
Capex	**0.25% (₹ 509 Lakh)**	0.006% (₹ 174 Lakh)	Roof top solar plants installed, energy efficient transformers, organic waste converters etc.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No):**

   Yes.

   HAL in all its tendering process incorporates clauses such as all rules and Policies of the land to be followed. HAL also ensure vendors to follow the ESI and other welfares measures for their employees.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   During the year, the Company has sourced 56% by value of procurement from such supply chain partner who have already adopted sustainability and Health and safety conditions and are certified for the same.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications. Once the product is sold, it does not come back to the Company. Hence Company is not in a position to reclaim the products. However, HAL has a defined process in place for reuse, recycle and safe end-of-life disposal for the products used in its operations.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   No

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LC-P/LC-A) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
-	-	-	-	-	-

No.

The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications. Once the products are sold, customer takes up life assessment / extensions as per their policies, in consultation with HAL.




2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LC-P/LC-A) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
-	-	-

Not Applicable

The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications. Once the products are sold, customer takes up life assessment / extensions as per their policies, in consultation with HAL. Disposal of products is taken up by Customers as per their policies.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or Re-used input material to total material	
	FY 2024-25	FY 2023-24
-	-	-

Nil

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	-

The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications. Once the products are sold, customer takes up disposal of products & packaging material as per their policies.




PRINCIPLE 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of Employees covered by											
	Total (A)	Health Insurance		Accident Insurance #		Maternity Benefits		Paternity Benefits		Day Care Facilities		
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)	
Permanent Employees												
Male	19954	100% Ref Note. (i)		19519	97.8%	NA	-	19954	100%	NA	-	
Female	2079			1982	95.3%	2079	100%	NA	-	2079	100%	
Total	**22033**			**21501**	**97.6%**	**2079**	**9.4%**	**19954**	**90.6%**	**2079**	**9.4%**	
Other than Permanent Employees												
Male	1845	100% Ref. Note (ii)		1127	61.0%	NA	-	1845	100%	NA	-	
Female	121			62	51.2%	121	100%	NA	-	121	100%	
Total	**1966**			**1189**	**60.5%**	**121**	**6.2%**	**1845**	**93.8%**	**121**	**6.2%**	

b. Details of measures for the well-being of workers:

Category	% of Workers covered by											
	Total (A)	Health Insurance		Accident Insurance #		Maternity Benefits		Paternity Benefits		Day Care Facilities		
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)	
Permanent Workers												
Male	13337	100% Ref Note. (i)		13229	99.2%	NA	-	13337	100%	NA	-	
Female	1325			1292	97.5%	1325	100%	NA	-	1325	100%	
Total	**14662**			**14521**	**99.0%**	**1325**	**9.0%**	**13337**	**91.0%**	**1325**	**9.0%**	
Other than Permanent Workers												
Male	1834	100% Ref. Note (ii)		1123	61.2%	NA	-	1834	100%	NA	-	
Female	113			61	53.9%	113	100%	NA	-	113	100%	
Total	**1947**			**1184**	**60.8%**	**113**	**5.8%**	**1834**	**94.2%**	**113**	**5.8%**	

Notes for 1 (a) & (b):

(i) Medical needs of permanent employees / workers have been taken care by the Company Industrial Health Centers (IHC) set up in the Divisions / Offices. In case of specialized treatment, employees / workers are referred to empanelled Hospitals. Since medical needs of the permanent employees / workers have been taken care by the Company, no separate Health Insurance is taken.

(ii) In respect of other than permanent workers (a) Management Trainees / Design Trainees : Medical facilities extended as at (i) above; (b) Tenure based : a lumpsum amount is paid every month to take care of the Medical needs and emergency care at Industrial Health Centers. Hence, no separate medical insurance is taken.

 # On voluntary basis and premium is borne by the employees.




c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

	FY 2024-25	FY 2023-24
Cost incurred on well- being measures as a % of total revenue of the Company	**0.55%**	0.42%

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2024-25			FY 2023-24		
	No. of employee covered as a % of total employees	No.of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No.of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	**100%**	**100%**	**Y**	100%	100%	Y
Gratuity	**100%**	**100%**	**NA**	100%	100%	NA
ESI	**Nil**	**Nil**	**NA**	Nil	Nil	NA
Others –						
1. Defined Contribution Pension Scheme	**100%**	**100%**	**Y**	100%	100%	Y
2. Post Superannuation Group Health Insurance Schemes	**100%**	**100%**	**NA**	100%	100%	NA

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes

The web-link to the Policy is https://hal-india.co.in/human-resources

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**





6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Three Stage Grievance Procedure i.r. of Workmen exists in the Company. Upon exhausting all the 3 Stages, option is available to the Workmen for making petition to the General Manager, if not satisfied with the decision of the Grievance Redressal Committee. Thereafter, if not satisfied with the decision of the General Manager, option for preferring Appeal to the CEO/Director concerned through the Recognized Union also exists wherein the decision of the CEO/Director will be final.
Permanent Employees Other than Permanent Employees	Yes. In addition to the Grievance Procedure i.r. of Workmen as above, there also exists Grievance Procedure i.r. of Officers (upto Gr. VI) as indicated below: (i) Representing to the Dept. Head in the 1st Stage. (iii) Thereafter, representing to the Grievance Redressal Committee, wherein, based on the recommendations of the Committee, General Manager would communicate his decision. (iii) In exceptional cases, if not satisfied with the decision of the General Manager, the Officer concerned may appeal to the CEO / Director concerned, whose decision shall be final and binding on aggrieved officer.

Further, Employee Grievance Redressal Portal has been launched during the year for employees to submit their Grievances online.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	**22033**	**20944**	**95.06**	**22655**	**21636**	**95.50**
- Male	**19954**	**18977**	**95.10**	20564	19651	95.56
- Female	**2079**	**1967**	**94.61**	2091	1985	94.93
Total Permanent Workers	**14662**	**13945**	**95.11**	**15344**	**14578**	**95.01**
- Male	**13337**	**12662**	**94.94**	13995	13283	94.91
- Female	**1325**	**1283**	**96.83**	1349	1295	96.00




8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Male	**19954**	**13449**	**67.40**	**7597**	**38.07**	20564	11385	55.36	7864	38.24
Female	**2079**	**1472**	**70.80**	**570**	**27.41**	2091	1252	59.88	778	37.21
Total	**22033**	**14921**	**67.72**	**8167**	**37.07**	**22655**	**12637**	**55.78**	**8642**	**38.15**
					Workers					
Male	**13337**	**9305**	**69.77**	**7574**	**56.79**	13995	7643	54.61	7526	53.78
Female	**1325**	**938**	**70.79**	**570**	**43.02**	1349	790	58.56	735	54.48
Total	**14662**	**10243**	**69.86**	**8144**	**55.54**	**15344**	**8433**	**54.96**	**8261**	**53.84**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A) Total PARs (Including Probationary, Annual, Special, Split)	No. (B) Total Annual PARs	% (B / A)	Total (C)	No. (D)	% (D / C)
			Employees (officers)			
Male	**5860**	**5084**	**86.76**	6587	5165	78.41
Female	**645**	**573**	**88.83**	769	601	78.15
Total	**6505**	**5657**	**86.96**	**7355**	**5766**	**78.38**
			Workers			
Male	**13337**			13995		
Female	**1325**			1349		
Total	**14662**			**15344**		

Notes:

The Total Number indicated in column (A) of part-I above (i.e. Employees (Officer)) refers to Performance Appraisal Reports (PARs) (including Annual, Probationary (Regular & Extended), Split, Special Reports) raised during the Year. 02 Nos. of Probationary PARs are raised for Officers under Probation.

The Company's Policy provides for conduct of Performance Review Board for moderation of Annual PARs. The numbers indicated in column (B) above refers to the total number of Annual PARs raised and the Numbers indicated in the Percentage column indicates the percentage against the total number of PARs (i.e. Annual, Probationary, Split, Special PARs together) raised.

In case of workers, the figures indicate the workers covered under the Performance Appraisal System for non-executives of the Company. Annual and Probationary Performance Appraisal Reports are raised for workers. However, no performance appraisal report is raised where-in the duration of service in the Assessment year is less than 03 months.





10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. The Divisions are certified with ISO 45001:2018 (Occupational Health & Safety Management System). The scope of the system is "The Occupational Health activities and Supporting Processes associated with Design, Manufacturing, Maintenance, Repair and Overhaul of Aircrafts / Helicopters".

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

(a) The process of preparation of Safety Directory is used to identify and analyse hazardous areas/occupation and creating SOP for all such process;

(b) Walk Through Survey, Plant Safety Inspection, Hazard Identification and Risk Assessment (HIRA), Aspect & Impact Register, Complaints Registers, Internal Audits & External Audits and Conducting Safety Committee Meetings;

(c) Work related Hazards and Risk Assessment are carried out through Shop Floor Inspection by the respective Shop In-charge alongwith the Safety Officer.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes. Complaint Registers are kept in the Shop Floor for reporting the work-related hazards.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	**0.17**	0.29
	Workers	**0.2**	0.36
Total recordable work-related injuries	Employees	**12**	15
	Workers	**11**	14
No. of fatalities	Employees	**-**	-
	Workers	**1**	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	**-**	-
	Workers	**2**	1

***Note:**

(1) The numbers reported against Employees are total incidents covering all Officers, workmen and contract labours as per the definition of "Employees". Out of total numbers shown against Employees, Workmen numbers are shown separately against workmen category under LTIFR and total recordable work-related injuries.

(2) Note on fatalities, is as follows:

Labour engaged by an Outsourced Agency while he was loading the flower pots to Tractor Trailer, the Tractor was reversed unknowingly and hit the victim.

Steps taken for non-occurrence of such incidents, amongst others, includes providing reflective safety jacket to Housekeeping & Horticulture labour, Safety Marshals identified in the shops to create awareness among the workers and bring the unsafe acts, if any to the notice of Safety Officer, Safety Stewards included in the manpower contracts having more than 50 labour, etc.




12. Describe the measures taken by the entity to ensure a safe and healthy work place.

To establish a goal of zero accident, Divisions of the Company have carried out the following major activities during the year:

(a) Regular Safety Inspection are being carried out to ensure safe working condition at work place. The observation are discussed and action is planned to take effective corrective and preventive action.

(b) Divisions have Safety Work Permit System to ensure the contract workmen are safely performing the work.

(c) Divisions have installed large-size LED screen for displaying various Safety & Health related topics to create an awareness.

(d) Safety Visual Display System - Safety Sign Boards at prominent places in Offices and Shop Floor is displayed to create awareness on Safety.

(e) Divisions are equipped with Occupational Health Center under the supervision of Medical Practitioner. OHC has a dedicated Ambulance for the Divisions.

(f) Divisions have taken steps for removal of Hazardous & Non-Hazardous waste from the Division. The wastes are collected and sent out through authorized Vendor.

(g) Divisions have identified certain critical Personal Protective Equipment's to be procured for the Health & Safety of the employee. These PPE's are best in class in terms of quality and safety of the employee.

(h) The Divisions are carrying out Air Monitoring on monthly basis to analyze the quality of ambient air and stack which emits fumes from pollution sources.

(i) Safety Day is being celebrated widely in the divisions to promote safety culture.

(j) Divisions have taken measures to reduce the consumption of energy by changing over hanger lights from HPMV to LED.

(k) Divisions have constructed Rain Water Harvesting to conserve water.

(l) Periodical Medical Examination is carried out to monitor the Health of the employees.

(m) The Divisions are equipped with Fire Alarm System for all the hangers along with Fire Hydrant System to protect from any fire emergency.

(n) Daily walk-through survey.

(o) Health & Safety Training to employees to create Awareness among all the employees including Contract Labour.

(p) Conducting Fire Mock Drills on regular basis.

(q) Display of Safety Posters, Safety Bulletins and messages via Intranet system to create awareness.

(r) Testing of Tools & Tackles, Pressure vessels etc., by competent persons.

(s) Conducting Safety Committee Meetings regularly.

(t) Noise level survey.

(u) Provision of good ventilation & lighting systems & Dust Extraction Systems.

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions	**2**	**2**	**-**	5	1	-
Health & Safety	**-**	**-**	**-**	4	1	-





Out of 36 grievances received by Employees & Workers as indicated at General Disclosures, 2 are related to Working Conditions for FY 2024-25

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Safety Walk / Audit, accident investigations are being carried out for further study and for improving of working conditions.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

(a) Hazard identification and Risk Assessment is being carried out in each Department for identifying the hazards and implementing the mitigation plans or suitable controls are established;

(b) Safety Walk / Audit, accident investigations are being carried out for further study and for improving of working conditions;

(c) Awareness is given on wearing Personal Protective Equipment's (PPEs);

(d) Organized Safety Training Programmes to create awareness on Safety;

(e) Work Instructions and Safe Work Practices were made and readily available in the intranet for reference;

(f) Electrical safety Audit & Arc Flash Assessment were carried out;

(g) Implementation of Log Out & Tag Out (LO & TO);

(h) Personal Protective Equipment Assessment;

(i) Evaluation of Building Stability;

(j) Safety Barricades for the Electrical panel;

(k) Emergency exit stairs are provisioned in Commission building.

(l) Celebration of Health Day as part of Health Awareness Campaign viz. World Asthama Day, World No-Tobacco Day, World Hepatitis Day, World Alzheimer's Day, World Mental Health Day & World Cancer Day.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) **Employees (Y/N)** – Yes.

(B) **Workers (Y/N)** – Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Bills of the value chain partners are cleared after ensuring remittance of applicable statutory dues to the concerned authorities by verifying deposit / remittance Challans submitted alongwith the Bills.




3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	-	-	-	-
Workers	3	3	1	-

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   Yes. Training Programs are conducted to retiring employees to provide financial planning for post superannuation.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	77%
Working Condition	77%

All of HALs value chain partners come under relevant labour laws and acts. Central and State Governments labour Departments conduct periodic inspections related to health and safety practices and working conditions at the premise of value chain partners. Any deviations or anomalies identified are suitably addressed by partners.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   Nil

PRINCIPLE 4:

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   The Company has robust system for identification of key stakeholders. Stakeholder engagement at HAL is an ongoing process wherein the Company interacts with its stakeholders at different levels to understand and address their expectations and collaborates with them for creating shared value. The Company has built a constructive relationship with all its stakeholders based on mutual trust, transparency, ethics and accountability. Continuous two-way dialogue process with stakeholders along with their feedbacks on various issues concerning the company's operations has enabled us to establish sustainable relationships with the stakeholders. Apart from Customers, Suppliers, Employees, Shareholders, Government, Regulatory & Statutory Bodies, Auditors, Bankers, Collaborators and JV Partners, all community members within 50 Kms radius from the location of the plant / Divisions of the Company are considered as key stakeholder of the Company.





2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, Letters, Meeting	Monthly, Quarterly, Half Yearly	Sorting out Technical & Logistic Issues
Vendors / Suppliers	No	Website, Emails HAL e-Portal GeM Portal	Against specific Tender Monthly.	Tender are hosted in Website. Summary report of Order Placed Nomination Procurement Procurement Plan for the interest of MSE vendors Procurement Plan for the interest of GeM vendors Open Tender available for Participating.
Shareholders	No	Website, Email, Letters, Meetings, Newspaper Publications, Annual Reports	As and when required	Shareholders meeting and Resolution of grievance
Employees	No	E-Newsletter	Monthly, Weekly, Occasionally and Fortnightly	Information on Company activities
Industry bodies, Regulators	No	Email, Letters, Meeting	As and when required	Ensure 100% compliance to all local laws
Auditors	No	Email, Letters, Meeting	Quarterly and Annual Audit	Audit
Governments; NGOs; local communities; media, industry analysts, society at large	No	As needed: Governance RFIs/ RFPs; presentations; project meetings; reviews; due diligence; calls and meetings; conferences and seminars; surveys; press releases; press conferences; media interviews and quotes; sponsored events, Analyst Meet	Monthly, Quarterly, Half Yearly	• Communicate HAL performance and strategy; • Share and contribute to insight into public and business concerns; • Discuss HAL response to responsible business issues.




Leadership indicators

1. **Provide the processes for consultation between stakeholders and the board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the board.**

   ESG priorities in the Company are driven from the uppermost level i.e., the Board of Directors. Board provides the strategic oversight and monitors the ESG progress. The Board of Directors has delegated the process of undertaking consultations with stakeholders to the management. The management of the Company actively engages with stakeholders through various platforms to ensure the feedback from stakeholders are incorporated on economic, environmental or social topics.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   HAL has firm belief that every Corporate Entity must showcase its ability, resilience & enthusiasm for serving back to the Environment & Society. Accordingly, the Company continuously engaged with vulnerable/ marginalized stakeholder groups to address their concerns by way of implementing various projects under CSR based on need assessment. Some of the significant Activities / Projects undertaken by the Company for the benefit of the Society including vulnerable/ marginalized stakeholder groups, are as follows:

   - ❖ Contribution of various Medical Equipments viz. CT Scanner, Heart-Lung Machine, Advanced Vestibular and Auditory Neuroscience facility, Laser proctology, Endoscopy, Colonoscopy, Dialysis machines etc., and also Basic / Advanced Life Support Ambulances to Government Hospitals / Institutions.
   - ❖ Construction of Zilla Parishad School buildings, Smart Classrooms, Mid-day meal hall etc.,
   - ❖ Free Education to the children with special needs from economically weaker sections of society.
   - ❖ Health Screening camps for early detection of Cancer amongst Women; Malnutrition and Stunting among children, etc.
   - ❖ Distribution of Assistive Devices and motorized tricycles to Divyangjans;
   - ❖ Infrastructure development in Kasturba Gandhi Balika Vidyalayas (KGBVs);
   - ❖ Construction of Libraries;
   - ❖ Development of Rural infrastructure;
   - ❖ Establishment of CNC Machining Centres at National Skill Training Institute (NSTI), Kanpur;
   - ❖ Construction of Telangana State Welfare Residential School & Degree College for Girls at Medchal – Malkajgiri District, Telangana.




PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
			Employees			
Permanent	**22033**	**743**	**3.09%**	22655	865	3.63%
Other than permanent	**1966**			1111		
Total Employees	**23999**	**743**	**3.09%**	**23766**	**865**	**3.63%**
			Workers			
Permanent	**14662**	**238**	**1.43%**	15344	330	2.02%
Other than permanent	**1947**			956		
Total Workers	**16609**	**238**	**1.43%**	**16300**	**330**	**2.02%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Permanent	**22033**	**-**	**-**	**22033**	**100**	22655	-	-	22655	100
Male	**19954**	**-**	**-**	**19954**	**100**	20564	-	-	20564	100
Female	**2079**	**-**	**-**	**2079**	**100**	2091	-	-	2091	100
Other than Permanent	**1966**	**-**	**-**	**1966**	**100**	1111	-	-	1111	100
Male	**1845**	**-**	**-**	**1845**	**100**	1044	-	-	1044	100
Female	**121**	**-**	**-**	**121**	**100**	67	-	-	67	100
					Workers					
Permanent	**14662**	**-**	**-**	**14662**	**100**	15344	-	-	15344	100
Male	**13337**	**-**	**-**	**13337**	**100**	13995	-	-	13995	100
Female	**1325**	**-**	**-**	**1325**	**100**	1349	-	-	1349	100
Other than Permanent	**1947**	**-**	**-**	**1947**	**100**	956	-	-	956	100
Male	**1834**	**-**	**-**	**1834**	**100**	914	-	-	914	100
Female	**113**	**-**	**-**	**113**	**100**	42	-	-	42	100




3. Details of remuneration/salary/wages

a. Median remuneration / wages:

		Male		Female	
		Number	Median remuneration/ salary/ wages of respective category (in ₹)	Number	Median remuneration/ salary/ wages of respective category (in ₹)
(a)	Board of Directors (BoD)				
	Functional Directors	3	59,05,899	-	-
	Govt. Nominee Director	2	-	-	-
	Independent Director	1	-	-	-
(b)	Key Managerial Personnel	4	56,85,724	-	-
(c)	Employees other than BoD and KMP	21,795	19,29,572	2,200	18,92,993
(d)	Workers	15,171	13,77,049	1,438	13,05,151

Note:

a. Board of Directors and KMPs as on 31.03.2025 has been considered. Median salary arrived based on Salary & perquisite as per Section 17(1) & 17(2) of the Income Tax Act, 1961 for the year 2024-25.

b. Key Managerial Personnel includes 3 Functional Directors and Company Secretary.

c. Remuneration details of Board of Directors and KMPs are as covered under Corporate Governance Report, which is part of the Annual Report 2024-25.

d. Government Nominee Director does not receive any remuneration from the Company.

e. Independent Director receives the sitting fees for attending the meeting of Board and its Committees.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	**9.00%**	8.99%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, HR Heads of the Company and the respective Divisions of HAL are responsible.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Company has a robust grievance redressal system. Refer Q.No.6 under Principle-3. Contracts with value chain partners which involve deployment of labour include specific conditions towards health & safety, working hours, and remuneration. Company complies with applicable labour Laws and a compliance report is submitted by Heads of Divisions.

For contractual employees, the Engineer-in-Charge / Office-in-Charge / Dept. concerned handling the Contracts in the Divisions / Offices looks after issues related to remuneration, health & safety within the premises and working hours.

Further, Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is constituted in the Divisions / Offices of HAL to deal with Complaints related to Sexual Harassment and conduct enquiries on such issues.





6. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending Resolution at the end of the year	Remarks	Filed during the year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	**5**	**2**	**-**	1	0	-
Discrimination at Workplace	**0**	**0**	**-**	0	0	-
Child Labour	**0**	**0**	**-**	0	0	-
Forced Labour / Involuntary Labour	**0**	**0**	**-**	0	0	-
Wages	**0**	**0**	**-**	0	0	-
Other Human Rights related issues	**0**	**0**	**-**	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	**5**	1
Complaints on POSH as a % of female employees / workers	**0.14%**	0.03%
Complaints on POSH upheld	**1**	1

***Note**: Female Contract workforce engaged through Contractors are also taken into account for percentage calculation.*

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

It is ensured that, no work related adverse consequences are meted out to the Complainant by placing the Complainant & Respondent in different work places, in case both were in the same work place. Moreover, the Complainant is encouraged to report any such incidences to the higher authorities for appropriate action.

9. Do human rights requirements form part of your business agreements and contracts?

(Yes/No)

HAL being a DPSU has to follow all rules and regulations set by the Government, Human rights requirements definitely form part of all of HALs business agreements and contracts.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%. Internal Assessments have been carried out by the Entity and Other statutory authorities.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	




11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No violations were noticed.

Leadership Indicators

1. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	77%
Discrimination at workplace	77%
Child Labour	77%
Forced Labour/Involuntary Labour	77%
Wages	77%
Others – please specify	-

2. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 1 above.

NIL

PRINCIPLE 6:

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: -

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	**312,044 GJ**	336,409 GJ
Total fuel consumption (B)	**-**	-
Energy consumption – through other sources (C)	**-**	-
Total energy consumed from renewable sources (A+B+C)	**312,044 GJ**	336,409 GJ
From non-renewable sources		
Total electricity consumption (D)	**527,423 GJ**	451,604 GJ
Total fuel consumption (E)	**834,656 GJ**	415,831 GJ
Energy consumption – through other sources (F)	**-**	-
Total energy consumed from non- renewable sources (D+E+F)	**1,362,079 GJ**	867,435 GJ
Total energy consumed (A+B+C+D+E+F)	**1,674,123 GJ**	**1,203,844 GJ**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	**54.04 GJ per ₹ Crore**	**39.63 GJ per ₹ Crore**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	**91.67 GJ per Million USD**	**81.66 GJ per Million USD**
Energy intensity in terms of physical output	**-**	**-**
Energy intensity per rupee of Value of Production (Total energy consumed / Value of Production)	**44.37 GJ per ₹ Crore**	**39.97 GJ per ₹ Crore**





Note:

(a) Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes, Sustainability Actions Pvt Ltd

(b) The energy from fuels has been derived based on conversion factors in Table 1.2 of 2006 IPCC Guidelines for National Green House Gas Inventories.

(c) The PPP adjusted revenue is derived based on the PPP rate published by IMF at https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	**-**	-
(ii) Groundwater	**3,398,807**	3,533,690
(iii) Third party water	**11,278,126**	9,957,210
(iv) Seawater / desalinated water	**-**	-
(v) Others	**4,119**	2,586
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**14,681,052**	**13,493,486**
Total volume of water consumption (in kilolitres)	**14,681,052**	**13,493,486**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	**473.87 KL per ₹ Crore**	**444.14 KL per ₹ Crore**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	**803.93 KL per Million USD**	**915.31 KL per Million USD**
Water intensity in terms of physical output	**-**	**-**
Water intensity per rupee of Value of Production (Total water consumption /Value of Production)	**389.12 KL per ₹ Crore**	**448.02 KL per ₹ Crore**

Note:

(a) Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Sustainability Actions Pvt Ltd

(b) Data includes consumption of HAL Township.

(c) The PPP adjusted revenue is derived based on the PPP rate published by IMF at https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC




4. Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	**-**	-
- With treatment – please specify level of treatment	**-**	-
(ii) To Groundwater		
- No treatment	**-**	-
- With treatment – please specify level of treatment	**-**	-
(iii) To Seawater		
- No treatment	**-**	-
- With treatment – please specify level of treatment	**-**	-
(iv) Sent to third-parties		
- No treatment	**56,629**	66,257
- With treatment – please specify level of treatment	**-**	-
(v) Others		
- No treatment	**-**	-
- With treatment – please specify level of treatment	**-**	-
Total water discharged (in kilolitres)	**56,629**	**66,257**

Note:

(a) Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Sustainability Actions Pvt Ltd.

(b) All the production locations of HAL have captive STPs/ETPs for treating the waste/effluent water. The treated water is used for non-potable purposes and to some extent in process. Offices discharge the waste water to local utility for further treatment. The discharge is estimated assuming 80% of the water withdrawn reaches the treatment plants.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

HAL has made investments in effluent treatment plant with Zero Liquid discharge (ZLD) system.

STPs and ETPs have been installed at all our major production locations for treating waste water/effluent. The treated water is used for gardening and other non-potable uses.

HAL disposes used oil, e-waste and Hazardous waste such as ETP Sludge, Paint Sludge, Waste water soluble coolant, Used Grease, Oil soaked cotton waste through Pollution Control Board authorized agencies.





6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	Metric Tonnes	**58.88**	37.50
SOx	Metric Tonnes	**31.28**	17.27
Particulate matter (PM)	Metric Tonnes	**139.05**	96.67
Persistent Organic Pollutants (POP)	Metric Tonnes	**-**	-
Volatile Organic Compounds (VOC)	Metric Tonnes	**-**	-
Hazardous Air Pollutants (HAP)	Metric Tonnes	**-**	-
Others – (CO, Acid mist, alkali mist)	Metric Tonnes	**10.86**	8.58

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Sustainability Actions Pvt Ltd

7. Provide details of Greenhouse Gas Emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	**75,808**	48,876
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	**106,510**	89,066
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Tons per ₹ Crore	**5.88**	**4.54**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Tons per Million USD	**9.98**	**9.36**
Total Scope 1 and Scope 2 emission intensity in terms of physical output		**-**	**-**
Total Scope 1 and Scope 2 emission intensity per rupee of Value of Production (Total Scope 1 and Scope 2 GHG emissions / Value of Production)	Tons per ₹ Crore	**4.83**	**4.58**

Note:

a) Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Sustainability Actions Pvt Ltd

b) The Scope 1 emissions from fuel use have been derived based on conversion factors in Table 2.3 of 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

c) The Scope 2 emissions from electricity use have been derived based on conversion factor published by Central Electricity Authority Document Version 20.

d) The PPP adjusted revenue is derived based on the PPP rate published by IMF at https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC




8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

HAL has made investments towards installation of energy efficient chillers / Air Conditioners and ceiling fans.

The Company also uses renewable energy for captive consumption at production sites. Details of the renewable energy are:

- **Rooftop solar:** HAL has installed a total of 8.42 MW capacity Rooftop based Solar Energy Systems, till date.
- **Ground mounted solar:** HAL has installed a total of 26.95 MW capacity Solar power plants, till date.
- **Wind Energy:** HAL has installed 14.7 MW capacity wind power plants in Karnataka.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	**30.54**	7.24
E-waste **(B)**	**17.48**	15.96
Bio-medical waste **(C)**	**26.37**	25.66
Construction and demolition waste **(D)**	**4,638.97**	857.28
Battery waste **(E)**	**55.02**	34.99
Radioactive waste **(F)**	**0**	0
Other Hazardous waste. Please specify, if any. **(G)**		
(i) ETP/Paint/Magnesium sludge	**63.71**	57.53
(ii) Used Oil/Coolant oil (KL)	**504.02**	815.00
(iii) Waste residue containing oil	**5.38**	11.00
(iv) Spent hardening salt/grease/chemicals	**18.55**	7.75
(v) Others	**194.61**	641.98
Sub-total (G)	**786.27**	1,533.26
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
(i) Metal Scrap	**1,585.18**	806.68
(ii) Non-Metal Scrap	**2,636.28**	2,177.93
(iii) Mixed waste	**8,510.15**	5,601.62
Others (Cu.m)	**-**	-
Sub-total (H)	**12,731.61**	8,586.23
Total (A + B + C + D + E + F + G + H)	**18,286.26**	**11,060.62**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	**0.59 MT per ₹ Crore**	**0.36 MT per ₹ Crore**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	**1.00 MT per Million USD**	**0.75 MT per Million USD**
Waste intensity in terms of physical output	**-**	**-**
Waste intensity per rupee of Value of Production (Total waste generated /Value of Production)	**0.48 MT per ₹ Crore**	**0.37 MT per ₹ Crore**





For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste (Plastic waste)		
(i) Recycled	2.14	0
(ii) Re-used	0	0
(iii) Other recovery operations	3.50	0
Total	**5.64**	**0**
Category of waste (E-waste)		
(i) Recycled	2.18	15.96
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**2.18**	**15.96**
Category of waste (Bio-medical waste)		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste (Construction and demolition waste)		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste (Battery waste)		
(i) Recycled	13.75	13.75
(ii) Re-used	0	0
(iii) Other recovery operations	1.40	0
Total	**15.15**	**13.75**
Category of waste (Used/Coolant Oil)		
(i) Recycled (KL)	0	34.20
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total (KL)	**0**	**34.20**
Category of waste (Other Hazardous waste)		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste (Other Non-Hazardous waste)		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**




For each category of waste generated, total waste disposed by nature of disposal method (in Metric tonnes)		
Category of waste (Plastic waste)		
(i) Incineration	0	0
(ii) Landfilling	2.30	0.02
(iii) Other disposal operations	22.60	7.22
Total	**24.90**	**7.24**
Category of waste (E-waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	15.30	0
Total	**15.30**	**0**
Category of waste (Bio-medical waste)		
(i) Incineration	22.72	20.98
(ii) Landfilling	0	0.73
(iii) Other disposal operations	3.65	3.95
Total	**26.37**	**25.66**
Category of waste (Construction and demolition waste)		
(i) Incineration	0	0
(ii) Landfilling	3,067.61	536.95
(iii) Other disposal operations	1,571.36	320.33
Total	**4,638.97**	**857.28**
Category of waste (Battery waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	39.87	21.24
Total	**39.87**	**21.24**
Category of waste (Used/Coolant Oil)		
(i) Incineration (KL)	38.80	20.00
(ii Landfilling	0	0
(iii) Other disposal operations	465.22	760.80
Total (KL)	**504.02**	**780.80**
Category of waste (Other hazardous waste)		
(i) Incineration	171.39	0
(ii) Landfilling	0	0
(iii) Other disposal operations	110.86	718.26
Total	**282.25**	**718.26**
Category of waste (Other Non-hazardous waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	12,918.12	8,586.23
Total	**12,918.12**	**8,586.23**





For each category of waste generated, total waste disposed by nature of disposal method (in Metric tonnes)		
Category of waste (Other Non-hazardous waste)		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations (cu.m)	0	234
Total (cu.m)	**0**	**234**

Note:

(a) Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If Yes, name of the external agency.

Yes, Sustainability Actions Pvt Ltd.

(b) The various waste generated are disposed by auction/contractors. Hazardous waste is disposed through Pollution Control Board authorized agencies either for recycling/incineration/other disposal as per applicable waste management rules. Non-hazardous waste such as metal and non-metal scrap is disposed by auction through MSTC portal. Mixed waste consisting of municipal waste is disposed through local authorized agencies.

(c) The PPP adjusted revenue is derived based on the PPP rate published by IMF at https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has adopted a strong waste management system to meet the compliance with respect to local regulations. The well-established system is supporting our operations to properly segregate the waste at source & adopt the 3R concept to reduce, reuse & recycle. The waste generated within our premises is recycled through authorized recyclers and on-site composting machines (in facilities and residential establishments) and remaining waste is disposed through State Pollution Control Board approved landfill/incineration facilities.

HAL is governed by various Acts and Rules like the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, Solid Waste Management Rules, 2016, Air Prevention and Control of Pollution Act (1981), Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution), Act 1974 etc.

All the Divisions are ISO 14001 certified and comply with the rules prescribed by respective State Pollution Control Boards. All emissions and waste generation is monitored as prescribed by the Pollution Control Boards.

Municipal Solid Waste (MSW) generated from Townships and Factories is segregated at source in Townships and Factories (Wet, Dry, Garden, Sanitary and Rejects). Through the process of Vermi-Composting, the Bio-degradable waste comprising of domestic waste and horticulture waste is being converted to manure. For better utilization of biodegradable waste generated from HAL Estates, the Company has installed Solid Waste Management Units like Organic Waste Converters and Bio Gas Plants at select places.

The Divisions which use and generate hazardous effluents such as chrome, acid/alkali, cyanide etc. have independent Effluent Treatment Plants (ETPs) for treatment.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
HAL does not have any operations/ offices in/ around ecologically sensitive areas			




12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NOT APPLICABLE					

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N).**

    Yes

    If not, provide details of all such non-compliances, in the following format:

Sl. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NOT APPLICABLE				

Leadership Indicators

1. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Not Applicable

2. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   The risks related to business continuity and disaster management are covered as part of the Risk Management Policy. The policy is available at the following link: https://hal-india.co.in/backend/wp-content/uploads/2023/07/Risk_Management_Policy_20.pdf

3. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   HAL value chain partners have not reported any adverse impact to environment.

4. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   Analysis done based on Questionnaires on Environment Management System implementation and also certifications received by Supply Chain Partners based on the analysis, 55% by value follow environmental norms.

PRINCIPLE 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   The Company has taken Corporate Membership with five (5) Nos. of trade and industry chambers/ associations.





b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
2	The Associated Chambers of Commerce & Industry of India (ASSOCHAM India)	National
3	Confederation of Indian Industry (CII)	National
4	Engineering Export Promotion Council India (EEPCI)	National
5	Society of Indian Defence Manufacturers (SIDM)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity: No

Sl. No.	Public resorted advocated	Method resorted for such advocacy	Whether information available in Public domain? (Yes / No)	Frequency of Review by Board (Annually / Half Yearly / Quarterly / Others Please specify)	Web Link, if available
-	-	-	-	-	-

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NOT APPLICABLE					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NOT APPLICABLE						

3. Describe the mechanisms to receive and redress grievances of the community.

Complaint can be received through Public Grievance Portal (www.pgportal.gov.in)




4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2024-25	FY 2023-24
Directly sourced from MSMEs / small Producers*	**53%**	44.53%
Directly from within India**	**23%**	20%

** The value of procurement made from MSMEs/Total Domestic Procurement*

*** Local material consumption/ Total material consumption.*

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

Location	FY 2024-25	FY 2023-24
Rural	**3%**	3%
Semi-urban	**22%**	23%
Urban	**2%**	2%
Metropolitan	**73%**	72%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
NOT APPLICABLE	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sl. No.	State	Aspirational District	Amount spent (₹ lakhs)
1	Odisha	Koraput	1,722.91
2	Jharkhand	Ranchi	308.00
3	Uttar Pradesh	Chitrakoot	67.44
4	Madhya Pradesh	Barwani, Khandwa	79.10
	Total		**2,177.45**

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

Yes

Preferential procurement is mandated as per the Public Procurement Policy for Micro and Small enterprises (MSEs) order 2012 and its subsequent amendments from time to time as issued by Ministry of MSME, GoI.

(b) **From which marginalized /vulnerable groups do you procure?**

HAL procures from marginalized /vulnerable groups MSEs owned by Social Category (SC/ST) and MSE Companies owned by Women.





(c) What percentage of total procurement (by value) does it constitute?

Location	FY 2024-25	FY 2023-24
% Procurement Social Category (SC/ST) Entrepreneurs*	**0.7%***	0.67%
% Procurement from Women Entrepreneurs**	**3.63%****	3.34%

** The value of procurement made from SC/ST MSEs/Total Domestic Procurement*

*** The value of procurement made from Women MSEs/Total Domestic Procurement*

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	Nil	No	No	NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
-	-	-

6. Details of beneficiaries of CSR Projects:

The beneficiaries of CSR Projects for which the Impact Assessment was carried out during the year:

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects (approx.)	% of beneficiaries from vulnerable and marginalized groups
1	Establishment of Additional Skill Development Labs at HAL-IISc SDC, Challakere, Chitradurga.	3000	60%
2	Establishment of Solar power Generation Plant at HAL- IISc SDC, Challakere, Chitradurga.	4500	60%
3	Contribution of medical equipment's to Central Sterile Service Department (CSSD), Institute of Gastroenterology Sciences and Organ Transplant, Bengaluru	60000	80%
4	Information and Communication Technology infrastructure for implementation of Digital Literacy in "Karnataka Residential Educational Institutions Society (KREIS) PU Colleges"	3000	85%
5	Establishment of Advanced Centre for Bio-Energy Research at University of Agricultural Science, Bangalore	1000	60%
6	Skill Development & Entrepreneurship Development program, Chikkaballapura, Kolar & Bengaluru	1000	65%
7	Imparting Education to children in and around Sunabeda, Koraput	1200	95%
8	Construction of Community Centre and Playground at Dande ka Purwa Village, Bidhnoo Block, Kanpur	5000	70%
9	Contribution of Medical Equipments to GSVM Govt. Hospital / Medical College, Kanpur	2000	65%
10	Contribution of underground Smart Bins and Compactor Vehicles to Nagar Nigam, Lucknow	75000	60%




Sl. No.	CSR Project	No. of persons benefitted from CSR Projects (approx.)	% of beneficiaries from vulnerable and marginalized groups
11	Vocational Skill Training through National Institute of Entrepreneurship & Small Business Development, Min. of Skill Development & Entrepreneurship	300	80%
12	Apprenticeship Training in different trades under CSR, Lucknow.	308	70%

Note: Beneficiaries are on daily basis [Sl.No. 4 &10]

PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Defence forces have a well-established, structured and periodic meetings for raising issues. Same is being followed and complied by HAL. These documents are treated as confidential by Defence forces. Internally, the issues are being monitored at Corporate level and a monthly updates on the same are being forwarded to the Customers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications. Hence, Not Applicable
Safe and responsible usage	100%
Recycling and/or safe disposal	The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications. Once the products are sold they would not come back to the Company. Hence not applicable.

HAL's products and services are supplied to Defence Services & usage by Customers are as per their guidelines.

3. Number of consumer complaints in respect of the following:

	FY 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	**0**	**0**	**-**	0	0	-
Advertising	**0**	**0**	**-**	0	0	
Cyber-security	**0**	**0**	**-**	0	0	-
Delivery of essential services	**158**	**0**	**-**	197	0	The issues have been deliberated in structured meeting with Customers and have been attended
Restrictive Trade Practices	**0**	**0**	**-**	0	0	-
Unfair Trade Practices	**0**	**0**	**-**	0	0	-
Other	**0**	**0**	**-**	0	0	-





4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes

   https://hal-india.co.in/backend/wp-content/uploads/2023/03/Cyber_Security_Policy.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   HAL's customers being the Defence Forces, the information is confidential.

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches :** Nil

   b. **Percentage of data breaches involving personally identifiable information of customers:** Not Applicable

   c. **Impact, if any, of the data breaches:** Not Applicable

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information on products and services are available at HAL website www.hal-india.co.in

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications by Indian Armed Forces. HAL provides training and all the necessary documents pertaining to all products of the Company to Customers.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The main products of the Company are Aircraft, Helicopters, Engines and other accessories for use in strategic/national security applications by Indian Armed Forces. HAL is committed to provide support to Indian Armed Forces till our product is in service.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   NA





Independent Assurance Statement

To,
The Board of Directors
Hindustan Aeronautics Limited
15/1, Cubbon Road,
Bengaluru – 560 001, Karnataka.

Scope and Approach

Sustainability Actions Private Limited ("SAPL") has been engaged by the management of Hindustan Aeronautics Limited ("HAL" or "the Company"), as an Independent Reasonable Assurance Provider of the Company's Business Responsibility and Sustainability Report (BRSR) Core Matrices (refer to Annexure I) for the Financial Year 2024-25.

Reporting Criteria

Our reasonable assurance covers the sustainability Information listed in Annexure-I of this report. The reporting boundary is disclosed in Question 13 of Section A: General Disclosure of the BRSR, with exceptions noted under respective questions.

The criteria utilized by the Company to prepare the identified sustainability information are as follows:

- Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended;
- Chapter IV-B of SEBI master circular for compliance with the provisions of the SEBI (LODR) Regulations by listed entities, issued vide SEBI/HO/CFD/PoD2/CIR/P/0155 and dated November 11, 2024;
- "Guidance Note for Business Responsibility and Sustainability Reporting Format" by Securities and Exchange Board of India (SEBI); and
- SEBI/HO/CFD/PoD-1/P/CIR/2024/177 dated December 20, 2024 – Industry Standards Note on Reporting of BRSR Core.
- SEBI/HO/CFD/PoD-1/P/CIR/2025/42 dated March 28, 2025 – Measures to facilitate ease of doing business with respect to framework for assurance or assessment, ESG disclosures for value chain, and introduction of voluntary disclosures on green credits.

Management Responsibilities

The Company's Management is responsible for identification of key aspects, content and presentation of the Business Responsibility and Sustainability Report in accordance with the Criteria mentioned above. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Business Responsibility and Sustainability Report and measurement of BRSR Core Matrices which are free from material misstatement, whether due to fraud or error.

Independence and Quality Control

We are independent from the entity in accordance with the requirements of independence and quality assurance set out in BRSR provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our assurance engagements are based on the assumption that the data and information provided by the company to us as part of our review have been provided in good faith and free from material misstatements. We were not involved in the preparation of any statements or data included in the Report except for Assurance Statement. Our firm applies International Standard on Quality Management and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We apply SQC 1 for quality control in assurance and related services.

Reasonable Assurance

A reasonable assurance engagement includes identifying and assessing the risks of material misstatement of the Identified Sustainability Information, whether due to fraud or error, and responding to the assessed risks as required by the circumstances.

As part of our assurance process, a multi-disciplinary team of sustainability and assurance specialists reviewed the disclosures presented within the Report and referenced information, and sampled the disclosures and were reviewed through the company's customised sustainability information management system.

The procedures conducted were based on professional judgement and included inquiries, observation of processes performed, inspection of documents, evaluation of quantification methods and reporting policies, analytical procedures, and reconciliation with underlying records. Given the circumstances of the engagement, in executing the procedures outlined above, we:

- Obtained an understanding of the identified sustainability information and related disclosures;
- Acquired knowledge of the assessment criteria and assessed their adequacy for evaluating and/or measuring the identified sustainability information;
- Conducted inquiries with Company's management, including the environment team, compliance team, human resources team, and other relevant personnel responsible for preparing the Report;





- Developed an understanding and performed an evaluation of the design of key systems, processes, and controls for recording, processing, and reporting the identified sustainability information at the corporate office and other locations.
- Based on our understanding and the potential risks of material misstatement in the identified sustainability information, we determined the nature, timing, and extent of further procedures.
- We tested the Company's process for compiling sustainability information by comparing or reconciling it with the underlying records.
- We verified the consolidation of data from various plants and offices on a sample basis within the reporting boundary to ensure the completeness of the reported data.

We believe that the evidence we have gathered is both sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Our Responsibility

Our responsibility is to express a reasonable assurance conclusion on the identified sustainability indicators, based on the procedures we have performed and the evidence we have obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements other than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with the Company. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

Reasonable Assurance Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the company's identified sustainability criteria as per BRSR core framework for the financial year ended 31st March 2025 are not prepared, in all material respects, in accordance with the Reporting Criteria.

Inherent Limitations

We have relied on the information, documents, records, data, and explanations provided to us by the Company for the purpose of our review. The assurance scope excludes:

- Any disclosure other than those mentioned in the scope section above
- Data and information outside the defined reporting period
- Data related to Company's financial performance, strategy and other related linkages expressed in the Report.
- The reported financial data are based on audited financial statements issued by the Company's statutory auditors which is subject to a separate audit process. We were not involved in the review of financial data from the Annual Report.
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, forward looking statements provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.
- While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.
- The procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

For and behalf of Sustainability Actions Pvt. Ltd.
(CIN – U74999HR2021PTC093811)



Saket Sinha
(Director)

Date: 28th May 2025
Gurgaon, India




Annexure – I

BRSR Core attributes

	BRSR Indicator	Type of Assurance
P1 E8	Number of days of accounts payable	Reasonable
P1 E9	Concentration of purchases & sales done with trading houses, dealers and related parties Loans and advances & investments with related parties	Reasonable
P3 E1c	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	Reasonable
P3 E11	Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities	Reasonable
P5 E3b	Gross wages paid to females as % of wages paid	Reasonable
P5 E7	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees and complaints upheld	Reasonable
P6 E1	Details of total energy consumption (in Joules or multiples)	Reasonable
P6 E1	Details of total energy intensity	Reasonable
P6 E3	Details of water withdrawal by source	Reasonable
P6 E3	Details of water consumption	Reasonable
P6 E4	Details of water discharged	Reasonable
P6 E6	Details of Air Emissions (Other than GHG emissions)	Reasonable
P6 E7	Details of greenhouse gas emissions (Scope 1)	Reasonable
P6 E7	Details of greenhouse gas emissions (Scope 2)	Reasonable
P6 E7	Details of greenhouse gas emissions (Scope 1 and Scope 2) intensity	Reasonable
P6 E9	Details related to waste generated by category of waste	Reasonable
P6 E9	Details related to waste recovered through recycling, re-using or other recovery operations	Reasonable
P6 E9	Details related to waste disposed by nature of disposal method	Reasonable
P8 E4	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India	Reasonable
P8 E5	Job creation in smaller towns	Reasonable
P9 E7	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events	Reasonable



Independent Auditor's Report

TO THE MEMBERS OF HINDUSTAN AERONAUTICS LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Hindustan Aeronautics Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of the Material Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements") in which are included the returns of 29 divisions for the period ended on that date audited by the Division Auditors of the company.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and its Profit, Total comprehensive income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SA's) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* 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 Standalone Financial Statements under the provisions of the Act 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 Standalone Financial Statements extracted below:

Note 49: Clause - 43G

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

On an interpretation on pay refixation and pursuant to the directives of the Administrative Ministry, the pay fixation to be revised and the excess amount paid is to be recovered from the employees. Based on the directives Company issued a Circular dated 24.07.2021 and the communication dated 26.07.2021 for recovery of the excess amount.

While so, the Employees Union and Officers Association have filed Writ Petition with Hon'ble High Court of Karnataka to stay recovery of excess amount of salary paid by the Company. The H'ble High court given verdict in favour of Officers Associations by setting aside the Circular dated 24.07.2021 and the communication dated 26.07.2021 issued by the Management. The order of the H'ble High Court in favour of Officers was put up to the Board in its 490th Meeting held on 12.02.2025. Board has noted the judgement of the H'ble High Court and accorded approval to abide by the Court order. Accordingly, the differential amount withheld by the Management in respect of Ex-officers has to be released /refunded to the concerned Ex-officers/Nominees along with applicable interest.

As per the Board approval, one increment impact amount of ₹ 2712 lakhs recovered from the retired/deceased/resigned employees has been paid during 2024-25. Further, in respect of officers an amount of ₹ 18565 lakhs credited to salaries and wages in the earlier years and kept under claims receivable has been reversed during 2024-25. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.




In respect of workmen, the order is awaited, hence, reduction of salaries and wages in respect of workmen continued for the year ended 31st March 2025 and ₹ 2444 lakhs effect given in the books towards this. Excess amount credited to salaries and wages in respect of workmen has been shown under claims receivable (Gross) of ₹ 16390 lakhs as at 31st March 2025 (previous year: ₹ 14282 lakhs).

Based on the final verdict, decision in respect of workmen will be taken and suitable effect will be carried out in the accounts.

Note 49: Clause - 43D(ii)

Ministry vide OM dated 12.07.2023 has conveyed the approval for increasing the Company's contribution to the Pension Scheme of Executives from existing 7% to 10% of Basic Pay + DA w.e.f. 01.01.2017. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2017 has been made in respect of executives who are on the rolls of the Company as on the date of implementation of the revised ceiling i.e. 01.01.2017. In respect of new incumbents who joined the Company post 01.01.2017, it will be effective from the date of appointment.

The additional liability accruing to the Company due to the increased ceiling, is ₹ 21776 lakhs pertaining to the period from 1 January, 2017 to 31 March, 2024 (₹ 3719 lakhs for the year ended 31 March, 2025). The total additional financial impact on revision of pension contribution upto 31st March 2024 has been given effect in the books of accounts during the year ended 31 March, 2024. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.

In respect of workmen, Company issued Circular dated 24.04.2025 has conveyed the approval for increasing the Company's contribution to the Pension Scheme from existing 7% to 10% of Basic Pay + DA w.e.f. 01.01.2025. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2025 has been made in respect of workmen who were on the rolls of the Company as on the date of implementation of the revised ceiling.

The additional liability accruing to the Company due to the increased ceiling is ₹ 1051 lakhs pertaining to the period from 1 January, 2025 to 31 March, 2025. The total additional financial impact on revision of pension contribution has been given effect in the books of accounts during the year ended 31 March, 2025. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.

Note 49: Clause – 13B

Exceptional item represents ₹ 589 Lakhs received on 12th September 2024 for compensation received from the Office of Special Land Acquisition Officer, Bangalore under KIADB Act, on compulsory acquisition of 315 Sq. Mtrs (0.078 Acres) of HAL land at Beninganahalli Village, Bangalore by M/s Bangalore Metro Rail Corporation Ltd.

Note 49: Clause – 31B

Inventory were damaged due to floods caused by rains during September 2022. Based on the internal technical assessment, the loss of Inventory was estimated as ₹ 7856 lakhs. Subsequently, based on the findings as part of the exercise to submit an insurance claim, the actual loss towards HAL owned items reassessed as ₹1001 lakhs and towards Customer owned and sister division owned items as ₹ 5590 lakhs. For the same, the provision was created in the books as redundancy charges of ₹ 1001 lakhs and as replacement charges of ₹ 5590 lakhs during 2023-24. Based on the insurance claims submitted by the division for HAL owned items, the Insurance Surveyor has assessed loss of ₹ 688 lakhs, for which an advance amount of ₹ 250 lakhs is received as interim settlement and for the balance receivable from insurer of ₹ 438 Lakhs is shown under claims receivable as at 31st March 2025. Further, during the year, based on the feedback received from OEMs on retraival of the items, the Company has re assessed the loss of inventory as ₹ 3664 Lakhs against ₹ 5590 lakhs assessed during 2023-24. Hence, ₹ 3664 lakhs has been retained under Provision for Replacement and Future Charges and the balance provision of ₹ 1926 lakhs towards inventory retrieved back has been reversed during 2024-25. Insurance claims of ₹ 688 lakhs admitted by the Insurer, hence redundancy charges for the same amount has been reversed during 2024-25.

Note 49: Clause – 31E

One overhauled Su-30 Aircraft having tail no. SB-182 got crashed during a flight near Ozar, Nashik on 04th June 2024. HAL has taken an insurance policy for efforts and material used in overhaul, and preferred the claim with the Insurance Company for ₹14435 lakhs. An amount of ₹ 14071 lakhs have been advised for payment by Insurance Company after deducting policy Administration charges. The disbursement has been received by HAL Nasik on 17th January 2025.





Further, Brought on Charge (BOC) action of SB-182 was not completed and Aircraft was under custody & control of HAL. Board of Investigation (BOI) has been setup for finding the exact reason for the accident of aircraft. Customer is also demanding for the replacement of equivalent Aircraft. As there is no replacement aircraft (Cat-B) available, out of prudence, provision of ₹ 84336 lakhs for new aircraft have been created during 2024-25.

Note 49: Clause – 31C

Existing FPQ (arising out of 3rd PPRC) is up to 2022-23. 4th PPRC is under progress, due to which the prices for the year 2023-24 and onwards is yet to be firmed up. Hence pending finalisation of approval for the fixation of FPQ prices for the year 2023-24 and 2024-25, sales have been recognized provisionally based on the indices provided by Air HQ.

During the year ended 31.03.2024, Divisions have recognized FPQ sales by considering the FPQ price of 2022-23, applying indices of 2023-24. For the year ended 31.03.2025, Divisions have recognized FPQ sales by considering the provisional price of 2023-24, and applying indices of 2024-25.

Note 49: Clause – 43C(i)

The Company has provided Performance Related Pay for the year as per the Guidelines issued by Department of Public Enterprises.

Note 49: Clause – 43C(ii)

During the year 2011, C&AG observed that the profits earned from short term deposits is an incidental activity and not a core activity of the Company and inclusion of the interest income from these deposits for PRP computation had led to excess of payment of ₹ 4318 lakhs to its executives. Based on HAL reply on difficulties in recovery, the C&AG vide letter dated 11th November 2024, suggested that the issue of difficulties in retrospective recovery of excess amount of ₹ 4318 lakhs paid on account of PRP for the year 2009-10 to 2011-12 be placed before the Board for obtaining waiver and disclose in the financial statements.

In compliance with the C&AG letter, the issue of difficulties in retrospective recovery of excess amount paid on account of PRP for the year 2009-10 to 2011-12 to its Executives was placed before HAL Board in its 488th Meeting held on 16th December 2024.

After deliberation, HAL Board approved the waiver from recovery of ₹ 4318 lakhs of excess payment of PRP for the year 2009-10 to 2011-12 to its Executives. Necessary accounting treatment has been done in the accounts for the year ended 31.03.2025.

Note 49: Clause – 27

Balance shown under Trade Receivables, Trade Payable, Claims Receivable, Advance against Goods and Services, Capital Advances, deposits and stock / materials lying with sub-contractors / fabricators are under reconciliation. Since the Company is a Government entity under the control of Ministry of Defence (MoD), around 98% of the Company's turnover, around 98% of Trade receivables and Contract Assets, around 97% of Claims receivables and around 99% of the customer advances is with respect to Government and Government related entities. The bills are raised on the customers by the divisions located at various places and reconciliation is carried out on an ongoing basis. However, Management does not expect to have any material financial impact of such pending confirmation / reconciliation.

Note 49: Clause – 21B

An incidence of cyber fraud in the Division was noticed by the Management where the advance payment of ₹ 55 lakhs (USD 63,405.44) was transferred to a different bank account due to compromised email received from different domain other than the original source (vendor) and the matter was referred to Cybercrime cell and was also taken up with NIC for further investigation of any breach of NIC server. An amount of ₹ 55 lakhs has been transferred to Claim Receivable-Credit Impaired (Note-19) and provision for same has been made in the books of accounts during the financial year 2024-25. Further accounting treatment will be made based on the outcome of investigation in this regard.




Note 49: Clause – 45E(v)

A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Systems Testing and Research for Advanced Materials Foundation (STREAM)". The total project cost ₹ 49.68 Crs comprising of Govt. Grant-in-Aid of ₹ 36.864 Crs and SPV partners contribution ₹ 12.816 Crs. Wherein M/s Microlab will be the lead with equity contribution of 20%, BEML-20%, HAL-20%, Vaidheswaran Industries-10%, & TIDCO-30%. STREAM was incorporated with a vision of creating easy access and addressing the testing needs of domestic defence industry. STREAM was incorporated on 18th September 2024. HAL has made an investment of ₹ 20 lakhs towards subscription of 20000 Equity shares of ₹ 100 each on 18th November 2024. Further HAL made an investment of ₹ 41.25 lakhs towards subscription of 41250 Equity Shares of ₹ 100 each, pending allotment, the amount of investment shown under share application money under current financial assets.

(II) We draw attention that the Company is not complying with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Section 149(4) of the Companies Act, 2013 pertaining to the required composition of its Board of Directors.

(III) We draw attention to the fact that, due to the absence of the requisite number of Independent Directors, the Company has not been able to reconstitute the Audit Committee and the Nomination and Remuneration Committee. Consequently, the Company is not in compliance with the provisions of Section 177 and Section 178 of the Companies Act, 2013, as well as Regulation 18(1) and Regulation 19(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This constitutes a non-compliance with the applicable statutory requirements.

Our opinion is not modified in respect of these matters

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of Standalone Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Response to Key Audit Matters & Conclusion
a) Revenue recognition (Ind AS 115) The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the appropriateness of the disclosures provided under the revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures. • Evaluated the design of internal controls relating to implementation of the revenue standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Selected a sample of continuing and new contracts and performed the following procedures. • Read, analysed and identified the distinct performance obligations in these contracts.





Key Audit Matters	Response to Key Audit Matters & Conclusion
	• Compared these performance obligations with that of identified and recorded by the group. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable revenue. • Examination of the correspondence relating to price revision and ascertained the reasonableness of the estimates. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. Due to detailed procedures, a portion of is recognised based on the most likely amount based on past experience and the consistent practices followed. We have verified the procedures revenue recognition including unbilled revenue.
b) Impairment of Trade Receivables In respect of receivables from Government the Company does not make any impairment provision based on past experience. The amount involved being significant balance and management judgment we consider this as a Key Audit Matter	We have verified the i) Effectiveness of internal controls in place and procedures followed in identifying the recoverability of long outstanding dues. ii) The procedures and follow-up actions in ascertaining the impairment of receivables. Our audit procedures include evaluation of provisions made for impairment in earlier years. We also made test checks of invoice wise collection details provided made in respect of in the five preceding financial years and we concluded the Management assumption is reasonable
c) Contract Asset Contract asset represents the revenue recognized but yet to be invoiced to the customer.	Contract Assets represents the Company's right to receive the consideration in exchange for the Goods or Services that the Company has transferred to the customer, when that right is conditioned on something other than passage of time.
d) Liquidated damages The Company's contract with the customers has standard clause for liquidated damages for delayed delivery. The Company's product has extended period of manufacturing; design approvals and inspection by customer at various stages which result in delay in certain cases leading to liquidated damages. The liquidated damages recognized being significant in the statement of profit and loss, is considered a key audit matter in our opinion.	We have verified the controls, period of delay, the expected days of delay as on 31.03.2025 and also the calculation for the liquidated damages recognized and found the system followed and calculation to be in order.




Key Audit Matters	Response to Key Audit Matters & Conclusion
e) Work - in - Progress (WIP) - Inventories Inventories include Work in Progress which have been physically verified by the Management based on physical verification instructions.	Our Audit Procedures generally include review of • Physical Verification instructions • Physical verification reports • Roll back procedures • Examining the basis of valuation on a test check basis Currently, the verification of WIP is done on annual basis. The division wise WIP inventory was submitted from Divisions and consolidated at H.O. level. Based on the above audit procedures we conclude that the valuation of WIP is proper
f) Pay Refixation Revision of pay scales of executives and workmen, with effect from 01.01.2017 was implemented in accordance with the guidelines issued by Department of Public Enterprises vide OM dated 03.08.2017 for Executives and in accordance with the Wage Agreement entered into between Management and Employees Union representative in 2019-20 in respect of Workmen. On an interpretation on pay refixation and pursuant to the directives of the Administrative Ministry, the pay fixation to be revised and the excess amount paid is to be recovered from the employees. Based on the directives Company issued a Circular dated 24.07.2021 and the communication dated 26.07.2021 for recovery of the excess amount. While so, the Employees Union and Officers Association have filed Writ Petition with Hon'ble High Court of Karnataka to stay recovery of excess amount of salary paid by the Company. The H'ble High court given verdict in favour of Officers Associations by setting aside the Circular dated 24.07.2021 and the communication dated 26.07.2021 issued by the Management. The order of the H'ble High Court in favour of officers was put up to the Board in its 490th Meeting held on 12.02.2025. Board has noted the judgement of the H'ble High Court and accorded approval to abide by the Court order. Accordingly, the differential amount withheld by the Management in respect of ex-officers has to be released /refunded to the concerned ex-officers/Nominees along with applicable interest.	For Workmen revision of pay scales, we have verified the calculations, Interim Stay granted by Hon'ble High Court of Karnataka. For Executives revision of pay scales, we have verified the calculations, Order passed by Hon'ble High Court of Karnataka. There is no major observation.





Key Audit Matters	Response to Key Audit Matters & Conclusion
As per the Board approval, one increment impact amount of ₹ 2712 lakhs recovered from the retired/deceased/ resigned employees has been paid during 2024-25. Further, in respect of officers an amount of ₹ 18565 lakhs credited to salaries and wages in the earlier years and kept under claims receivable has been reversed during 2024-25. Accordingly, employees cost for the current year is not comparable with the corresponding previous year. In respect of workmen, the order is awaited, hence, reduction of salaries and wages in respect of workmen continued for the year ended 31st March 2025 and ₹ 2444 lakhs effect given in the books towards this excess amount credited to salaries and wages in respect of workmen has been shown under claims receivable (Gross) of ₹ 16390 lakhs as at 31st March 2025 (previous year: ₹ 14282 lakhs). Based on the final verdict, decision in respect of workmen will be taken and suitable effect will be carried out in the accounts.	
g) Revision of Contribution to Pension Scheme Ministry vide OM dated 12.07.2023 has conveyed the approval for increasing the Company's contribution to the Pension Scheme of Executives from existing 7% to 10% of Basic Pay + DA w.e.f. 01.01.2017. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2017 has been made in respect of executives who are on the rolls of the Company as on the date of implementation of the revised ceiling i.e. 01.01.2017. In respect of new incumbents who joined the Company post 01.01.2017, it will be effective from the date of appointment. The additional liability accruing to the Company due to the increased ceiling, is ₹ 21776 lakhs pertaining to the period from 1 January, 2017 to 31 March, 2024 (₹ 3719 lakhs for the year ended 31 March, 2025). The total additional financial impact on revision of Pension contribution upto 31st March 2024 has been given effect in the books of accounts during the year ended 31st March, 2024. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.	We have verified the calculations and there is no major observations.




Key Audit Matters	Response to Key Audit Matters & Conclusion
In respect of workmen, Company issued Circular dated 24.04.2025 has conveyed the approval for increasing the Company's contribution to the Pension Scheme from existing 7% to 10% of Basic Pay + DA w.e.f. 01.01.2025. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2025 has been made in respect of workmen who were on the rolls of the Company as on the date of implementation of the revised ceiling. The additional liability accruing to the Company due to the increased ceiling is ₹ 1051 lakhs pertaining to the period from 1st January, 2025 to 31st March, 2025. The total additional financial impact on revision of Pension contribution has been given effect in the books of accounts during the year ended 31st March, 2025. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.	
h) Impairment Assessment of Intangible Assets and Intangible Assets Under Development The Company has recognised significant intangible assets comprising software, documentation charges, development expenditure, and license fees. In addition, the Company also has intangible assets under development representing ongoing development charges. These assets are recognised and measured in accordance with Ind AS 38 – *Intangible Assets* and are subject to impairment testing under Ind AS 36 – *Impairment of Assets*. The assessment of impairment for both completed intangible assets and those under development involves significant management judgment. This includes evaluating technical feasibility, future economic benefits, project viability, useful life estimations, and expected completion and commercialisation timelines for assets under development. The Company has instituted an Impairment Review Committee, which conducts a structured evaluation of all HAL-funded R&D projects. The review includes analysis of approvals, project status, expenditure incurred, estimated completion costs, future economic benefits, and other relevant technical and financial parameters. Based on this review, the Committee recommends appropriate accounting actions such as recognition of impairment, amortisation, or deferral of costs.	Our audit procedures included, among others: • Understanding and evaluating the Company's policy and procedures for identifying and assessing impairment indicators for both recognised intangible assets and those under development. • Reviewing the functioning and documentation of the Impairment Review Committee, including its evaluation of project status, economic viability, and accounting recommendations. • Reviewing the basis for management's judgments and estimates, including technical reviews, projected benefits, and cost-to-completion assumptions for selected projects. • Verifying whether the impairment testing methodology was in accordance with Ind AS 36 and that capitalization criteria under Ind AS 38 were met for assets under development. • Evaluating the adequacy and appropriateness of disclosures in the financial statements relating to intangible assets and their impairment assessment. Based on the audit procedures performed, we found that the impairment assessment process was reasonable, and the judgments and estimates made by the Management were supported by appropriate documentation.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's Report thereon. The Company's Annual report is expected to be made available to us after the date of this Auditor's Report.





Our opinion on the Standalone Financial Statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards specified under Section 133 of the Companies Act,2013. 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 Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors is 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 is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements 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 Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, 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 Management.




- Conclude on the appropriateness of Management's 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 Standalone Financial Statements 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 Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Standalone Financial Statements also include the audited Standalone Financial Statements of 29 Divisions of the Company, whose financial statements / financial information reflect the total assets of ₹108,87,946 lakh as at 31st March, 2025, total income of ₹ 33,54,645 lakhs and Net profit before Tax of ₹ 10,82,001 lakhs for the year ended 31st March 2025, as considered in the Standalone Financial Statements which have been audited by the respective independent auditors.

The Independent Auditors Reports on the Standalone Financial Statements 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.

The standalone financial statements of the Company for the year ended March 31, 2024, quarter ended June 30, 2024, included in these standalone financial statements, have been audited by the predecessor auditors, M/s A. John Moris & Co., Chartered Accountants, who has expressed an unmodified opinion vide their audit reports dated 16th May, 2024, 14th August, 2024 respectively.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, and proper return adequate for the purpose of an audit have been received from the branches not visited by us.





c) The reports on the accounts of the branch offices of the Company audited under section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with us in preparing this report.

d) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

e) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

f) In terms of circular NO. GSR 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, the Company being Government Company, is exempt from the provisions of section 164(2) of the Act regarding disqualification of Directors.

g) Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23rd February 2018 has exempted the companies engaged in defence production to the extent of application of relevant Accounting Standard on Segment Reporting. In view of the above, no disclosure is made by the Company as required by Ind AS 108. Subject to the above, we state that, in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

i) As per Notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act regarding remuneration to director is not applicable to the Company, since it is a Government Company.

j) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements as on 31.03.2025 -Refer Note 49 (2a), 49 (2b), 49 (20), 49 (21A), 49 (21B), 49 (43G), to the Financial Statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts. The Company does not have any derivative contracts.

   iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

   (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and




(c) Based on such audit procedures we have considered reasonable and appropriate in the circumstances; nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

v. (a) The final dividend paid by the Company during the year, in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

(b) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

(c) The Company has not proposed any final dividend up to the date of our report.

vi. Based on our examination which included test checks, performed by us on the Company, the Company has used accounting software for maintaining their respective books of account for the period ended 31st March 2025, which has a feature of recording audit trail (edit log) facility. The audit trail facility has been operating throughout the period 1st April 2024 to 31st March 2025 for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Based on our examination which included test checks, performed by us on the Company, and information provided to us, the Company is preserving the audit trail as per the statutory requirements for record retention as per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the "**Annexure-B**" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. As required by section 143(5) of the Act, we give in "**Annexure C**" a statement on the matters specified by the Comptroller and Audit General of India for the Company.

FOR GUPTA NAYAR & CO.
Chartered Accountants
Firm Reg. No. 008376N

Nandlal Agarwal
Partner
M No. 091272
UDIN: 25091272BMSCAJ4838

Place: Bengaluru
Date: 14.05.2025



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HINDUSTAN AERONAUTICS LIMITED of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of **HINDUSTAN AERONAUTICS LIMITED** ("the Company") as of 31 March, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements, issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of internal financial controls with reference to financial statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial controls with reference to Standalone Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements




Inherent Limitations of Internal Financial controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls with reference to financial statements issued by ICAI.

Further, an incident of cyber fraud in Kanpur division was noticed by the Management where the advance payment of ₹ 55 lakhs (63405.44 USD) was transferred to a different bank account due to compromised email received from different domain other than the original source (vendor). The FIR was registered with cyber crime cell and matter is still under investigation.

The Kanpur Division does not have mapping of incoming emails and creating a white list of all authentic vendors so that all incoming emails are validated.

Our opinion is not modified in respect of this matter

FOR GUPTA NAYAR & CO.
Chartered Accountants
Firm Reg. No. 008376N

Nandlal Agarwal
Partner
M No. 091272
UDIN: 25091272BMSCAJ4838

Place: Bengaluru
Date: 14.05.2025



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HINDUSTAN AERONAUTICS LIMITED of even date)

In terms of the information and explanations sought by us and provided to us by the Company and the books of account and records examined by us in the normal course of audit and to the best our knowledge and belief we state that;

(i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets

(a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property plant and equipment and relevant details of right-of-use-assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a programme of physical verification of these property, plant and equipment so as to cover all the assets once in every five years, which in our opinion is reasonable having record to the size of the company division and nature of its assets. Pursuant to the programme, certain property, plant and equipment's and right of use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except the following:

Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Land 76.475 acres	5	Various Persons, Bangalore	N/A	1950's Approx.	Compendium Error. Estate department in possession of Hand book with land acquired in various survey numbers called as Compendium. Few title documents are not available as per the compendium.
Land - 39.32 Acres	286	Lucknow Development Authority	N/A	19.05.1986	The land is in the possession of the Division. However, same is to be registered in the name of the Division by Lucknow Development Authority.
Land at Kasbe Sukena Railway Station: Approx. 196.22 Acres of rail siding	-	Government of Maharashtra	No	Since Inception of Nasik Division (1964)	196.22 Acre Land being Railway siding land is not in use by HAL & to be returned to Appropriate authority of State Government. Division is continuously following up the matter.
Land at Ojhar : Approx. 69.477 Acres of land given by State Government.	-	Government of Maharashtra	No	Since Inception of Nasik Division (1964)	Matter of 69.477 Acre of Land is being followed with Sub Divisional Magistrates Niphad for making Indenture.




Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Land at Ghaukhera-Kanpur 16.81 acres	0	Exhibited as Audhyogik krishik, land in Govt. record	N/A	13-12-1965	Land acquired and handed over to HAL by District Land Acquisition Officer, case filed with SDM for transfer of name in title deed. Award & Possession certificate in the name of HAL
Land at Chak kuriyan-Kanpur 7.92 acres	0	Not appearing in govt. record	N/A	22-12-1965	
Land at Dahli Sujanpur-Kanpur 3.11 acres	0	Appearing as Vayuyaan Colony	N/A	15-12-1965	
Land-Kanpur 401.19 acres	4	No title deed	N/A	Since inception 1964-65	Possession of the immovable property was handed over to Hindustan Aeronautics Limited (HAL) by district Land Acquisition Officer and Indian Air Force, therefore no title deed is required to be executed under Government Grants Act, 1895.(Section 2 Government Grants are exempted from the operation of the Transfer of Property Act). Property held since beginning but date not available, award & possession certificate in the name of HAL 346.89 acres of land. The remaining 54.3 acres of land is transferred to HAL by IAF by way of transfer of land
Buildings	35				
Land - 7.115 Acres		Govt. of India	NA	31-03-1969	7.115 acres of Land received from Army by Barrackpore division in exchange of 5 acres of Land at Bangalore, which was received free of cost from State Government before 31st March 1969. Therefore, no title deed is required to be executed under Government Grant Act, 1895 (Section 2 Government Grants are exempted from operation of the Transfer of Property Act)
Land - 282.4 acers		Various persons, Korwa Village	NA	26-11-1982	As informed vide UP Govt ltr No. 606/B/DT 08.05.1990 in the instant case sale deed or gift deed is not necessary. However the land is in the possession of the division.





(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as of 31st March 2025 for holding any benami property under Benami Transaction (Prohibition) Act ,1988 (has amended in 2016) and rules made thereunder.

(ii) (a) The Management has conducted physical verification of inventory at reasonable intervals and no discrepancies of 10% or more in the aggregate for each class of the inventory were noticed

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, during the year from banks on the basis of security of current assets. The quarterly stock statement filed by the Company and the books of accounts are in agreement. Refer note 35C of note 49 to financial statements.

(iii) (a) The Company has not provided any loans or advances in the nature of loan or stood guarantee or provided securities to any other entities during the year. Hence reporting under clause (iii)(a) of the Order is not applicable.

(b) In our opinion, the investment made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the Companies Interest.

(c) The repayment of principal and payment of interest for employees' loan has been stipulated and the repayments are regular.

(d) There are no overdue amount for more than ninety days.

(e) The Company has not granted any loan or renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Hence, reporting under clause 3(iii)(e) of the Order is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying and terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In terms of Circular No. GSR 463 (E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, the Company being a Government Company engaged in Defence production is exempt from Section 185 and 186 of Companies Act 2013 and hence reporting under clause 3(iv) is not applicable.

(v) The Company has not accepted any deposits or amount which are deemed to be deposits. Hence, reporting under Clause 3 (v) of the order is not applicable.

(vi) We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service Tax and any other Statutory Dues to the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2025 for a period of more than six months from the date they became payable.




(b) Details of dues of Goods and service Tax, Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax, and Cess that have not been deposited as on 31st March 2025 on account of disputes are given below:

Sales Tax:

Assessment Year	Amount (in lakhs)	Appeal by	Forum Where Dispute is pending
2015-16	9	by Company	Asst Commissioner Central Tax
2016-17	3	by Company	Asst Commissioner Central Tax
2010-11	372	HAL Lucknow	Appellate Tribunal Lucknow.
2011-12	1432	HAL Lucknow	High Court
2012-13	4156	HAL Lucknow	High Court
2013-14	4859	HAL Lucknow	High Court
2014-15	8310	HAL Lucknow	High Court
2015-16	15268	HAL Lucknow	Appellate Tribunal Lucknow.
2016-17	14326	HAL Lucknow	Appellate Tribunal Lucknow.
2017-18	4602	HAL Lucknow	Appellate Tribunal Lucknow.
2004-05 to 2017-18	30273	Sales Tax/ Entry Tax	Commissioner(Appeals)/Tribunal
2005-06	102	HAL Barrackpore Division	WB Commercial Taxes Appellate and Revisional Board, Kolkata
2006-07	448	HAL Barrackpore Division	Do
2007-08	348	HAL Barrackpore Division	Do
2008-09	849	HAL Barrackpore Division	Do
2016-17	83	HAL Barrackpore Division	West Bengal Taxation Tribunal, Kolkata

Service Tax

Assessment Year	Amount (in lakhs)	Appeal by	Forum Where Dispute is pending
2008-09	387	Service Tax Department	Before Tribunal Bangalore
2013-14 to 2016-17	136	Aircraft Division	Before Tribunal Bangalore
April 2017 to June2017	6	Aircraft Division	Appellate Tribunal, Bangalore
August 2002 to March 2003	6	Central Excise Act 1944	CESTAT, Bangalore
April 2003 to March 2004	26	Central Excise Act 1944	CESTAT, Bangalore
April 2004 to March 2005	63	Central Excise Act 1944	CESTAT, Bangalore
April 2005 to March 2006	78	Central Excise Act 1944	CESTAT, Bangalore
April 2006 to March 2007	123	Central Excise Act 1944	CESTAT, Bangalore
April 2007 to March 2008	128	Central Excise Act 1944	CESTAT, Bangalore
April 2008 to March 2009	18	Central Excise Act 1944	CESTAT, Bangalore
April 2009 to March 2010	1	Central Excise Act 1944	CESTAT, Bangalore
April 2010 to March 2011	1	Central Excise Act 1944	CESTAT, Bangalore
August 2013 to March 2017	13	Central Excise Act 1944	CESTAT, Bangalore
April 2011 to March 2012	74	Finance Act,1994	CESTAT
2009-10 and 2010-11	84	Finance Act,1994	CESTAT
Oct 2007 to March 2009	120	Finance Act,1994	CESTAT
2012-13 Till 2017-18	55	HAL FMD	Commissioner of Central Tax (Appeals) East Commissionerate Domlur





Assessment Year	Amount (in lakhs)	Appeal by	Forum Where Dispute is pending
2007-08	310	Service Tax	ST/134/10-MUM Dated 23.03.2010 17/ST/2009.Matter Decided by CESTAT Mumbai In HAL favour
2008-09	248	Service Tax	ST/134/10-MUM Dated 23.03.2010 17/ST/2009. Matter Decided by CESTAT Mumbai In HAL favour
2012-13, 2013-14 and 2014-15	1123	Service Tax	ST/85782/2022-DB Dated 25.03.2022-Appeal Disposed on 20.03.2024 and Reminded Back to Lower Authority
2015-16	7	Service Tax	Appeal filed before Hon'ble CESTAT. Order Awaited
2016-17	5	Service Tax	Appeal filed before Hon'ble CESTAT. Order Awaited
2017-18	0	Service Tax	Appeal filed before Hon'ble CESTAT. Order Awaited
2012-13	9	Service Tax	Appeal filed before Hon'ble CESTAT. Order Awaited
2013-14	7	Service Tax	Appeal filed before Hon'ble CESTAT. Order Awaited
2014-15	8	Service Tax	Appeal filed before Hon'ble CESTAT. Order Awaited
2015-16	1207	Finance Act,1994	Pending Before the Commissioner of CGST and Central Exercise, Audit Commissionerate, Bhubaneswar
2016-17 and 2017-18	394	Levy of Service Tax	CESTAT EZY At Kolkata
2005-06 to 2009-10	385	HAL	CESTAT - Hearing Awaited
2010-11	38	HAL	CESTAT - Hearing Awaited
2011-12	340	HAL	CESTAT - Hearing Awaited
2010-11	38	HAL	CESTAT - Hearing Awaited
2015-16	280	HAL	CESTAT - Hearing Awaited
2016-17 and 2017-18	242	HAL	CESTAT - Hearing Awaited
2014-15 to 2017-18 (upto June 2017)	12	HAL	CESTAT - Hearing Awaited
2004-05 to 2008-09	426	HAL Lucknow	Central Excise and Service Tax Appellate Tribunal, New Delhi.
Various Years	166	HAL	CESTAT/Tribunal
2005-06	62	Service Tax Act	
2009-10	282	Service Tax Act	
2016-17	13974	Service Tax Act, 1994	CESTAT/Tribunal
2017-18	1904	Service Tax Act, 1994	CESTAT/Tribunal
2019-20	326	Service Tax Act, 1994	CESTAT/Tribunal
2012-13	42	HAL Barrackpore Division	CESTAT
October 2012-Feb 2017	23	Chapter V of Finance Act, 1994	Commissionerate of GST Bangalore
June 2013 to June 2017	1	Service Tax	Commissioner




GST

Assessment Year	Amount (in lakhs)	Appeal by	Forum Where Dispute is pending
2017-18	2046	by Company	HAL has filed Appeal with Appellate Authority (Joint Commissioner of CGST).
2018-19	165	by Company	GST Department, Begumpet.
2020-21	179	by Company	GST Department, Begumpet.

Customs Duty

Assessment Year	Amount (in lakhs)	Appeal by	Forum Where Dispute is pending
2018-19	945	Aircraft Division	Before Tribunal Bangalore
2015-16 TO 2019-20	4098	The Company	Differential Duty on Import of Goods -CESTAT
2012-13	64	Customs Act,1962	CESTAT
2012-13	10289	Customs Act,1962	CESTAT
2012-13	95	Customs Act,1962	CESTAT
2012-13	13121	Customs Act,1962	CESTAT
2016-20	264	Customs Act,1962	CESTAT
2017-18	22	Customs Act,1962	CESTAT
2017-18	3674		CESTAT Mumbai
2017-18 to 2022-23	25477	Custom Duty	CESTAT
2022-23	93	Customs Act	CESTAT Delhi
December, 2018 to November, 2019	160	Section 28 of the Customs Act, 1962	CESTAT, Bangalore
2018-19 and 2019-20	1751	Section 28 of the Customs Act, 1962	CESTAT, Bangalore
2018-19 and 2019-20	699		Appeal is yet to be filled
2024-25	3665	by Company	Amount Pertains to short levy of IGST due to misclassification of HSN Code. Demand and Show Cause Notice Received. Appeal is yet to be filled

Income Tax

Assessment Year	Amount (in lakhs)	Appeal by	Forum Where Dispute is pending
2017-18	4248	by Company	Commissioner of appeals
2022-23	21923	by Company	Commissioner of appeals
2023-24	21015	by Company	Commissioner of appeals
2019-20	28442	by Company	Income Tax Appellate Tribunal
2008-09 to 2018-19	206	by Company	Rectification/correction is pending





Others

Assessment Year	Amount (in lakhs)	Appeal by	Forum Where Dispute is pending
April 2019 to Sept 2020	16.26	The Company	Arrears of ESI Contribution - ESIC Regional Director
2001-02 to 2024-25	2855.63		Bombay High Court
2001-02 to 2024-25	510.33		Bombay High Court
2003 Onwards (Employees and Contractors)	378	by HAL	

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961 (43 of 1961).

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) on an overall examination of the financial statement of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries.

(f) The Company has not raised any loans during the year and hence reporting under clause 3(ix)(f) of the order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the year, an incidence of cyber fraud in the Kanpur division was noticed by the Management where the advance payment of ₹ 55 lakhs (USD 63,405.44) was transferred to a different bank account due to compromised email received from different domain other than the original source (vendor) and the matter was referred to Cybercrime cell and was also taken up with NIC for further investigation of any breach of NIC server. As disclosed in Clause 21B of Note 49, an amount of ₹ 55 lakhs has been transferred to Claim Receivable-Credit Impaired and provision for same has been made in the books of accounts during the financial year 2024-25.

(b) Report under sub-section (12) of section 143 of the Companies Act is not required to file in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As per the information and explanations provided to us, no whistle blower complaints are received during the year by the Company.

(xii) The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.

(xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc, as required by the applicable Accounting Standards.



(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued till date to the divisions during the year and till date.

(xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him.

(xvi) a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.Hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core Investment Company within Group (as defined in the Core Investment companies (Reserve Bank Directions,2016) and accordingly reporting under clause 3(xvi)(d) of the order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the Statutory Auditor of the Company during the Year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payments of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company.

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) a) There are no unspent amounts towards Corporate Social Responsibility ("CSR") on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b) There is no unspent amount towards Corporate Social responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provisions of sub section (6) of section 135 of the said Act.

FOR GUPTA NAYAR & CO.
Chartered Accountants
Firm Reg. No. 008376N

Nandlal Agarwal
Partner
M No. 091272
UDIN: 25091272BMSCAJ4838

Place: Bengaluru
Date: 14.05.2025



ANNEXURE – "C" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HINDUSTAN AERONAUTICS LIMITED of even date)

Report on directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013

S. No.	Areas Examined	Observation/Finding
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes. The Company has ERP System in place and the accounting entries are generated in the System as and when transaction is made. The ERP system is not linked to Internet and the modules in the ERP system are not interlinked. In view of the same some Journal Entries are required to be made to account for certain adjustment / correction derived basically from the System and then fed in to the system through required accounting process with a maker and checker concept to ensure the integrity of the System.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?. (In case, lender is a Government company, then this direction is also applicable for statutory Auditor of Lender Company	Not applicable
3	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Not applicable

FOR GUPTA NAYAR & CO.
Chartered Accountants
Firm Reg. No. 008376N

Nandlal Agarwal
Partner
M No. 091272
UDIN: 25091272BMSCAJ4838

Place: Bengaluru
Date: 14.05.2025




सं./No. Insp-II/25-26/HAL/Alcs/24-25/151

प्रधान निदेशक रक्षा-वाणिज्यिक लेखापरीक्षा का कार्यालय
बेंगलूरू - 560 001
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT, DEFENCE-COMMERCIAL, BENGALURU - 560 001

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

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दिनांक/ DATE. 09.07.2025

To

The Chairman & Managing Director
Hindustan Aeronautics Limited
Corporate Office,
No.15/1, Cubbon Road,
Bengaluru-560001.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013.

*****

I forward herewith Nil Comments Certificate of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the standalone accounts and consolidated accounts of Hindustan Aeronautics Limited, Bengaluru for the year ended 31 March 2025.

It may please be ensured that the Comments are:

(i) printed in *toto* without any editing;
(ii) placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication in the index;
(iii) Placed before the AGM as required under proviso to Section 143(6)(b) of the Companies Act, 2013.

The receipt of this letter may please be acknowledged.

Yours faithfully,

(Vinod C)
Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा एवं लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
पहला तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूरू - 560001
1st Floor, Basava Bhavan, Sri Basweswara Road, Bengaluru - 560 001.

दू.भा./Phone : 080-2226 7646 / 2226 1168
Email : pda.dc.blr@cag.gov.in

फैक्स /Fax : 080-2226 2491



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF HINDUSTAN AERONAUTICS LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2025.

The preparation of standalone financial statements of **Hindustan Aeronautics Limited, Bengaluru** for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 14 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Hindustan Aeronautics Limited, Bengaluru** for the year ended 31 March 2025 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Rajesh Ranjan

(Rajesh Ranjan)
Principal Director of Audit (Defence-Commercial)

Place: Bengaluru
Date: 09 July 2025.




Standalone Balance Sheet as at March 31, 2025

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1		
Gross Block	1A	**1347461**	1256231
Less: Accumulated Depreciation	1B	**701112**	628592
Less: Impairment	1C	**50059**	50303
Net Block		**596290**	577336
(b) Capital work-in-progress	2	**109108**	93579
(c) Investment Property	3		
Gross Block	3A	**4**	4
Less: Accumulated Depreciation	3B	**2**	2
Less: Impairment	3C	**0**	0
Net Block		**2**	2
(d) Goodwill	4	**0**	0
(e) Other Intangible assets	5		
Gross Block	5A	**495729**	459402
Less: Accumulated Amortization	5B	**360704**	299895
Less: Impairment	5C	**64973**	63843
Net Block		**70052**	95664
(f) Intangible Assets under Development	6		
Gross Block	6A	**266103**	219747
Less: Accumulated Amortization	6B	**58518**	58518
Less: Impairment	6C	**6918**	5574
Net Block		**200667**	155655
(g) Financial Assets			
(i) Investments in Subsidiaries and Joint Ventures	7	**12822**	12039
(ii) Investments	7A	**149914**	137667
(iii) Trade Receivables	8	**0**	0
(iv) Contract Assets	8A	**0**	0
(v) Loans	9	**557**	561
(vi) Other Financial Assets	10	**38186**	38797
(h) Deferred tax Assets (Net)	11	**156799**	145433
(i) Other Non-Current Assets	12	**268683**	240063
Total non-current assets		**1603080**	1496796
Current assets			
(a) Inventories	13	**2167570**	1322592
(b) Financial Assets			
(i) Investments	14	**0**	0
(ii) Trade receivables	15	**464754**	461667
(iii) Contract Assets	15A	**1588916**	1189396
(iv) Cash and Cash Equivalents	16	**454693**	425416
(v) Bank Balances other than Cash and Cash Equivalents	17	**3362383**	2216768
(vi) Loans	18	**732**	1067
(vii) Other Financial Assets	19	**134671**	151406
(c) Current Tax Assets (Net)	20	**0**	0
(d) Other Currents Assets	21	**834513**	533263
Total current assets		**9008232**	6301575
Assets held for Sale		**0**	0
Total Assets		**10611312**	7798371




Standalone Balance Sheet as at March 31, 2025

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	22	**33439**	33439
(b) Other Equity	23	**3450846**	2871203
Total equity		**3484285**	2904642
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	**0**	0
(ia) Lease Liabilities	24A	**33**	33
(ii) Trade payables	25		
A) total outstanding dues of micro enterprises and small enterprises		**0**	0
B) total outstanding dues of creditors other than micro enterprises and small enterprises		**0**	0
Sub Total- Trade payables		**0**	0
(iii) Other Financial Liabilities	26	**49663**	50584
(b) Provisions	27	**185671**	156413
(c) Deferred Tax Liabilities (Net)	28	**0**	0
(d) Other Non-Current Liabilities	29	**2482058**	1054376
Total non-current liabilities		**2717425**	1261406
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	30	**0**	0
(ia) Lease Liabilities	30A	**2**	2
(ii) Trade payables	31		
A) total outstanding dues of micro enterprises and small enterprises		**17669**	14605
B) total outstanding dues of creditors other than micro enterprises and small enterprises		**493415**	326862
Sub Total- Trade payables		**511084**	341467
(iii) Other Financial Liabilities	32	**282561**	244921
(b) Other Current Liabilities	33	**2760278**	2254925
(c) Provisions	34	**841716**	761041
(d) Current tax liabilities (Net)	35	**13961**	29967
Total current liabilities		**4409602**	3632323
Total Equity and Liabilities		**10611312**	7798371

Material accounting policies and accompanying notes No. 1 to 49 form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064



Standalone Statement of Profit and Loss

for the year ended 31st March 2025

(₹ in Lakhs)

Sl. No.	Particulars	Note No.	For the Year ended 31st March 2025	For the Year ended 31st March 2024
	REVENUE			
I	Revenue from Operations	36	**3098092**	3038084
II	Other Income	37	**256553**	189854
III	**Total Income (I+II)**		**3354645**	3227938
IV	**EXPENSES**			
	Cost of Materials Consumed	38	**1925790**	1236344
	Purchases of Stock-in-Trade	38A	**67937**	67140
	Changes in Inventories of Finished Goods, Stock-in-Trade, Work-in-Progress and Scrap	39	**-762477**	-195889
	Employee Benefits Expense	40	**571772**	527624
	Finance Costs	41	**862**	3205
	Depreciation and Amortization Expense	42	**133970**	140645
	Impairment Loss	42A	**2474**	1495
	Other Expenses	43	**178169**	152767
	Direct Input to WIP / Expenses Capitalised	44	**37233**	42599
	Provisions	45	**253010**	330538
	Total Gross Expenses		**2408740**	2306468
	Less: Expenses relating to Capital and Other Accounts	46	**135507**	98427
	Total expenses (IV)		**2273233**	2208041
V	**Profit/(Loss) before Exceptional items and Tax (III-IV)**		**1081412**	1019897
VI	Exceptional Items	Clause 13B of Note 49	**589**	0
VII	**Profit/(loss) before tax (V+VI)**		**1082001**	1019897
VIII	Tax expense:			
	(1) Current Tax		**288000**	290500
	(2) Earlier Year Tax Refund/Liability	Clause 41B of Note 49	**-25608**	0
	(3) Deferred Tax		**-12071**	-30107
IX	Profit (Loss) for the period from Continuing Operations (VII-VIII)		**831680**	759504
X	Profit/(loss) from Discontinued Operations		**0**	0
XI	Tax expense of Discontinued Operations		**0**	0
XII	Profit/(loss) from Discontinued Operations (after tax) (X-XI)		**0**	0
XIII	**Profit/(loss) for the period (IX+XII)**		**831680**	759504




Standalone Statement of Profit and Loss

for the year ended 31st March 2025

(₹ in Lakhs)

Sl. No.	Particulars	Note No.	For the Year ended 31st March 2025	For the Year ended 31st March 2024
XIV	**Other Comprehensive Income (OCI)**			
	A (i) Items that will not be reclassified to profit or loss	47	**2803**	-10945
	(ii) Income tax benefit/(expense) on the items that will not be reclassified to Profit or Loss		**-705**	2755
	B (i) Items that will be reclassified to profit or loss	48	**0**	0
	(ii) Income tax benefit/(expense) on items that will be reclassified to Profit or Loss		**0**	0
	Total Other Comprehensive Income (A + B)		**2098**	-8190
XV	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**833778**	751314
XVI	Earnings per Equity Share (for Continuing Operations):	Clause 47 of Note 49		
	(1) Basic (₹)		**124.36**	113.57
	(2) Diluted (₹)		**124.36**	113.57
XVII	Earnings per Equity Share (for Discontinued Operations):			
	(1) Basic (₹)		**0**	0
	(2) Diluted (₹)		**0**	0
XVIII	Earnings per Equity Share (for Continuing & Discontinued Operations):			
	(1) Basic (₹)		**124.36**	113.57
	(2) Diluted (₹)		**124.36**	113.57

Material accounting policies and accompanying notes No. 1 to 49 form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064

Standalone Statement of Changes in Equity for the year ended 31st March 2025

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Balance as at 1 April, 2024	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1 April, 2024	**Changes in Equity Share Capital for the year ended 31 March, 2025**	**Balance as at 31 March, 2025**
Equity Share Capital	33439	0	33439	**0**	**33439**

(₹ in Lakhs)

Particulars	Balance as at 1 April, 2023	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1 April, 2023	Changes in Equity Share Capital for the year ended 31 March, 2024	Balance as at 31 March, 2024
Equity Share Capital	33439	0	33439	0	33439

B. Other Equity (Refer Note 23)

(₹ in Lakhs)

Particulars	Other Equity						Total Other Equity
	Reserves and Surplus					Other Comprehensive Income	
	Research and Development Reserve	Capital Redemption Reserve	Indigenization Fund Reserve	General Reserve	Retained earnings	Remeasurements of net defined benefit liability/ asset	
Balance as at 1 April, 2024	**299646**	**14761**	**28885**	**2527911**			**2871203**
Changes in Other Equity due to changes in accounting policy or prior period errors							0
Restated Balance as at 1 April, 2024	**299646**	**14761**	**28885**	**2527911**	**0**	**0**	**2871203**
Changes in Other Equity for the year ended 31 March, 2025							
Profit for the year ended 31 March, 2025					831680		831680
Items that will not be reclassified to profit or loss						2803	2803
Remeasurements of the net defined benefit liability/asset					2098		2098
Income tax relating to items that will not be reclassified to profit or loss						-705	-705
Transfer to Retained Earnings						-2098	-2098
Total comprehensive income for the year ended 31 March, 2025					**833778**	**0**	**833778**
Current year transfer	92176		18435				110611
Transfer to General Reserve on utlization	-7477		-10554				-18031
Surplus Transferred from Statement of Profit and Loss				469032			469032
Transfer from Indigenization Fund Reserve				10554			10554
Transfer from Research & Development Reserve				7477			7477
Transfer to Research & Development Reserve					-92176		-92176
Transfer to Indigenization Fund Reserve					-18435		-18435
Final Dividend (For FY 2023-24)					-86941		-86941
Interim Dividend (For FY 2024-25)					-167194		-167194
Transfer to General Reserve					-469032		-469032
Balance as at 31 March, 2025	**384345**	**14761**	**36766**	**3014974**	**0**	**0**	**3450846**





-A Maharatna CPSE-

Standalone Statement of Changes in Equity for the year ended 31st March 2025

B. Other Equity (Refer Note 23)

(₹ in Lakhs)

Particulars	Other Equity						Total Other Equity
	Reserves and Surplus					Other Comprehensive Income	
	Research and Development Reserve	Capital Redemption Reserve	Indigenization Fund Reserve	General Reserve	Retained earnings	Remeasurements of net defined benefit liability/ asset	
Balance as at 1 April, 2023	**211256**	**14761**	**10776**	**2080385**		**0**	**2317178**
Changes in Other Equity due to changes in accounting policy or prior period errors				**0**			0
Restated Balance as at 1 April, 2023	**211256**	**14761**	**10776**	**2080385**	**0**	**0**	**2317178**
Changes in Other Equity for the year ended 31 March, 2024							
Profit for the year ended 31 March, 2024					759504		759504
Items that will not be reclassified to profit or loss						-10945	-10945
Remeasurements of the net defined benefit liability/asset					-8190		-8190
Income tax relating to items that will not be reclassified to profit or loss						2755	2755
Transfer to Retained Earnings						8190	8190
Total comprehensive income for the year ended 31 March, 2024					**751314**	**0**	**751314**
Current year transfer	92718		18544				111262
Transfer to General Reserve on utlization	-4328		-435				-4763
Surplus Transferred from Statement of Profit and Loss				442763			442763
Transfer from Indigenization Fund Reserve				435			435
Transfer from Research & Development Reserve				4328			4328
Transfer to Research & Development Reserve					-92718		-92718
Transfer to Indigenization Fund Reserve					-18544		-18544
Final Dividend (For FY 2022-23)					-50158		-50158
Interim Dividend					-147131		-147131
Transfer to General Reserve					-442763		-442763
Balance as at 31 March, 2024	**299646**	**14761**	**28885**	**2527911**	**0**	**0**	**2871203**

Material accounting policies and accompanying notes No. 1 to 49 form an integral part of the financial statements
As per our report of even date attached

For and on behalf of the Board of Directors

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064




Standalone Statement of Cash Flows

for the year ended 31st March 2025

(₹ in Lakhs)

Sl. No.	Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
A	**Cash flow from Operating activities**		
	Profit After Tax	**831680**	759504
	Adjustments to reconcile net profit to net cash provided by operating activities		
	Income Tax expense	**250321**	260393
	(Gain)/Loss on sale of Property, Plant & Equipment	**-188**	-590
	Finance cost	**862**	3135
	Interest Income	**-228637**	-163338
	Dividend Income	**-491**	-295
	Net (Gain)/Loss on Fair Value Adjustment	**-168**	221
	Depreciation,amortization and impairment expense	**136200**	142140
	Reversal of Provision for Impairment in Value of Investments	**-783**	32
	Provision for Doubtful Debts	**83**	3534
	Provision for Doubtful Contract Assets	**15010**	2386
	Provision for Doubtful Claims	**635**	4100
	Provision for Doubtful Advances	**240**	1015
	Provision for Replacement and Other charges	**126373**	116611
	Provision for Warranty	**37015**	32425
	Provision for Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials, Work-in-progress and Inventory - Warranty	**7678**	100164
	Provision for Liquidated Damages	**65843**	70271
	Operating Profit Before Working Capital Changes	**1241673**	1331708
	Adjustments for:		
	(Increase)/decrease in Trade Receivables	**-417700**	-247425
	(Increase)/decrease in Loans, Financial Assets and Other Assets	**-262247**	-136348
	(Increase)/decrease in Inventories	**-852656**	-206689
	Increase/(decrease) in Trade Payables	**169617**	27733
	Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities	**1839640**	250528
	Cash generated from Operations	**1718327**	1019507
	Income Tax Paid	**-353815**	-196933
	Net Cash (used in)/generated from Operating Activities (A)	**1364512**	822574
B	**Cash flow from Investing activities**		
	Purchase of Property, Plant & Equipment	**-92974**	-91615
	Purchase of Intangible Assets	**-82683**	-83875
	Proceeds from sale of Property, Plant & Equipment	**335**	797
	Investment in Joint Ventures	**-1289**	-1050
	Purchase of other non current Investments	**-10958**	-10149
	Investment in short term deposits	**-1145615**	-630053
	Interest Received	**255350**	174477
	Dividend Received from Joint Ventures	**491**	295
	Share application money paid	**-41**	0
	Net Cash (used in)/generated from Investing Activities (B)	**-1077384**	-641173





Standalone Statement of Cash Flows

for the year ended 31st March 2025

(₹ in Lakhs)

Sl. No.	Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
C	**Cash flow from Financing Activities**		
	Payment of Lease Liabilities	**-2**	-31
	Interest paid	**-3714**	-2565
	Dividend Paid	**-254135**	-197289
	Net Cash (used in)/generated from Financing Activities (C)	**-257851**	**-199885**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**29277**	**-18484**
	Add: Cash and Cash Equivalents at the beginning of the year (Refer Note 16)	**425416**	443900
	Cash and Cash Equivalents at the end of the period (Refer Note 16)	**454693**	**425416**

Material Accounting Policies and accompanying notes no. 1 to 49 form an integral part of the Financial Statements

Notes:

1. The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 "Statement of Cash Flow"
2. Cash & Cash equivalent include Short Term Deposits with Bank
3. Cash and Cash Equivalents are available fully for use
4. The Cash flow statement as above inculdes CSR Expenditure. Refer Clause 55J of Note 49

As per our report of even date attached

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

For and on behalf of the Board of Directors

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064





Material Accounting Policies for the financial year 2024-25

CORPORATE INFORMATION:

Hindustan Aeronautics Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India with its registered office located at Bengaluru, Karnataka, India. The Company's shares are listed on Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is a public sector enterprise and is under the administrative control of the Department of Defence Production, Ministry of Defence.

The Company is engaged in the design, development, manufacture, repair, overhaul, upgrade and servicing of a wide range of products including, aircraft, helicopters, aero-engines, avionics, accessories and aerospace structures.

1. BASIS OF PREPERATION OF FINANCIAL STATEMENTS:

The Financial Statements are prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read together with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting except for certain financial instruments that are qualified to be measured at fair value.

The functional currency of the Company is Indian Rupee.

2. USES OF ESTIMATES:

a) Preparation of financial statements in conformity with the recognition and the measurement principle of Ind AS requires the management of the Company to make estimates, judgments and assumptions that affects the reported balances of Assets and Liabilities, disclosure relating to contingent liabilities as on the date of the Financial Statements and the reported amount of revenues and expense for the reporting period.

b) Estimates and the underlying assumption are reviewed on an ongoing basis. The revision to the accounting estimates, if material is recognized in the period in which the estimates are revised.

c) Estimates and judgments made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are as follows:

i. Employee Defined benefit plans

The liabilities and costs for defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

ii. Provisions and contingencies

Assessments undertaken in recognising provisions and contingencies have been made as per the best judgment of the management based on the current available information.

iii. Income Taxes

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

3. CURRENT/NON-CURRENT CLASSIFICATION:

An asset is classified as current if it satisfies any of the following conditions:

a) the asset is expected to be realized or intended to be sold or consumed in Company's normal operating cycle;

b) the asset is held primarily for the purpose of trading;

c) the asset is expected to be realized within twelve months after the reporting period;

d) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;





Material Accounting Policies for the financial year 2024-25

All other assets are classified as non-current.

A liability is classified as current if it satisfies any of the following conditions:

a) the liability is expected to be settled in Company's normal operating cycle;

b) the liability is held primarily for the purpose of trading;

c) the liability is due to be settled within 12 months after the reporting period;

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date;

All other liabilities are classified as non-current.

The Company is having multiple business activities. For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle, business activity wise as follows:

i. For major manufacturing projects, repair and overhaul activities, spares, normal operating cycle is considered as the time period starting from the acquisition of assets for processing to their realization in cash or cash equivalents.

ii. In respect of Design and Development projects operating cycle is considered as the time period starting from the date of implementation of the project till the date of initial operational clearance.

iii. In respect of those activities/projects for which operating cycle cannot be determined or identified the same is taken as 12 months.

4. PROPERTY, PLANT AND EQUIPMENT (PPE):

a) Items of Property, Plant and Equipment Property that qualifies for recognition as an asset is initially measured at its cost. Following initial recognition, the items of Property, Plant and Equipment are carried at their cost less accumulated depreciation and accumulated impairment losses if any.

b) The cost includes purchase price, import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable including borrowing cost on qualifying assets to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

c) Subsequent expenditure relating to PPE including major inspection costs, spare parts, standby and servicing equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

d) In accordance with Ind AS 101-First Time Adoption of Indian Accounting Standards, the Company had chosen to consider the carrying value for all its PPE as their deemed cost at the Opening Balance Sheet as at April 01, 2015.

e) Depreciation is calculated on straight line basis over estimated useful life as prescribed in Schedule II of the Companies Act, 2013. Where the useful life of the asset is not as per Schedule II of the Companies Act 2013, the same is disclosed under Notes to Accounts.

f) PPE individually costing ₹ 50,000 and below are fully depreciated in the year of purchase.

g) Where part of an item of PPE with a cost significant in relation to the total cost of the item and have different useful lives, they are treated as separate components and depreciated over their estimated useful life.

h) Certain items like Special Tools are amortized over the number of units of production expected to be obtained from the asset based on technical assessment and management estimates depending on the nature and usage of the respective assets.

i) CSR Assets are fully depreciated in the year of capitalization.




Material Accounting Policies for the financial year 2024-25

j) The cost and the related accumulated depreciation are eliminated from the Financial Statements upon sale or de-recognition or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss of the relevant period.

k) The estimated useful lives, residual values and depreciation / amortisation method are reviewed at the end of each reporting period with the effect of changes in estimates accounted for on a prospective basis.

5 CAPITAL ADVANCES AND CAPITAL WORK IN PROGRESS (CWIP)

a) Advances given towards acquisition of PPE outstanding at each Balance sheet date are disclosed as other non-current assets.

b) Cost of Assets not ready for its intended use as on the Balance sheet date is shown as CWIP. Such properties are classified to the appropriate categories of PPE when completed and ready for its intended use.

c) Depreciation on such assets commence when the assets are ready for their intended use.

6. INVESTMENT PROPERTY

a) A property is considered as investment property only if the same is held for earning rentals and /or for capital appreciation or both. Properties held by the Company (directly or indirectly) which are used in the production of supply of goods or services for administrative purposes are not considered as Investment Property.

b) Investment Properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. In accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, the Company has chosen to consider the carrying value for all its Investment Property recognized in its Indian GAAP financial statement as their deemed cost as at the transition date viz, April 01, 2015.

c) Depreciation is calculated on straight line basis over estimated useful life as prescribed in Schedule II of the Companies Act, 2013. Where the useful life of the asset is not as per Schedule II of the Companies Act 2013, the same is disclosed under Notes to Accounts.

7. INTANGIBLE ASSETS

a) Intangible Assets controlled and from which future economic benefits are expected to flow and having useful life are initially measured at cost and subsequently at cost less accumulated amortization and cumulative impairment losses, if any.

b) Development Costs having useful life and which will generate probable future economic benefits are recognized as an intangible asset and amortised over production based on technical estimate and to the extent not amortized are carried forward.

c) Expenditure on license fees, documentation charges etc, based on the definition criteria of intangible assets in terms of reliability of measurement of cost and future economic benefits from the assets, are amortised over production based on technical estimates, and to the extent not amortised, are carried forward.

d) The cost of software internally generated / acquired for internal use which is not an integral part of the related hardware, is recognized as an intangible asset and is amortised over three years, on straight line method. Amortisation commences when the asset is available for use.

e) Expenditure on Research is recognized as expenditure in the period in which it is incurred.

f) Wherever it is not possible to assess the useful life of an intangible asset (whether or not significant) the same is not amortised. Impairment on such intangible assets are reviewed annually and when there is an indication of impairment, the asset is impaired.




Material Accounting Policies for the financial year 2024-25

8. LEASE ACCOUNTING

The Company recognizes, at inception of a contract a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

a) At the date of commencement of the lease, the Company recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset for the lease term and a lease liability for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short term leases) and leases for which the underlying assets is of low value. For such short term and assets of low value leases, the Company recognizes the lease payment as an expense on a straight-line basis over the term of the lease.

b) At commencement date the ROU asset is measured at cost. The cost of the ROU asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any.

c) The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

d) At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rate.

e) Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows. Short term lease payments and payments for leases of low value assets are classified as operating cash flows.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease.

I. Finance Lease:

a) A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the Lessee is classified as a finance lease. Title may or may not eventually be transferred.

b) At commencement date, an amount equal to the net investment in the lease is presented as receivable. The interest rate implicit in the lease is used to measure the value of net investment in the lease.

c) The finance income is recognized over the lease term in the statement of profit and loss account so as to reflect a constant periodic rate of return on the net investment in the lease.

d) The de-recognition and impairment requirement of the underlying asset is tested as per Ind AS 109- Financial instruments.

e) Any modifications in the lease are accounted as a separate lease when the recognition criteria specified in paragraph 79 of the standard are met.

II. Operating Lease:

a) Lease other than finance leases are operating leases.

b) The lease payment from operating leases are recognized as income on either a straight-line basis or another systematic basic, if required.

c) The expenses including depreciation cost associated with earning of the lease income is recognized as an expense.

d) Depreciation on underlying assets subject to operating leases are calculated on straight line basis over estimated useful life as prescribed in Schedule II of the Companies Act, 2013.




Material Accounting Policies for the financial year 2024-25

e) Any modifications in the lease are accounted as a separate lease if the recognition criteria specified in the standard is met.

Transition to Ind AS 116

a) Effective April 1, 2019, the Company has applied Ind AS 116 on Lease Accounting. Ind AS 116 replaces Ind AS 17. The Company has adopted Ind AS 116 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2019) and the comparative information continues to be reported under Ind AS 17.

b) The Company has chosen the practical expedient provided by the standard to apply Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17 and therefore has not reassessed whether a contract is or contains a lease at the date of initial application.

9. NON CURRENT INVESTMENTS

a) In accordance with Ind AS 101, First time adoption of Indian Accounting Standards, the Company has chosen to consider the carrying amount of investment as their deemed cost as at the Opening Balance Sheet as at 01st April, 2015.

b) The Company has elected to recognize its investments in subsidiary and joint venture companies at cost in accordance with the option available in Ind AS 27 'Separate financial statements'.

c) Investments are carried individually at cost less accumulated impairment in the value of such Investments.

d) Cost of Investment includes acquisition charges such as brokerage, fees and duties.

e) The Company reviews the book value of the investment on a quarterly basis and provides for diminution in the value of the investment based on the net worth of the investee company.

f) Impairment in the value of investment is made only if in the opinion of management when there is a permanent fall in value of investment.

10. IMPAIRMENT OF NON-FINANCIAL ASSETS

As at each reporting date the Company assesses whether there is any indication that an asset may be impaired. If any indication exists, the Company estimates the recoverable amount. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognised and assets are written down to their recoverable amount.

11. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument.

I. Financial Assets

Initial recognition and Measurement

All financial assets are recognized at fair value on initial recognition except for trade receivables which are initially measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of the financial asset, which are not valued at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

Subsequent Measurement

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset





Material Accounting Policies for the financial year 2024-25

Based on the above criteria, for purpose of subsequent measurement, financial assets are classified in the following categories:

a) Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company.

b) Financial assets carried at fair value through other comprehensive income (FVOCI):

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets carried at fair value through profit or loss (FVTPL):

A financial asset, which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

Derecognition

The Company derecognizes (i.e removes from the Company's balance sheet) a financial asset (or where applicable a part of a financial asset) when the contractual rights to receive the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

On derecognition of a financial asset, (except as mentioned in (b) above for financial assets measured at FVTOCI), the difference between the asset's carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

a) Debts from the Government departments are generally treated as fully recoverable, based on past experience, and hence in the opinion of Management there is no increase in the credit risk of such financial assets.

b) In respect of dues outstanding for a significant period of time, impairment on account of expected credit loss is being assessed on a case-to-case basis.

c) Suitable provision is made for dues which are disputed.

d) ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss.

II. Financial Liability

Initial recognition and Measurement

All financial liabilities are recognized at fair value on initial recognition and in the case of liabilities subsequently measured at amortized cost, net of directly attributable transaction cost.

The Company's Financial Liabilities include trade and other payables, loans and borrowings. For trade and other payables liabilities are recognized for the amounts to be paid for the goods / services received whether billed by the supplier or not.




Material Accounting Policies for the financial year 2024-25

Subsequent Measurement

All financial liabilities of the Company are subsequently measured at amortized cost.

Derecognition

A financial liability (or where applicable a part of the financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet wherever there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

12. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs):

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company measures financial instruments, in its financial statements at fair value at each reporting date.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

13. DEFERRED DEBTS

Unpaid installment payments under deferred payment terms for the cost of imported materials and tooling content of the equipment / products sold are accounted as deferred debts from the customer and are recovered as and when the installments are paid.

14. INVENTORIES

a) Inventories other than Saleable / Disposable scrap are valued at lower of Cost and Net Realisable Value. Saleable / Disposable scrap is valued at net realisable value.

b) The cost of raw material excluding Goods-in-Transit, components and stores are assigned by using the weighted average cost formula. Goods-in-Transit are valued at cost-to-date. In the case of Finished Goods, Stock-in-Trade and Work-In-Progress, cost includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes Taxes and duties (other than Taxes and duties for which input credit is available).

c) Provision for redundancy is assessed on ageing at a suitable percentage / level of the value of closing inventory of raw material and components, stores and spare parts and construction material. Besides, wherever necessary, adequate provision is made for the redundancy of such materials in respect of completed / specific projects and other surplus / redundant material pending transfer to salvage stores.





Material Accounting Policies for the financial year 2024-25

d) Stores declared surplus / unserviceable / redundant are charged to revenue in the year of such identification.

e) Consumables issued from stores and lying unused at the end of the year are not reckoned as inventory.

15. REVENUE RECOGNITION

I. Manufacturing of Aircraft/ Helicopter/Spares/Repair Contracts

a) Revenue on Sale of Goods and Services is recognized at a point in time when the Company satisfies the performance obligation on transfer of control of the products to the Customer in an amount that reflects the consideration the Company expects to receive in exchange for those products pursuant to the Contract with customer. It is measured at transaction price. Revenue from service Warranty is recognized on straight line basis over the period of Warranty.

Transfer of Control happens on:

i. Acceptance by the buyer's Inspector, by way of Signaling Out Certificate (SOC)

or

Acceptance by the buyer's pilot, by way of Certificate of Conformity (COC), wherever, specifically required in the contract, in the case of Aircrafts/Helicopters,

ii. Acceptance by the Buyer's inspection agency/SOC or as agreed to by the Buyer, in the case of Repair & Overhaul of Aircraft/Helicopter/Engine, Rotables, Site repairs, Cat 'B' repair servicing etc.,

iii. For other deliverables like Spares, Revenue is recognized based on the Acceptance by the buyer's inspection agency or as agreed to by the buyer.

b) In case of Performance Based Logistic Contracts, Revenue is recognized over a period of time, based on Helicopter Availability Certificate, jointly signed by Seller and Buyer.

c) Revenue is recognized based on the prices agreed with Customers. Where the prices are yet to be agreed/ determined, the revenue is recognised at the most likely amount based on past experience. Differential revenue, if any, is recognised on receipt of approval / sanction.

II. Development Contracts

a) Revenue is recognized over a period of time on incurrence of expenditure identifiable to work orders:

i. where milestones have been defined, on achievement of milestone under the output method.

ii. where milestones have not been defined, on incurrence of expenditure under the input method.

b) Where the customer's sanction for revision is pending, the expenditure incurred is retained in work-in-progress/ intangible asset. Subsequent revenue is recognized on receipt of revised financial sanction from the customer.

III. Significant Financing Component

a) For the majority of the contracts, advance payments are received, prior to commencement of work and milestone payments are paid in accordance with the terms of the contract.

b) Payments received from customers in advance are not considered to be a significant financing component as they are given with the objective to protect the interest of the contracting parties.

IV. Contract Modification

A contract modification exists when the change in scope is agreed but the corresponding change in price is not determined. In such circumstances, revenue is recognized, based on the Company's assessment of the estimated change in the transaction price arising from the modification.




Material Accounting Policies for the financial year 2024-25

V. Other Income

Interest Income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the right to receive payment has been established.

VI. Receivables

Receivables represent the Company's unconditional right to consideration under the contract. The right to consideration is considered unconditional, if only passage of time is required before payment of that consideration is due.

VII. Contract Assets

Contract Assets represents the Company's right to receive the consideration in exchange for the Goods or Services that the Company has transferred to the Customer, when that right is conditioned on something other than passage of time.

16. EMPLOYEE BENEFITS

I. Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the related service are classified as short-term employee benefits and they mainly include wages & salaries, incentives, performance related pay, non-monetary benefits such as medical care, etc. They are valued on undiscounted basis and recognized as an expense in the statement of profit and loss of the period in which the employee renders the related service.

II. Post-Employment Benefits:

a) The Company operates Defined Contribution Pension Scheme and Post Superannuation Group Health Insurance Scheme for employees which are considered as defined contribution plans. The schemes are managed by duly constituted trusts. The Company periodically contributes to the trust fund. The Company recognizes contribution payable to a defined contribution plan as an expense in the statement of profit and loss account. The Company's liability is limited to the extent of contribution made to these trusts.

b) Provident Fund Scheme

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. The Company makes specified monthly contributions towards Employee Provident Fund scheme to separate trusts established for the purpose based on a fixed percentage of the eligible employee's salary and the same is charged to the Statement of Profit and Loss.

The minimum rate at which annual interest is payable by the trust to the beneficiaries is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate. Such shortfall is determined at each Balance Sheet date based on actuarial valuation and charged to the Statement of Profit and Loss.

c) Gratuity Scheme

The Company provides for gratuity covering eligible employees. The same is considered as a defined benefit retirement plan. The Company contributes Gratuity liabilities to the Gratuity Trust.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined on the basis of actuarial valuation using the Projected Unit Credit method with valuation being carried out at each Balance Sheet date.

The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. The net defined benefit obligations recognised in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets.





Material Accounting Policies for the financial year 2024-25

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

i. Service cost comprising current service costs, past service costs.

ii. Net interest on the defined benefit liability (asset). Net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Gains and losses through re-measurements of the net defined benefit liability/(asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in the subsequent period. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

III. Compensated Absences:

The Company has a policy on compensated absences like Vacation leave which are accumulating in nature. Vacation leave can either be availed or encashed subject to restrictions on the maximum number of accumulations of leave. The Company determines the liability for such accumulated leaves using the Project Unit Credit method with actuarial valuations being carried out at each Balance Sheet date. The obligation is funded through qualifying insurance policies made with insurance companies.

17. FOREIGN CURRENCY TRANSACTION/TRANSLATION

Initial Recognition:

On initial recognition, transaction in foreign currencies, entered into by the Company, are recorded in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Measurement of Foreign currency items at reporting date:

Foreign currency monetary items are translated at closing exchange rates. Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is measured.

Recognition of Exchange Difference:

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statement is recognized in statement of profit and loss in the period in which they arise.

18. INCOME TAXES

a) Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act,1961(the "Act").

b) Deferred Tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax Assets in excess of Deferred Tax Liability are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred Tax Assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

19. CLAIMS BY THE COMPANY

Claims on suppliers / underwriters / carriers towards loss / damages, claims for export subsidy, duty drawbacks, and claims on Customs department for refunds are accounted when claims are preferred.




Material Accounting Policies for the financial year 2024-25

20. PROVISION AND CONTINGENT LIABILITIES

a) A provision is recognised, when the Company has the present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made.

b) Where no reliable estimate can be made or when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources, disclosure is made as Contingent Liability. Expected reimbursement, if any, is disclosed under Notes to Accounts.

c) When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

I. PROVISION FOR WARRANTY

Provision for warranty is recognized on actuarial valuation for Manufacturing and Repair and Overhaul of Aircraft/ Helicopter/Engine/Rotables and Spares and development activities etc.

II. PROVISION FOR LIQUIDATED DAMAGES

Provision for Liquidated Damages is recognized when the expected date of delivery of Goods / rendering of Service in respect of Manufacturing and Repair and Overhaul of Aircraft/Helicopter/Engine/Rotables, Spares and Development activities etc is beyond the due date as per delivery schedule and at the rates specified in the Contract with the Customer.

III. PROVISION FOR ONEROUS CONTRACTS

A provision for onerous contract is recognized when the expected benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

21. BORROWING COSTS

Borrowing cost includes interest, and other costs incurred in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred.

22. ESTIMATES AND ERRORS

The Company revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively unless it is impracticable to apply.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of profit and loss is applied prospectively in the period(s) of change.

When it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate, the change is treated as a change in an accounting estimate.

Discovery of material errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities, and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

23. EVENTS AFTER THE REPORTING PERIOD

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.





Material Accounting Policies for the financial year 2024-25

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted.

24. EARNINGS PER SHARE

The Company presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is determined by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(DR. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064

Place: Bengaluru
Date: 14.05.2025




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 1 - Property, Plant and Equipment

Note 1A - Gross Block - Property, Plant and Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2025 are as follows:

(₹ in Lakhs)

Particulars	Gross Block As at 1st April 2024	Additions	Reclassification /Adjustment	Disposals	Gross Block As at 31st March 2025
Own Assets:					
Land -					
- Leasehold	0	0	0	0	**0**
- Freehold	1948	0	0	0	**1948**
Buildings	160753	8145	-16	0	**168882**
Plant and Equipment	270812	23922	243	285	**294692**
Furniture and Fixtures	11125	1924	0	108	**12941**
Vehicles	10234	1223	0	268	**11189**
Office Equipment	20168	10544	0	127	**30585**
Others					
Assets used for CSR Activities	4525	0	0	0	**4525**
Roads and Drains	11931	132	15	0	**12078**
Water Supply	7554	439	0	0	**7993**
Runways	4112	0	0	0	**4112**
Aircraft/Helicopters	38713	0	-242	**0**	**38471**
Sub Total	**541875**	**46329**	**0**	**788**	**587416**
Special Tools	**705031**	**45689**	**0**	**0**	**750720**
Total Own Assets	**1246906**	**92018**	**0**	**788**	**1338136**
Right-of-Use Asset:					
Land	**822**	**0**	**0**	**0**	**822**
Buildings	8503	0	0	**0**	**8503**
Total Right-of-Use Asset	**9325**	**0**	**0**	**0**	**9325**
Total	**1256231**	**92018**	**0**	**788**	**1347461**

(i) The amount of contractual commitments for the accquisition of Property, Plant and Equipment is disclosed under Clause 3 of Note 49

(ii) There is no charge or lein on Property, Plant and Equipment

(iii) Refer Clause 14 to 14.9 of Note 49





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 1B - Accumulated Depreciation - Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Provision As at 1st April 2024	Additions	Reclassification /Adjustment	Disposals	Provisions As at 31st March 2025
Own Assets:					
Land -					
- Leasehold	0	0	0	**0**	**0**
- Freehold	0	0	0	**0**	**0**
Buildings	35597	5049	-1	**0**	**40645**
Plant and Equipment	160241	19298	243	**261**	**179521**
Furniture and Fixtures	9576	1541	0	**110**	**11007**
Vehicles	6739	900	0	**160**	**7479**
Office Equipment	14758	3736	0	**110**	**18384**
Others					
Assets used for CSR Activities	4525	0	0	**0**	**4525**
Roads and Drains	5826	868	0	**0**	**6694**
Water Supply	3460	628	0	**0**	**4088**
Runways	1753	314	0	**0**	**2067**
Aircraft/Helicopters	18728	1794	-242	**0**	**20280**
Sub Total	**261203**	**34128**	**0**	**641**	**294690**
Special Tools	**366405**	**38734**	**0**	**0**	**405139**
Total Own Assets	**627608**	**72862**	**0**	**641**	**699829**
Right-of-Use Asset:					
Land	**109**	**15**	**0**	**0**	**124**
Buildings	**875**	**284**	**0**	**0**	**1159**
Total Right-of-Use Asset	**984**	**299**	**0**	**0**	**1283**
Total	**628592**	**73161**	**0**	**641**	**701112**

Above Includes:	As at 31st March 2025
Gross Value of Assets with M/s. Midhani	**1195**
Cumulative Depreciation in respect of Assets with M/s. Midhani	**1195**
	0

	As at 31st March 2025
Gross Value of Assets retired from Active Use	**714**
Less : Cumulative Depreciated Value of Assets retired from Active Use.	**714**
WDV of Assets Retired from Active Use.	**0**




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 1C - Impairment Loss - Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Impairment Loss As at 1st April 2024	Additions	Reclassi-fication / Adjustment	Disposals	Impairment Loss As at 31st March 2025	Net Block As at 31st March 2025	Net Block As at 31st March 2024
Own Assets:							
Land -							
- Leasehold					0	0	0
- Freehold					0	1948	1948
Buildings					0	128237	125156
Plant and Equipment					0	115171	110571
Furniture and Fixtures					0	1934	1549
Vehicles					0	3710	3495
Office Equipment					0	12201	5410
Others							
Assets used for CSR Activities					0	0	0
Roads and Drains					0	5384	6105
Water Supply					0	3905	4094
Runways					0	2045	2359
Aircraft/Helicopters					0	18191	19985
Subtotal	**0**	**0**	**0**	**0**	**0**	**292726**	**280672**
Special Tools	50303	0	**0**	**244**	50059	295522	288323
Total Own Assets	**50303**	**0**	**0**	**244**	**50059**	**588248**	**568995**
Right-of-Use Asset:							
Land					0	698	713
Buildings					0	7344	7628
Total Right -of -Use Asset	**0**	**0**	**0**	**0**	**0**	**8042**	**8341**
Total	**50303**	**0**	**0**	**244**	**50059**	**596290**	**577336**




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 1 - Property, Plant and Equipment

Note 1A - Gross Block -Property, Plant and Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2024 are as follows:

(₹ in Lakhs)

Particulars	Gross Block As at 1st April 2023	Additions	Reclassification /Adjustment	Disposals	Gross Block As at 31st March 2024
Own Assets:					
Land -					
- Leasehold	0	0	0	0	0
- Freehold	1948	0	0	0	1948
Buildings	164464	11697	-15357	51	160753
Plant and Equipment	249262	14963	7332	745	270812
Furniture and Fixtures	10227	1026	10	138	11125
Vehicles	9525	928	0	219	10234
Office Equipment	17394	2904	1	131	20168
Others					
Assets used for CSR Activities	4525	0	0	0	4525
Roads and Drains	6060	58	5813	0	11931
Water Supply	7137	237	180	0	7554
Runways	1776	315	2021	0	4112
Aircraft/Helicopters	38713	0	0	0	38713
Sub Total	**511031**	**32128**	**0**	**1284**	**541875**
Special Tools	657602	47429	0	0	705031
Total Own Assets	**1168633**	**79557**	**0**	**1284**	**1246906**
Right -of -Use Asset:					
Land	822	0	0	0	822
Buildings	8474	29	0	0	8503
Total Right -of -Use Asset	**9296**	**29**	**0**	**0**	**9325**
Total	**1177929**	**79586**	**0**	**1284**	**1256231**

(i) The amount of contractual commitments for the accquisition of Property, Plant and Equipment is disclosed under Clause 3 of Note 49

(ii) There is no charge or lein on Property, Plant and Equipment

(iii) Refer Clause 14 to 14.9 of Note 49




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 1B - Accumulated Depreciation- Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Provision As at 1st April 2023	Additions	Reclassification / Adjustment	Disposals	Provisions As at 31st March 2024
Own Assets:					
Land -					
- Leasehold	0	0	0	0	0
- Freehold	0	0	0	0	0
Buildings	30704	5020	-124	3	35597
Plant and Equipment	142023	18841	60	683	160241
Furniture and Fixtures	8734	962	0	120	9576
Vehicles	5914	969	0	144	6739
Office Equipment	13029	1855	1	127	14758
Others					
Assets used for CSR Activities	4525	0	0	0	4525
Roads and Drains	4729	1049	48	0	5826
Water Supply	2792	670	-2	0	3460
Runways	1410	326	17	0	1753
Aircraft/Helicopters	16934	1794	0	0	18728
Subtotal	**230794**	**31486**	**0**	**1077**	**261203**
Special Tools	316992	49413	0	0	366405
Total Own Assets	**547786**	**80899**	**0**	**1077**	**627608**
Right -of -Use Asset:					
Land	95	14	0	0	109
Buildings	589	286	0	0	875
Total Right -of -Use Asset:	**684**	**300**	**0**	**0**	**984**
Total	**548470**	**81199**	**0**	**1077**	**628592**

Above Includes:	As at 31st March 2024
Gross Value of Assets with M/s. Midhani	1195
Cumulative Depreciation in respect of Assets with M/s. Midhani	1195
	0

	As at 31st March 2024
Gross Value of Assets retired from Active Use	467
Less : Cumulative Depreciated Value of Assets retired from Active Use.	467
WDV of Assets Retired from Active Use.	0





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 1C - Impairment Loss - Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Impairment Loss As at 1st April 2023	Additions	Reclassification / Adjustment	Disposals	Impairment Loss As at 31st March 2024	Net Block As at 31st March 2024	Net Block As at 31st March 2023
Own Assets:							
Land -							
- Leasehold					0	0	0
- Freehold					0	1948	1948
Buildings					0	125156	133760
Plant and Equipment					0	110571	107239
Furniture and Fixtures					0	1549	1493
Vehicles					0	3495	3611
Office Equipment					0	5410	4365
Others							
Assets used for CSR Activities					0	0	0
Roads and Drains					0	6105	1331
Water Supply					0	4094	4345
Runways					0	2359	366
Aircraft/Helicopters					0	19985	21779
Subtotal	**0**	**0**	**0**	**0**	**0**	**280672**	**280237**
Special Tools	50303	0	**0**	**0**	50303	288323	290307
Total Own Assets	**50303**	**0**	**0**	**0**	**50303**	**568995**	**570544**
Right -of -Use Asset:							
Land					0	713	727
Buildings					0	7628	7885
Total Right -of -Use Asset	**0**	**0**	**0**	**0**	**0**	**8341**	**8612**
Total	**50303**	**0**	**0**	**0**	**50303**	**577336**	**579156**




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 2 - Capital Work in Progress

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Buildings	**49704**	43845
Plant and Equipment	**38377**	35335
Furniture and Fixtures	**0**	9
Office Equipment	**819**	224
Water Supply	**47**	112
Roads and Drains	**122**	0
Plant and Equipment under Inspection and in Transit	**6303**	2443
Special Tools	**13736**	11611
TOTAL	**109108**	93579

(i) Refer Clause 9D, 9E & 9F of Note 49 for further disclosures on capital work-in-progress

(ii) The amount of contractual commitments for the accquisition of Property, Plant and Equipment is disclosed under Clause 3 of Note 49

Note 3 - Investment Property

The changes in the carrying value of investment property for the year ended 31st March 2025 are as follows:

Note 3A - Gross Block - Investment Property

(₹ in Lakhs)

Particulars	Gross block As at 1st April 2024	Additions	Disposals	Gross Block As at 31st March 2025
Buildings	4	0	0	4
Total	**4**	**0**	**0**	**4**

Refer Clause 14.11 of Note 49

Note 3B - Accumulated Depreciation - Investment Property

(₹ in Lakhs)

Particulars	Provision As at 1st April 2024	Additions	Disposals	Provisions As at 31st March 2025	Net Block As at 31st March 2025	Net Block As at 31st March 2024
Buildings	2	0	0	2	2	2
Total	**2**	**0**	**0**	**2**	**2**	**2**





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 3 - Investment Property

The changes in the carrying value of investment property for the year ended 31st March 2024 are as follows:

Note 3A - Gross Block - Investment Property

(₹ in Lakhs)

Particulars	Gross block As at 1st April 2023	Additions	Disposals	Gross Block As at 31st March 2024
Buildings	4	0	0	4
Total	**4**	**0**	**0**	**4**

Refer Clause 14.11 of Note 49

Note 3B - Accumulated Depreciation - Investment Property

(₹ in Lakhs)

Particulars	Provision As at 1st April 2023	Additions	Disposals	Provisions As at 31st March 2024	Net Block As at 31st March 2024	Net Block As at 31st March 2023
Buildings	1	1	0	2	2	3
Total	**1**	**1**	**0**	**2**	**2**	**3**

Note 5 - Other Intangible assets

The changes in the carrying value of other intangible assets for the year ended 31st March 2025 are as follows:

Note 5A - Gross Block - Other Intangible Assets

(₹ in Lakhs)

Particulars	As at 1st April 2024	Additions	Adjustment*	As at 31st March 2025
Licence Fees	144898	3281	0	**148179**
Computer Software	11318	3485	0	**14803**
Documentation	69239	2756	0	**71995**
Development Expenditure	233947	26970	-165	**260752**
Total	**459402**	**36492**	**-165**	**495729**

*The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 6A)

Note 5B - Accumulated Amortization - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1st April 2024	Amortisation	Adjustment	As at 31st March 2025
Licence Fees	84125	1060	0	**85185**
Computer Software	8487	2019	0	**10506**
Documentation	28174	31841	0	**60015**
Development Expenditure	179109	25889	0	**204998**
Total	**299895**	**60809**	**0**	**360704**




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 5C - Impairment Loss - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1st April 2024	Impairment Loss	Adjustment	As at 31st March 2025
Licence Fees	18484	0	0	**18484**
Computer Software	0	0	0	**0**
Documentation	1081	0	0	**1081**
Development Expenditure	44278	1130	0	**45408**
Total	**63843**	**1130**	**0**	**64973**

Note 5 - Other Intangible assets

The changes in the carrying value of other intangible assets for the year ended 31st March 2024 are as follows:

Note 5A - Gross Block - Other Intangible Assets

(₹ in Lakhs)

Particulars	As at 1st April 2023	Additions	Adjustment*	As at 31st March 2024
Licence Fees	143348	1550	0	144898
Computer Software	9033	2285	0	11318
Documentation	68903	336	0	69239
Development Expenditure	185382	47809	756	233947
Total	**406666**	**51980**	**756**	**459402**

*The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 6A)

Note 5B - Accumulated Amortization - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1st April 2023	Amortisation	Adjustment	As at 31st March 2024
Licence Fees	75936	8189	0	84125
Computer Software	7520	967	0	8487
Documentation	24955	3219	0	28174
Development Expenditure	132039	47070	0	179109
Total	**240450**	**59445**	**0**	**299895**

Note 5C - Impairment Loss - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1st April 2023	Impairment Loss	Adjustment	As at 31st March 2024
Licence Fees	18484	0	0	18484
Computer Software	0	0	0	0
Documentation	1081	0	0	1081
Development Expenditure	43077	1201	0	44278
Total	**62642**	**1201**	**0**	**63843**





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 6 - Intangible Assets under Development

The changes in the carrying value of intangible assets under development for the year ended 31st March 2025 are as follows:

Note 6A - Gross Carrying cost - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2024	Additions	Adjustment*	As at 31st March 2025
Development Expenditure	219747	46191	165	266103
Total	**219747**	**46191**	**165**	**266103**

*(i) The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 5A)

(ii) The amount of contractual commitments for the accquisition of intangible assets is disclosed under Clause 3 of Note 49.

(iii) Refer Clause 9G & 9H of Note 49 for further disclosures on Intangible assets under development

Note 6B - Accumulated Amortization - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2024	Amortisation	Adjustment	As at 31st March 2025
Development Expenditure	58518	0	0	58518
Total	**58518**	**0**	**0**	**58518**

Note 6C - Impairment Loss - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2024	Impairment Loss	Adjustment	As at 31st March 2025
Development Expenditure	5574	1344	0	6918
Total	**5574**	**1344**	**0**	**6918**

Note 6 - Intangible Assets under Development

The changes in the carrying value of intangible assets underdevelopment for the year ended 31st March 2024 are as follows:

Note 6A - Gross Carrying cost - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2023	Additions	Adjustment*	As at 31st March 2024
Development Expenditure	188608	31895	-756	219747
Total	**188608**	**31895**	**-756**	**219747**

*(i) The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 5A)

(ii) The amount of contractual commitments for the accquisition of intangible assets is disclosed under Clause 3 of Note 49.

(iii) Refer Clause 9G & 9H of Note 49 for further disclosures on Intangible assets under development

Note 6B - Accumulated Amortization - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2023	Amortisation	Adjustment	As at 31st March 2024
Development Expenditure	58518	0	0	58518
Total	**58518**	**0**	**0**	**58518**

Note 6C - Impairment Loss - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2023	Impairment Loss	Adjustment	As at 31st March 2024
Development Expenditure	5280	294	0	5574
Total	**5280**	**294**	**0**	**5574**




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 7 - Financial Asset - Investments - Subsidiaries & Joint Ventures at Cost less Provision

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
INVESTMENTS AT COST LESS PROVISION (UN-QUOTED)		
Investment in Equity Instruments		
1. Investment in Subsidiaries		
Naini Aerospace Limited - 6,50,00,000 (6,50,00,000 PY) Shares of ₹ 10 FV each fully paid	**6500**	6500
Less Provision for Impairment in value of Investment	**6500**	6500
Net - Naini Aerospace Limited	**0**	0
Indo Russian Helicopters Limited 5,05,000 (5,05,000 PY) Shares of ₹ 100 FV each fully paid	**505**	505
Less Provision for Impairment in value of Investment	**142**	142
Net - Indo Russian Helicopters Limited	**363**	363
Total In Equity of Subsidiaries (1)	**363**	363
2. Investment in Joint Ventures		
BAe-HAL Software Ltd-29,40,000 (29,40,000-P.Y.) shares of ₹10 FV each fully paid	**294**	294
Less Provision for Impairment in value of Investment	**0**	61
Net -BAe-HAL Software Ltd.	**294**	233
Safran HAL Aircraft Engines Private Ltd -11,40,000 (11,40,000-P.Y) Shares of ₹100 F.V. each fully paid	**1140**	1140
Less Provision for Impairment in value of Investment	**0**	0
Net - Safran HAL Aircraft Engines Private Ltd.	**1140**	1140
Indo Avia Services Ltd (Formerly Indo Russian Aviation Ltd) - 9,36,525 (9,36,525-P.Y) shares of ₹ 10 FV each fully paid	**94**	94
Less Provision for Impairment in value of Investment	**0**	0
Net - Indo Avia Services Ltd.	**94**	94
HALBIT Avionics Pvt Ltd -3,82,500(3,82,500-P.Y.) Shares of ₹100 FV each fully paid	**383**	383
Less Provision for Impairment in value of Investment	**383**	383
Net - HALBIT Avionics Pvt. Ltd.	**0**	0
HAL Edgewood Technologies Pvt Ltd 3,00,000(3,00,000-P.Y) Shares of ₹100 FV each fully paid	**300**	300
Less Provision for Impairment in value of Investment	**300**	300
Net- HAL Edgewood Technologies Pvt. Ltd.	**0**	0
SAMTEL HAL Display Systems Ltd-1,60,000 (1,60,000-P.Y.) Shares of ₹ 100 FV each fully paid	**160**	160
Less Provision for Impairment in value of Investment	**160**	160
Net - SAMTEL HAL Display Systems Ltd.	**0**	0
INFOTECH HAL Ltd - 20,00,000 (20,00,000-P.Y.) Shares of ₹ 10 FV each fully paid	**200**	200
Less Provision for Impairment in value of Investment	**200**	200
Net- INFOTECH HAL Ltd.	**0**	0





Notes to the Standalone Financial Statements for the year ended March 31, 2025

(₹ in Lakhs)

Particulars		As at 31st March 2025	As at 31st March 2024
	HATSOFF Helicopter Training Pvt Ltd -3,84,04,205 (3,84,04,205 P.Y) Shares of ₹10 FV each fully paid	**3840**	3840
	Less Provision for Impairment in value of Investment	**3840**	3840
	Net- HATSOFF Helicopter Training Pvt. Ltd.	**0**	0
	International Aerospace Manufacturing Pvt Ltd - 42,50,000 (42,50,000 - P.Y) Shares of ₹ 100 FV each fully paid	**4250**	4250
	Less Provision for Impairment in value of Investment	**0**	855
	Net- International Aerospace Manufacturing Pvt Ltd.	**4250**	3395
	Multirole Transport Aircraft Ltd. - 1,13,46,564 (1,13,46,564 P.Y.) Shares of ₹ 100 FV each fully paid	**11347**	11347
	Less Provision for Impairment in value of Investment	**6678**	6678
	Net- Multirole Transport Aircraft Ltd.	**4669**	4669
	Helicopter Engines MRO Pvt Ltd - 24,59,986 (24,59,986 P.Y.) Shares of ₹ 100 FV each fully paid	**2460**	2460
	Less Provision for Impairment in value of Investment	**517**	415
	Net- Helicopter Engines MRO Pvt Ltd.	**1943**	2045
	SAFHAL Helicopter Engines Private Limited - 10,00,000 (10,00,000 P.Y.) Shares of ₹ 10 FV each fully paid	**100**	100
	Less Provision for Impairment in value of Investment	**31**	0
	Net- SAFAL Helicopter Engines Private Ltd.	**69**	100
	Total In Equity of Joint Ventures (2)	**12459**	11676
TOTAL (1+2)		**12822**	12039
Disclosure			
(i)	Aggregate amount of Quoted Investment and Market Value.	**0**	0
(ii)	Aggregate amount of Unquoted Investments. (net)	**12822**	12039
(iii)	Aggregate amount of impairment in value of investments	**18751**	19534
(iv)	Refer Clause 45B, 45B (i) & 45E of Note 49 for further details on Investment in Joint Ventures		




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 7A - Financial Asset - Investments at Cost

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Investments in Structured Entities (UNQUOTED)		
a) HAE Co-operative Society of 25 (25P.Y) Shares of ₹ 100 FV each fully paid*	**0**	0
b) Satnam Apartment Ltd - 41 (41 P.Y) Shares of ₹ 100 each at cost for acquisition of a Flat**	**0**	0
c) Aerospace & Aviation Sector Skill Council(AASSC) - 125 (125 P.Y.) Shares of ₹ 10000 FV each fully paid	**13**	13
d) Defence Innovation Organisation - 50 (P.Y 50) Shares of ₹ 1000 FV each fully paid***	**1**	1
e) Communication (Defence) Testing Foundation - 26131 (P.Y Nil) Shares of ₹ 1000 FV each fully paid***	**261**	0
f) Electronic Warfare (Defence) Testing Foundation - 23480 (P.Y Nil) Shares of ₹ 1000 FV each fully paid***	**235**	0
g) UAS Testing Foundation - 50000 (P.Y Nil) Shares of ₹ 1000 FV each fully paid***	**500**	0
h) Advance Material (Defence) Testing Foundation. - 27,320 (P.Y Nil) Shares of ₹ 1000 FV each fully paid***	**273**	0
i) Systyem Testing And Research For Advanced Materials Foundation - 20,000 (P.Y Nil) Shares of ₹ 100 FV each fully paid***	**20**	0
Total In Equity of Others (A)	**1303**	14
LIC of India (For Funding Vacation Leave)	**148611**	137653
Total In Other Investments (B)	**148611**	137653
TOTAL (A+B)	**149914**	137667
* Total ₹ 2500 (P.Y ₹ 2500) (absolute figure) are held by Kanpur division which is rounded off. ** Total ₹ 7220 (P.Y ₹ 7220) (absolute figure) are held by Nasik division which is rounded off. *** Refer Clause 45C & 45E (i), (ii), (iii) (iv) & (v) of Note 49 for further details on the Investment		
(i) Aggregate amount of Quoted Investment and Market Value.	**0**	0
(ii) Aggregate amount of Unquoted Investments. (net)	**149914**	137667
(iii) Aggregate amount of impairment in value of investments	**0**	0

Note 8 - Financial Asset - Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Trade Receivables	**0**	0
TOTAL	**0**	0

Note 8A - Financial Asset-Contract Assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Contract Assets		
Unbilled Revenue	0	0
TOTAL	**0**	0





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 9 - Financial Asset- Loans

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Considered Good-Secured		
a) Loans to Related Parties	**0**	0
b) Others		
Loans and advances to employees	**10**	9
Sub-Total (A)	**10**	9
B. Considered Good-Unsecured		
a) Loans to Related Parties	**0**	0
b) Others		
Loans and advances to employees	**547**	552
Sub-Total (B)	**547**	552
C. Loans which have significant increase in credit risk		
Sub-Total (C)	**0**	0
D. Loans - Credit Impaired		
Sub-Total (D)	**0**	0
TOTAL (A+B+C+D)	**557**	561

Note 10 - Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Claims Receivable Unsecured		
Receivable - Credit Impaired	**8171**	9510
Sub-Total	**8171**	9510
Less: Provision for Doubtful Claims	**8171**	9510
Sub-Total (A)	**0**	0
B. Security Deposit		
Govt Departments for Customs Duty and for Supplies	**12**	12
Public Utility Concerns	**2702**	2701
Others	**1220**	1292
Sub-Total (B)	**3934**	4005
C. Balances with Bank		
Bank deposit with more than 12 Months maturity*	**0**	1
Sub-Total (C)	**0**	1
D. Others		
Deferred Debts**	**34252**	34791
Sub-Total (D)	**34252**	34791
TOTAL (A+B+C+D)	**38186**	38797
(i) Above balances of Claims Receivable include balances with related parties (Refer Receivables of Clause No.45A(g) of Note 49)	**521**	522
(ii) Above balances of Provision for Doubtful Claims include balances with related parties (Refer Clause No.45A(o) of Note 49)	**521**	522
*(iii) Fully Earmarked for Committed Liabilities of more than 12 months	**0**	1
**(iv) Refer Clause No. 44 (b) of Note 49		




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 11 - Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
The tax effect of significant temporary differences that resulted in deferred tax assets:		
As per last Balance Sheet	**145433**	112571
Add / (Less): Current Year's Assets	**11366**	32862
TOTAL	**156799**	145433

Refer Clause 40 of Note 49

Note 12 - Other Non - Current assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Capital Advances	**26429**	24266
Less: Provision for Bad and Doubtful	**240**	0
B. Advance Other than Capital Advances		
Advances against Goods and Services	**12623**	8371
Other Advances	**918**	841
	39730	33478
C. Others		
Balances with Revenue Authorities		
Income tax	**215623**	166494
Others-under dispute	**13310**	40064
Prepaid Expenses	**20**	27
TOTAL (A+B+C)	**268683**	240063

Note 13 - Inventories

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Inventories (At Lower of Cost and Net Realisable Value)#		
(i) Raw Materials and Components	**630878**	695605
Less: Provision for Redundancy	**207403**	243576
	423475	452029
(ii) Work-in-Progress	**1553975**	788931
Less: Provision for Redundancy	**26589**	26589
	1527386	762342
(iii) Finished Goods	**0**	0
(iv) Stock-in-Trade	**1494**	4149
(v) Stores and Spares	**23146**	33322
Less: Provision for Redundancy	**4980**	7334
	18166	25988
(vi) Loose Tools	**7022**	9317
Less: Provision for Redundancy	**1572**	2568
	5450	6749





Notes to the Standalone Financial Statements for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(vii) Construction Materials	**42**	57
Less: Provision for Redundancy	**10**	10
	32	47
(viii) Disposable Scrap (at Net Realisable Value)	**830**	742
(ix) Goods under Inspection and in Transit		
Raw material and Components	**179536**	61022
Stores and Spares	**556**	972
Loose Tools	**686**	397
	180778	62391
(x) Inventory - Warranty	**12566**	9644
Less: Provision for Redundancy	**2607**	1489
	9959	8155
TOTAL	**2167570**	1322592
(#) (i) includes those issued to Sub-Contractors for Job Works	**36651**	14929

Note 14 - Financial Asset- Investments

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
INVESTMENTS AT COST LESS PROVISION (UN-QUOTED)	**0**	0
TOTAL	**0**	0

Note 15 - Financial Asset-Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Trade Receivables		
Considered Good - Unsecured	**464754**	461667
Credit Impaired	**14411**	16751
	479165	478418
Less: Allowance for Doubtful Debts	**14411**	16751
TOTAL	**464754**	461667
(i) Above balances of trade receivables include balances with related parties (Refer Receivables of Clause No.45A(g) of Note 49)	**875**	819
(ii) Above balances of Allowance for Doubtful Debts include balances with related parties (Refer Clause No. 45A(o) of Note 49).	**150**	150
(iii) Refer Clause 53 (c) of Note 49 for ageing schedule of Trade Receivables		




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 15A - Financial Asset-Contract Assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Contract Assets		
Unbilled Revenue	**1610278**	1195788
Less: Allowance for Doubtful Debts	**21362**	6392
TOTAL	**1588916**	1189396

Refer Clause 53 (d) of Note 49 for ageing schedule of Contract Assets

Note 16 - Financial Asset- Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Balances with Bank		
In Current Account	**134693**	124416
Term Deposits with original maturity upto 3 months	**320000**	301000
B. Cheques, Drafts on Hand	**0**	0
C. Cash on Hand	**0**	0
TOTAL (A+B+C)	**454693**	425416

Note-17 - Financial Asset - Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Term Deposits with original maturity for more than 3 months but less than 12 months	**3362284**	2216694
Earmarked balances with banks for Unpaid Dividend	**99**	74
TOTAL	**3362383**	2216768

Note 18 - Financial Asset- Loans

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Considered Good-Secured		
a) Loans to Related Parties	**0**	0
b) Others		
Loans and advances to employees	**4**	6
Sub-Total (A)	**4**	6
B. Considered Good-Unsecured		
a) Loans to Related Parties	**0**	0
b) Others		
Loans and advances to employees	**728**	1061
Sub-Total (B)	**728**	1061
C. Loans which have Significant Increase in credit risk		
Sub-Total (C)	**0**	0
D. Loans - Credit Impaired		
Sub-Total (D)	**0**	0
TOTAL (A+B+C+D)	**732**	1067





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 19 - Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Claims Receivable*		
Unsecured Considered Good	**56453**	75699
Credit Impaired	**18570**	19433
	75023	95132
Less: Provision for Doubtful Claims	**18570**	19433
Sub-Total	**56453**	75699
Security Deposit		
Public Utility Concerns	**42**	40
Others	**184**	183
Interest Accrued and not Due on Term and Other Deposits	**67923**	65494
Current Maturities of Deferred Debt**	**10028**	9990
Share Application Money Paid***	**41**	0
TOTAL	**134671**	151406
(i) Above balances of Claims Receivable include balances with related parties (Refer Receivables of Clause No.45A(g) of Note 49)	**14346**	16805
(ii) Above balances of Provision for Doubtful Claims include balances with related parties (Refer Clause No.45A(o) of Note 49)	**2194**	1859

*(iii) Refer Clause 43G of Note 49
**(iv) Refer Clause No. 44 (b) of Note 49
***(v) Refer Clause 45E (v) of Note 49

Note 20 - Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Current Tax (Net)	**0**	0
TOTAL	**0**	0

Note 21 - Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Advance Other than Capital Advances		
Advances against Goods and Services	**640862**	453605
Less: Provision for Bad and Doubtful	**398**	1034
Other Loans and Advances	**380**	392
Advances to Related Parties	**11**	95
B. Others		
Prepaid Expenses	**2426**	2177
Balances with revenue Authorities		
Others	**11**	3141
Balance with GST Electronic Ledger	**191220**	74883
Balances in Franking Machine	**1**	4
TOTAL	**834513**	533263




Notes to the Standalone Financial Statements for the year ended March 31, 2025

EQUITY

Note 22 - Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Authorised Capital 1,40,00,00,000 Equity Shares of ₹ 5 each (March 31, 2024: 1,20,00,00,000 Equity Shares of ₹ 5 each)	**70000**	60000
Issued, Subscribed and Fully Paid up Capital 66,87,75,000 Equity Shares of ₹ 5 each fully paid-up (March 31, 2024: 66,87,75,000 Equity Shares of ₹ 5 each fully paid-up)	**33439**	33439
Par Value per Share (₹)	**5**	5
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
Opening Equity Shares (Nos.) (face value of ₹ 5 each, PY: face value of ₹ 10 each)	**668775000**	334387500
Add: PY: Sub-division of 1 Equity Share of the face value of ₹ 10 each into 2 Equity Shares of ₹ 5 each (Nos.)	**0**	334387500
Closing Equity Shares (Nos.)	**668775000**	668775000
Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held		
President of India and Nominees	**479102424**	479102424
% of Shareholding of President of India and Nominees	**71.64%**	71.64%
Shares held by promoters at the end of the reporting period		
Promoters Name:		
President of India and Nominees		
No. of Shares	**479102424**	479102424
% of total Shares	**71.64%**	71.64%
% Change during the year	**0.00%**	-0.02%

Terms/ Rights attached to Equity shares

The Company has one (1) Class of Shares i.e Equity Shares

The Equity Shares rank Pari Passu in all respects including right to Dividend, Issue of New Shares, Voting Rights and in the Assets of the Company in the event of Liquidation.

Refer Clause 48 A of Note 49 for details regarding buy back of shares





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 23 - Other Equity

(₹ in Lakhs)

Particulars		As at 31st March 2025	As at 31st March 2024
A.	**Research & Development Reserve**		
	Opening Balance	**299646**	211256
	Add: Current Year Transfer	**92176**	92718
	Less: Transfer to General Reserve on utilisation	**7477**	4328
	Closing Balance (A)	**384345**	299646
B.	**Capital Redemption Reserve**		
	Opening Balance	**14761**	14761
	Add: Current Year Transfer	**0**	0
	Less: Written Back in Current Year	**0**	0
	Closing Balance (B)	**14761**	14761
C.	**Indigenization Fund Reserve**		
	Opening Balance	**28885**	10776
	Add: Current Year Transfer	**18435**	18544
	Less: Transfer to General Reserve on utilisation	**10554**	435
	Closing Balance (C)	**36766**	28885
D.	**General Reserve as per last Balance Sheet**	**2527911**	2080385
	(+/-) Surplus Transferred from statement of Profit and Loss	**469032**	442763
	Add: Transfer from Research & Development Reserve	**7477**	4328
	Add: Transfer from Indigenization Fund Reserve	**10554**	435
	Closing Balance (D)	**3014974**	2527911
E.	**Retained earnings - Surplus in the statement of Profit & Loss**		
	Opening Balance	**0**	0
	Add/(Less): Net Profit / (Net Loss) for the current financial year	**831680**	759504
	Add/(Less): Remeasurement of the defined benefit plans	**2098**	-8190
	Sub total (i)	**833778**	751314
	Less: Appropriations / Allocations		
	Transfer to Indigenization Fund Reserve	**18435**	18544
	Transfer to Research & Development Reserve	**92176**	92718
	Interim Dividend	**167194**	147131
	Final Dividend	**86941**	50158
	Sub total (ii)	**364746**	308551
	Transfer To General Reserves (i)-(ii)	**469032**	442763
	Closing Balance (E)	**0**	0
F.	**Other Components of Equity**		
	Fair Value through Other Comprehensive Income (FVOCI) ($)		
	Opening Balance	**0**	0
	Add/(Less): Additions made during the year	**2098**	-8190
	Add/(Less): Remeasurement of the defined benefit plans	**-2098**	8190
	Closing Balance (F)	**0**	0
	TOTAL (A+B+C+D+E+F)	**3450846**	2871203

$ Breakup is given separately in Statement of Changes in Equity




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Nature and Purpose of each Reserve:

1. Research & Development Reserve:

Research and Development Reserve is created by transfer from Retained Earnings an annual contribution of 15% of Operating Profit After Tax. Research & Development Reserve is created to bring technological superiority to the products in order to cope with the future technological challenges. The amount of utilisation for Research and Development purposes during the year is transferred from Research and Development Research to General Reserve.

2. Captial Redemption Reserve:

Capital Redemption Reserve is created on redemption/buyback of equity shares.

3. Indigenization Fund Reserve:

Indigenization Fund Reserve is created by transfer from Retained Earnings an amount equal to 3 % of Operating Profit After Tax which will be utilised to encourage Indigenization of items which are being sourced from foreign sources at present.

4. General Reserve:

General Reserve is created out of the profits of the Company and out of Research & Development Reserve on utilization of Research & Development purposes. This is a free reserve.

Note 24 - Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Secured		
a) Term Loans		
(i) From Banks	**0**	0
Sub-Total (A)	**0**	0
B. Unsecured		
Sub-Total (B)	**0**	0
TOTAL (A + B)	**0**	0

Note 24A - Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Lease Liabilities	**33**	33
TOTAL	**33**	33

Refer Clause 9B of Note 49 for further disclosures on lease

Note 25- Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Trade Payables	**0**	0
TOTAL	**0**	0





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 26 - Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Dues to Employees	**46**	45
Deposits	**0**	0
Deferred liabilities*	**34387**	35156
Other Liabilities**	**15230**	15383
TOTAL	**49663**	50584

*(i) Refer Clause No. 44 (b) of Note 49

**(ii) Refer Clause No. 10 of Note 49

Note 27 - Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Provisions for Employee Benefits		
Gratuity	**0**	0
Earned Leave	**135417**	118695
Sub-Total (A)	**135417**	118695
B. Others*		
Replacement and Other Charges	**39937**	26211
Warranty	**270**	756
Liquidated Damages	**10047**	10751
Sub-Total (B)	**50254**	37718
TOTAL (A + B)	**185671**	156413

*Refer Clause 49 of Note 49 for movement of Provisions

Note 28 - Deferred tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
As per last Balance Sheet	**0**	0
Add / Less: Current Year's Provisions	**0**	0
TOTAL	**0**	0

Refer Clause 40 of Note 49




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 29 - Other Non current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Advances from Customers (Contract Liability)		
Outstanding Advances from Customers		
Defence	**1651671**	455250
Sub-Total (A)	**1651671**	455250
B. Milestone Receipt (Contract Liability)		
Defence	**830315**	598892
Others	**72**	234
Sub-Total (B)	**830387**	599126
TOTAL (A+B)	**2482058**	1054376

Note 30 - Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Secured Short Term Borrowings:		
a) Loans Repayable on Demand		
(i) From Banks	**0**	0
Working Capital Loan-Cash Credit		
Sub-Total (A)	**0**	0
B. Unsecured Short Term Borrowings:		
a) Loans Repayable on Demand		
Sub-Total (B)	**0**	0
TOTAL (A + B)	**0**	0

(i) Refer Clause No. 35A and 35B of Note No.49 for further details on Borrowings

(ii) Working Capital Loan is secured by first charge on Current Assets (All kinds of Stocks and Receivables of the Company both present and future)

Note 30A - Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Lease Liabilities	**2**	2
TOTAL	**2**	2

Refer Clause 9B of Note 49 for further disclosures on lease





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 31 - Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Trade Payables		
A) total outstanding dues of micro enterprises and small enterprises	**17669**	14605
B) total outstanding dues of creditors other than micro enterprises and small enterprises	**493415**	326862
TOTAL	**511084**	341467
Disclosures		
(i) Above balances of Trade Payable include balances with related parties (Refer Payable of Clause No.45A(f) of Note 49).	**4682**	5381
(ii) Refer Clause 54(b) of Note 49 for ageing schedule of Trade Payables.		
(iii) Refer Clause No. 19 of Note No.49 for dues of micro and small enterprises		

Note 32 - Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Liability for Outstanding Expenses	**45939**	42906
Deposits	**15007**	14002
Royalty	**7548**	6562
Dues to Employees	**74524**	63534
Current Maturities of Deferred Debts/Liabilities*	**5028**	4902
Due to Capital Creditors - Micro enterprises and small enterprises	**3461**	1432
Due to Capital Creditors - other than micro enterprises and small enterprises	**55015**	40308
Unpaid Dividend Account	**99**	74
Other Liabilities	**75940**	71201
TOTAL	**282561**	244921
(i) Above balances of Other Liabilities include balances with related parties (Refer Payable of Clause No.45A(f) of Note 49).	**139**	4804
(ii) No amount is due and outstanding to be transferred to Investor Education and Protection Fund at the year end in respect of Unpaid Dividend.		
(iii) Refer Clause No. 19 of Note No.49 for dues of micro and small enterprises		
*(iv) Refer Clause No. 44 (b) of Note 49		




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 33 - Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Advances from Customers (Contract Liability)		
Outstanding Advances from Customers		
Defence	**967362**	728283
Others	**11543**	7986
Sub-total (A)	**978905**	736269
B. Milestone Receipt (Contract Liability)		
Defence	**1679500**	1422456
Others	**81424**	48784
Sub-total (B)	**1760924**	1471240
Advances from Customers (A + B)	**2739829**	2207509
C. Other Payables		
Taxes (Other than Taxes on Income)	**8264**	7858
GST Payable	**1769**	2464
Others	**10416**	37094
TOTAL (A+B+C)	**2760278**	2254925

Note 34 - Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Provision for Employee Benefits		
Gratuity	**8038**	9230
Earned Leave	**10988**	12442
Others (Performance Related Pay)	**41020**	35735
Sub-Total (A)	**60046**	57407
B. Others*		
Replacement and Other Charges	**492442**	442710
Warranty	**134169**	125344
Liquidated Damages	**155059**	135580
Sub-Total (B)	**781670**	703634
TOTAL (A + B)	**841716**	761041

*Refer Clause 49 of Note 49 for movement of Provisions

Note 35 - Current tax liability (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Current tax liability (Net)	**13961**	29967
TOTAL	**13961**	29967





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 36 - Revenue from Operations

(₹ in Lakhs)

Particulars		For the Year ended 31st March 2025	For the Year ended 31st March 2024
A.	**Sale of Products**		
	(i) Inland Sales		
	Finished Goods	**705670**	544573
	Spares	**562234**	584982
	Development	**109241**	152648
	Miscellaneous	**53320**	77246
	Total Inland Sale of Products	**1430465**	1359449
	(ii) Export Sales		
	Finished Goods	**19302**	22021
	Spares	**10818**	6516
	Development	**103**	0
	Total Export Sale of Products	**30223**	28537
	Total Sale of Products (A)	**1460688**	1387986
B.	**Sale of Services**		
	(i) Inland Sale of Services		
	Repair & Overhaul	**1534645**	1421802
	Other Services	**5363**	3875
	Total Inland Sale of Services	**1540008**	1425677
	(ii) Export Sale of Services		
	Repair & Overhaul	**9644**	1564
	Other Services	**125**	958
	Total Export Sale of Services	**9769**	2522
	Total Sale of Services (B)	**1549777**	1428199
	Total Sales (A+B)*	**3010465**	2816185
C.	**Other Operating Revenues**		
	(i) Disposal of Scrap and Surplus / Unserviceable Stores	**2164**	1218
	(ii) Provisions no Longer Required**	**83500**	208512
	(iii) Income from Overseas	**0**	10489
	(iv) Others	**1963**	1680
	Total Other Operating Revenues (C)	**87627**	221899
	Revenue from Operations (A+B+C)	**3098092**	3038084

*(i) Refer Clause 1 (b) of Note 49 for disaggregation of revenue recognised against contract with customers

**(ii) Refer Clause 49 of Note 49 for movement of Provisions




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 37 - Other Income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Interest Income		
Short term Deposits / Loans / Others	**197961**	153077
Sundry Advances - Employees	**43**	42
Other Deposits	**11085**	10219
Sub-total	**209089**	163338
Dividend Income		
Dividend from Non- Current Investments in Joint Ventures	**491**	295
Other Non-Operating Income		
Gain on Foreign Currency Transaction and Translation	**0**	1856
Gain on Sale of Property, Plant & Equipment (Net)	**188**	590
Gain on Fair Value Adjustment	**3117**	3027
Interest on Income Tax Refund*	**19548**	0
Miscellaneous	**24120**	20748
TOTAL	**256553**	189854

(i) Refer Clause 9A of Note 49 for further disclosure on Gain on Sale of Property, Plant & Equipment (Net)

*(ii) Refer Clause 41B of Note 49

Note 38 - Cost of materials consumed

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Consumption of Raw Material, Components, Stores And Spare Parts		
Opening Stock	**738628**	775615
Add: Purchases	**1876094**	1223350
Add: Subcontracting, Fabrication and Machining Charges.	**34254**	31237
Less: Closing stock	**666632**	738628
	1982344	1291574
Less: Transfer to		
Special Tools and Equipment	**43905**	44700
Capital Works	**588**	127
Development Expenditure	**2304**	1176
Expense Accounts and Others	**9757**	9227
	56554	55230
TOTAL	**1925790**	1236344

Note 38A - Purchase of Stock-in-Trade

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Purchase of Stock-in-Trade	**67937**	67140





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 39 - Changes in Inventories of Finished Goods, Stock-in-Trade, Work-In-Progress and Scrap

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress		
Opening Balance		
(i) Finished Goods	**0**	0
(ii) Work-in-progress	**788931**	595222
(iii) Stock in Trade	**4149**	2241
	793080	597463
Closing Balance		
(i) Finished Goods	**0**	0
(ii) Work-in-progress	**1553975**	788931
(iii) Stock in Trade	**1494**	4149
	1555469	793080
Accretion / (Decretion) -A	**762389**	195617
Change in Disposables Scrap		
Opening Balance	**742**	470
Closing Balance	**830**	742
Accretion / (Decretion)-B	**88**	272
TOTAL (A+B)	**762477**	195889

Note 40 - Employee benefits expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Salaries and Wages	**462755**	416830
Contribution to Provident Fund and Others	**79239**	87131
Contribution to Gratuity	**12672**	10745
Staff Welfare Expenses(Net)	**17029**	12867
Rent for Hiring Accommodation for Officers	**77**	51
TOTAL	**571772**	527624

Note 41- Finance costs

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Interest on Cash Credit	**0**	2
Interest on Lease Liabilities	**2**	2
Interest on Income Tax	**277**	3131
Interest on micro and small enterprises	**0**	6
Interest - Others	**583**	64
TOTAL	**862**	3205

Refer Clause No. 19 of Note No.49 for dues of micro and small enterprises




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 42 - Depreciation and Amortization expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
A. Depreciation on Property, Plant and Equipment	**34427**	31787
B. Amortisation		
Intangible assets- Development Expenditure	**25889**	47070
Other Intangible assets		
Licence Fees	**1060**	8189
Computer Software	**2019**	967
Documentation	**31841**	3219
Special Tools	**38734**	49413
Sub-Total (B)	**99543**	108858
TOTAL (A+B)	**133970**	140645

Note 42A - Impairment Loss

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Impairment Loss on Intangible Asset	**2474**	1495
TOTAL	**2474**	1495

Refer Clause No.50 of Note 49

Note 43 - Other expenses

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Shop Supplies	**10282**	10627
Power and Fuel	**18994**	19373
Less: Savings in energy charges from Company owned wind & solar power plant	**3314**	3620
Net Power and Fuel	**15680**	15753
Water Charges	**5472**	5254
Rent for Office Premises etc.	**85**	72
Travelling (includes Foreign Travel)	**8797**	8938
Training (includes Foreign Training)	**1504**	736
Repairs:		
Buildings	**11228**	8968
Plant, Machinery and Equipment	**20019**	19746
Others	**5010**	5990
Expenses on Tools and Equipment	**5528**	3267
Insurance	**4841**	4504
Rates and Taxes	**3846**	2639
Postage and Telephones	**809**	815
Printing and Stationery	**1202**	1166
Publicity	**3271**	1376
Advertisement	**460**	211
Bank Charges	**1294**	1052
Loss on Foreign Currency Transaction and Translation	**2479**	0
Legal Expenses	**467**	297





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 43 - Other expenses (Contd.)

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Auditors' Remuneration:		
For Audit Fee	**63**	63
For Tax Audit Fee	**6**	7
For Other Services-Interim Audit & Other Certification fees	**81**	77
Selling Agents Commission	**18**	16
Handling Charges	**256**	207
Write Off:		
Fixed Assets	**0**	0
Stores	**3097**	1028
Shortages / Rejections	**5**	196
Others	**4318**	55
Freight and Insurance	**2233**	1649
Corporate Social Responsibility	**15838**	11106
Loss on Fair Value Adjustment	**2949**	3248
Miscellaneous Operating Expenses	**47031**	43704
TOTAL	**178169**	152767
(i) Miscellaneous Operating Expenses includes Director's Sitting Fees, excluding GST for the current financial year is ₹18 Lakh (For the year ended 31st March 2024 is ₹18 Lakh)	**18**	18
(ii) Refer Clause No. 55J of Note 49 for further disclosures on Corporate Social Responsibility		

Note 44 - Direct Input to Work in Progress/ Expenses Capitalised

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
A) DIRECT INPUT TO WIP		
Project related Travel	**1075**	453
Project related Training	**160**	66
Project related other Expenditure	**1397**	725
Royalty	**1369**	592
Foreign Technician Fee	**1673**	516
Ground Risk Insurance	**2958**	2146
Quality Audit Expenses	**12**	2
Design and Development	**19067**	29725
Sundry Direct Charges - Others	**0**	4203
Sub-Total (A)	**27711**	38428
B) EXPENSES CAPITALISED TO INTANGIBLE ASSET		
Licence Fees	**3281**	1550
Computer software	**3485**	2285
Documentation	**2756**	336
Sub-Total (B)	**9522**	4171
TOTAL (A + B)	**37233**	42599



Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 45 - Provisions

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Replacement and Other Charges	**126373**	116611
Warranty	**37015**	32425
Redundancy provision - Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials, Inventory - Warranty and Work-in-Progress	**7678**	100164
Liquidated Damages	**65843**	70271
Doubtful Debts	**83**	3534
Doubtful Claims	**635**	4100
Impairment of Investments	**133**	32
Doubtful Advances	**240**	1015
Doubtful Contract Assets	**15010**	2386
TOTAL	**253010**	330538

Refer Clause 49 of Note 49 for movement of Provisions

Note 46 - Expenses relating to Capital and Other Accounts

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Expenses allocated to:		
Other Intangible assets	**9522**	4171
Special Tools	**1784**	2729
Capital Works	**0**	353
Development Expenditure	**70857**	78528
Others	**53344**	12646
TOTAL	**135507**	98427

Other Comprehensive Income

Note 47 - Items that will not be reclassified to Profit or Loss

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Remeasurements of the defined benefit plans	**2803**	-10945
TOTAL	**2803**	-10945

Note 48 - Items that will be reclassified to profit or loss

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
TOTAL	**0**	0





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

1(a) Company Overview:

Hindustan Aeronautics Limited ("HAL") herein after referred to as, "the Company" is a limited Company incorporated in India. It is presently a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 as the President of India acting through the Ministry of Defence (MoD) holds 71.64% equity shares of the Company.

The Company is engaged in the design, development, manufacture, repair, overhaul, upgrade and servicing of a wide range of products including, aircraft, helicopters, aero-engines, avionics, accessories and aerospace structures. The Company has been set up to meet the requirement of Indian Defence Forces (namely Indian Air Force, Indian Army, Indian Navy and Indian Coast Guard) in the area of Aerospace.

The Company's operations are organised into five complexes, namely the Bangalore Complex, MiG Complex, Helicopter Complex, Accessories Complex and Design Complex, which together include 21 production divisions and 11 research and design centres ("R&D Centres") and 8 support offices located across India. For the purpose of Financial Statements 29 Divisions are consolidated by merging R&D Centres and support offices with the main production division. The Company relies on Indigenous research as well as enter into technology transfer and licence agreements to manufacture its products. In addition, the Company has established 12 Commercial Joint Venture Companies(JVCs) in collaboration with leading international aviation and Indian Organizations and 2 Subsidiary Companies to grow its operations. Besides, the Company also formed 7(previous year : 2) Section-8 (non-profit) Companies.

The financial statements are prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with relevant rules of the Companies (Indian Accounting Standards) Rules.

1(b) Disaggregation of revenue as per Ind AS 115

Particulars	For the year ended 31st March 2025								
	Sale of Products					Sale of Services			
	Finished Goods	Spares	Development		Miscellaneous	Repair & Overhaul		Others	Total
Timing of revenue recognition	Point in time	Point in time	Point in time	Point over time	Point in time	Point in time	Point over time	Point in time	
Revenue by geography									
India	**705670**	**562234**	**24,830**	**84411**	**53320**	**1513618**	**21027**	**5363**	**2970473**
Outside India	**19302**	**10818**	**103**	**-**		**9644**	**-**	**125**	**39992**
TOTAL	**724972**	**573052**	**24933**	**84411**	**53320**	**1523262**	**21027**	**5488**	**3010465**

Particulars	For the year ended 31st March 2024								
	Sale of Products					Sale of Services			
	Finished Goods	Spares	Development		Miscellaneous	Repair & Overhaul		Others	Total
Timing of revenue recognition	Point in time	Point in time	Point in time	Point over time	Point in time	Point in time	Point over time	Point in time	
Revenue by geography									
India	544573	584982	102,456	50192	77246	1392233	29569	3875	2785126
Outside India	22021	6516	-	-		1564	-	958	31059
TOTAL	**566594**	**591498**	**102456**	**50192**	**77246**	**1393797**	**29569**	**4833**	**2816185**

1(c)

Changes have been made to make Accounting Policies more elaborate and bring better clarity to the accounting practices that are followed by the Company. Proposed changes in the Accounting Policies were placed before the Board in its 489th meeting held on 23rd January 2025 and the same was approved by the Board. Financial impact of these changes is nil in the Accounts.




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

2(a) Claims / Demands against the Company contested and are not acknowledged as Debts (Gross) - as reimbursements are available from the customers as per contract *.

Particulars	As at 1st April 2024	Additions (net)	Removal (from Opening Balance)	As at 31st March 2025
(i) Sales Tax / Entry Tax #	1089071	230	1003861	**85440**
(ii) Goods and Service Tax	5275	646	3532	**2389**
(iii) Service Tax	42008	151	19003	**23156**
(iv) Customs Duty	48214	16587	81	**64720**
Total	**1184568**	**17614**	**1026477**	**175705**

* In terms of Pricing Policy agreed with Indian Defence Services, prices approved are exclusive of taxes and duties i.e. Sales Tax, Entry Tax, Goods and Service Tax, Service Tax, Customs Duty etc. In case, the customer do not submit an exemption certificate, taxes would be levied and the same would be re-imbursed by the customer.

Sales Tax disputes for the year 1986-87 to 2017-18 was pending in various authority/Tribunal /courts in the state of Maharashtra. During the year 2024-25, an out of court settlement was reached between the Company, Government of Maharashtra and the Customer. As per the settlement the disputed tax demand of ₹ 1001841 lakhs have been reduced to ₹ 273724 lakhs. In view of the above, the Company paid an amount of ₹ 247097 lakhs in March 2025 after adjusting an amount of ₹ 26627 lakhs deposited in earlier years with the revenue authority. The amount so paid has been claimed by the Company and reimbursed by IAF in the month of March 2025.

2(b) Contingent Liability not acknowledged as Debts (Gross)

Particulars	As at 1st April 2024	Additions (net)	Removal (from Opening Balance)	As at 31st March 2025
(i) Income Tax	26887	21018	513	**47392**
(ii) Others	13208	867	5778	**8296**
TOTAL	**40095**	**21885**	**6291**	**55689**

	Particulars	As at 31st March 2025	As at 31st March 2024
2(c)	**Guarantees excluding financial guarantees**	**-**	-

3 Commitments

Estimated amount of contracts remaining to be executed and not provided for:

Particulars	As at 31st March 2025	As at 31st March 2024
on Capital Account	215016	227889

In view of the nature of business, being long term contracts there may be other commitments for purchase of material etc., which has been considered as normal business process, hence not been disclosed.





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

	Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
4	**Value of Imports calculated on CIF basis:**		
	(i) Raw Materials	**513258**	553468
	(ii) Components and Spares	**1043215**	449276
	(iii) Capital Goods	**3202**	1402
	(iv) Special Tools	**11927**	5995
	Total	**1571602**	**1010140**
5	**Raw Materials, Spare Parts and Components consumed :**		
	(i) Imported (including Customs Duty)	**1527110**	1029917
	(% to total)	**77**	80
	(ii) Indigenous	**455234**	261657
	(% to total)	**23**	20
	Total (Gross)	**1982344**	**1291574**
	(Total %)	**100**	**100**
6	**Expenditure in Foreign currency on account of :**		
	(i) Royalty	**1369**	592
	(ii) License Fee	**3281**	1502
	(iii) Documentation	**2756**	336
	(iv) Professional, Consultancy and Foreign Technician Fees	**1737**	522
	(v) Foreign Travel	**910**	402
	(vi) Liason Office Abroad	**1004**	910
	(vii) Others	**4362**	657
	Total	**15419**	**4921**
7	**Earnings in Foreign Exchange :**		
	(i) FOB value of exports made by the Company	**30223**	28537
	(ii) Services	**9769**	2522
	(iii) Income from Overseas	**-**	10489
	Total	**39992**	**41548**

8A **The Property, Plant and Equipment does not include assets funded by the customer for use of their jobs but held by the Company on their behalf.**

Particulars	As at 31st March 2025	As at 31st March 2024
Opening Balance	**215344**	198771
Additions	**3085**	16573
Closing Balance	**218429**	215344




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
8B	Certain Capital items specific to projects for manufacturing facility have been funded by the customer either upfront or is reimbursed through product cost spread over the duration of the projects. The revenue in respect of funds received from the Customer for the manufacturing facility would be recognised as and when the control over manufacturing facility is transferred to the Customer as per the requirement of Ind AS 115.

9A

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Gain on Sale of Property, Plant & Equipment	**188**	590
Loss on Sale of Property, Plant & Equipment		
Net (Note 37 & Note 43)	**188**	590

9B Disclosure under Ind AS 116 as lessee:

Particulars	31st March 2025	31st March 2024
depreciation on right-of-use assets for the year ended	**299**	300
interest expense on Lease liabilities for the year ended	**2**	2
total cash outflow for leases for the year ended	**2**	31
additions to right-of-use assets	**-**	29
carrying amount of right-of-use assets	**8042**	8341

One Avro Aircraft (BH 572) is on lease from Indian Air Force for a period of 1 year for an amount of ₹ 295 lakhs. The charges for the same has been accounted as expenditure of ₹ 295 lakhs for the year ended 31st March 2025. The company has an option to renew the lease subject to increase of 9% over previous year.

9C as lessor:

The Company leases out its Investment property and Property, Plant and Equipment. The Company has classified these lease as operating leases, as there is no transfer substantially all the risks and rewards incidental to the ownership of the assets. Clause 14.11 of Note 49 gives information about the operating leases of Investment Property.

Operating Lease	31st March 2025	31st March 2024
Lease income	**1581**	1836

The Property, Plant and Equipment disclosed under Note 1A includes the following assets given on Operating Lease:

Particulars	As at 31st March 2025				As at 31st March 2024			
	Gross Block	Accumulated Depreciation	Net Block	Depreciation for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation for the year
Land - Freehold	**85**		**85**		94		94	
Buildings	**14**	**12**	**2**		14	12	2	
Aircraft/ Helicopters	**6173**	**2271**	**3902**	**356**	13106	5542	7564	646
Total	**6272**	**2283**	**3989**	**356**	13214	5554	7660	646





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

The maturity analysis of lease payments (including payments from Investment Property) showing the undiscounted minimum lease payments to be received over the remaining non-cancellable term on an annual basis are as follows:

Term	31st March 2025	31st March 2024
Less than one year	**1035**	1099
One to Two years	**345**	330
Two to Three years	**332**	208
Three to Four years	**218**	199
Four to Five years	**226**	207
More than Five years	**4381**	3868
Total undiscounted lease payments	**6537**	5911

Credit Risk

The Company has leased out its Properties to Joint Ventures, Subsidiaries and Other agencies. Lease payments are structured with periodic escalations consistent with the prevailing market conditions. Based on the Credit Risk in lease payments, suitable provision has been made in the books of accounts.

9D

Capital Work-in-progress	As at 31st March 2025	As at 31st March 2024
Opening Balance	**93579**	63581
Additions	**84964**	83967
Deletions	**69435**	53969
Closing Balance (refer clause No. 9E and 9F)	**109108**	93579

9E **Capital Work-in-Progress Ageing schedule**

CWIP	As at 31st March 2025					As at 31st March 2024				
	Amount in capital work in progress for a period of					Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	**39319**	**44591**	**14701**	**10497**	**109108**	56686	20135	5532	11226	93579
(ii) Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Total	**39319**	**44591**	**14701**	**10497**	**109108**	**56686**	**20135**	**5532**	**11226**	**93579**



Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

9F Capital Work-in-Progress, whose completion is overdue or has exceeded its cost compared to its original plan: CWIP completion Schedule

CWIP	As at 31st March 2025				As at 31st March 2024			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress								
(i) Su-30	-	-	-	-	942	-	-	-
(ii) LCA	-	-	-	-	2,895	2,174	-	-
(iii) General purpose CWIP	**794**	-	-	-	4,524	-	-	-
Projects where activity has been suspended	-	-	-	-	-	-	-	-
Total	**794**	-	-	-	**8,361**	**2,174**	-	-

9G Intangible assets under development - Ageing schedule

Intangible assets under development	As at 31st March 2025					As at 31st March 2024				
	Amount in Intangible assets under development for a period of					Amount in Intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	**46880**	**32869**	**29319**	**157035**	**266103**	31139	31491	28342	128775	219747
(ii) Projects temporarily suspended	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0
Total	**46880**	**32869**	**29319**	**157035**	**266103**	**31139**	**31491**	**28342**	**128775**	**219747**

9H For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan: Intangible assets under development completion Schedule

Intangible assets under development	As at 31st March 2025				As at 31st March 2024			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress								
(i) VHF and DAMS	-	-	-	-	988	-	-	-
Projects where activity has been suspended	-	-	-	-	-	-	-	-
Total	-	-	-	-	**988**	-	-	-





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
10	The Company has received a sum of ₹ 13229 lakhs from Ministry of Defence (MoD), Government of India (GOI) on 28th January 2011 towards subscription of Share capital of Multirole Transport Aircraft Limited (MTAL). Out of the above, the Company has invested a sum of ₹ 11347 lakhs and the balance of ₹1882 lakhs has been paid during the year 2020-21. Interest of ₹ 3326 lakhs has been provided on the unutilised portion up to the date of repayment during 2020-21 and the same is included in other financial liabilities.(refer clause no. 45B).

11 The aggregate amount of Research and Development Expenditure recognised as expenses during the period is as below:

Expenditure on Research and Development included in :	For the year ended 31st March 2025	For the year ended 31st March 2024
Raw Material Consumption	**54101**	44065
Direct Expenses	**21456**	31755
Salaries and Wages	**86028**	80171
Others	**86648**	126633
Total R & D Expenditure	**248233**	282624

12 R&D Corpus

Considering the futuristic business interest of the Company and to maintain the yearly growth in Revenues of the Company, the Board has enhanced the existing fund allocation for creation of R&D Corpus (excluding customer funded R&D) with an annual contribution from 10 % to 15% of Operational Profit After Tax from 2022-23.

13 Indigenization Corpus

Notification on Policy for Indigenization of Components and spares used in Defence platforms for DPSUs/OFB was issued on 8th March 2019.

As per the guidelines from Department of Defence Production(DDP) Board has approved creation of Indigenization Corpus with an annual contribution of 3% of Operating Profit After Tax from 2022-23.

13B Exceptional item represents ₹ 589 Lakhs received on 12th September 2024 for compensation received from the Office of Special Land Acquisition Officer, Bangalore under KIADB Act, on compulsory acquisition of 315 Sq. Mtrs (0.078 Acres) of HAL land at Beninganahalli Village, Bangalore by M/s Bangalore Metro Rail Corporation Ltd.

14

Particulars	As at 31st March 2025	As at 31st March 2024
Total Land held (in acres). (Refer Note -1A)	**12014.011**	12036.289

		Division	Assets	Acres	Amount	Acres	Amount
14.1	Instruments of transfer in respect of land and building have not been executed, even though in possession by the Company	Lucknow/ Nasik / FMD/Korwa/Kanpur/ Barrackpore	Land	1100.037	295	1100.037	295
14.2	Land handed over /earmarked to the Government / other agencies pending execution of instruments of transfer	FMD/ Hyderabad/ Koraput	Land	137.253	56	160.263	56




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars						
		Division	Assets	Acres	Amount	Acres	Amount
14.3	Land given on lease to the Government / other agencies	FMD/ Nasik/ Koraput/ Hyderabad/ Lucknow/Korwa/ Kanpur	Land	648.149	85	1117.519	94

14.4 The Company's Barrackpore Division is in possession of 23.385 acres (previous year: 23.385 acres) of land on which the Division has its Buildings, Hangar, Plant and Machinery etc. The instruments of transfer in favour of Division / Company either by way of lease or transfer in respect of this land is pending execution. Provision for lease rental amounting to ₹ 36.00 Lakhs up to the year ended 31st March 2025 (previous year: ₹ 35.50 Lakhs) has been made. The transfer of the land is being pursued with Defence Estate Officer, Kolkata.

The above does not includes 7.115 acres of Land received from Army in exchange of 5 acres of Land at Bangalore which was received free of cost from State Government before 31st March 1969. Since the value of 5 acres land was nil, the value of 7.115 acres land received in exchange of 5 acres land is also taken as Nil.

The title deeds of immovable properties are not held in the name of the HAL.

Land (Right-of-Use) under Property Plant and Equipment includes 200 acres land taken on lease for establishing a unit at Kasaragod at a cost of ₹ 708 lakhs during 2008. This cost is amortised over the lease period of 90 years. The Lease charges for the year amounting to ₹ 8 Lakhs (previous year: ₹ 8 lakhs) has been considered under depreciation during the year. However 4.171 acres(previous year: 4.171 acres) of land shortage due to surrender of certain tracts of land against local disputes by Kerala Industrial Infrastructure Development Corporation (KINFRA). Land shortage issue has been taken up with KINFRA for compensation of shortfall in the land. The Board of KINFRA also decided that the lease premium of ₹ 14.78 Lakhs remitted by HAL towards 4.171 acres of land will be refunded. HAL Board has accorded approval in their 472nd Meeting held on 27.09.2023, for proposal of acceptance of refund amount without interest from M/s KINFRA towards shortfall of land. Execution of amended Lease deed for 195.829 acres of land by Strategic Electronics Factory(SEF), Kasaragod is in progress.

Land under Clause 14.3 includes 12 acres of land given on lease to M/s LNB Renewable Energy Pvt Ltd., Hyderabad for 25 years, giving vendor the 'Right to Use' specific land for establishing solar PV Power Plant project only and not for any other purpose with a Purchase Agreement for a period of 25 years for purchase of electricity generated by the Solar PV Power Plant project at the fixed tariff of ₹ 3.23/KWh.

The Board in its 98th Meeting held on 29th September 1975, had approved transfer of 25 acres of land to National Remote Sensing Centre (NRSC), (erstwhile called NRSA) subject to clearance from Defence Ministry and the Govt. of Andhra Pradesh. After clearance and obtaining necessary approvals, the Division had handed over 23.01 acres of land to NRSC in 1976. However, Conveyance Deed of the land in favour of HAL was not registered and kept pending by the Sub-Registrar for want of clarification from the then Govt. of Andhra Pradesh regarding exemption of stamp duty, Transfer Deed could not be executed between NRSC and HAL at that point of time. In order to ascertain the exact amount of land in possession of NRSC, the Division had conducted land survey of HAL Land and after post assessment, a proposal was placed before Board for execution of transfer deed for transfer of 22.20 Acres Land to NRSC and approval was accorded by the Board in its 479th Meeting held on 16th May 2024. Accordingly, Transfer deed was executed in June 2024 for transfer of Land to NRSC.

Land (Right-of-Use) under Property, Plant and Equipment includes land 0.273 acres taken on lease for Liaison Office Mumbai at a cost of ₹ 3 lakhs (including development cost). This cost is amortised over the lease period of 30 years. The amount of amortisation has been considered under depreciation for the year. Lease rental is ₹ 2304/- payable annually.

Land under clause 14.3 include 39.79 acres of land to M/s Ordnance Factory Board, 0.098 acers to RCMA and 4.19 acers to M/s DAV College Trust on lease basis by Korwa Division.





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
14.5	a) Facilities Management Division (FMD) is holding 2117.289 acres (previous year: 2117.367 acres) land, out of which free hold land of 2096.189 acres (previous year: 2096.267 acres) is located in Bangalore and 15.1 acres (previous year: 15.1 acres) located at Bagalkot, Karnataka and Lease hold Land of 6 acres (previous year: 6 acres) is located at Harapanahalli, Davanagere, of which 17.737 acres (previous year: 17.737 acres) is under litigation / encroachment by third parties and 10.152 acres(previous year: 10.152 acres) is under dispute with M/s Bharat Earth Movers Limited. Out of freehold land, 315 Sq. mtrs. (0.078 acres) of HAL land at Benniganahalli has been handed over to BMRCL for Construction of metro rail project work on 3rd May 2024 under compulsory acquisition.
	b) Titles to land are not in the name of the Company in respect of 30 survey numbers totalling to 76.475 acres (previous year: 76.475 acres) at FMD division, However, Records of Tenancy Certificate is available.
	c) Pending dispute settlement, an amount of ₹ 3572 lakhs (previous year: ₹ 3420 Lakhs) towards cumulative lease rental income with various parties has not been considered in the books of accounts, The applicable revised lease rental will be considered only after settlement of dispute and renewal of the lease agreements.
	d) Department of Investment and Public Asset Management(DIPAM) has communicated the Institutional framework for monetization of the assets of the Central Public Sectors Enterprises, approved by Cabinet in its meeting dated 28th February 2019. In this regard, approval has been given by the Board in its 439th and 458th Meeting for Monetization of 2.925 acres of land at Okalipuram, Bengaluru. Accordingly, the Company advertised for outright sale of 2.925 acres for which e-auction was conducted on 12th January 2023 and two parties submitted applications. The premium offered by H1 bidder is proposed for acceptance of the Competent Authority. In the meanwhile, Govt. Audit raised an Audit Enquiry that the projected realizable land value is lesser than the Govt. guidance value. Accordingly, the Company engaged 3 valuers to independently undertake the valuation of 2.925 acres of land at okalipuram afresh. A Committee constituted by the Competent Authority reviewed the Valuation Reports submitted by the Valuers and submitted its report dated 28th April 2023, recommending to cancel the sale of land and go for fresh asset monetization exercise by keeping the Reserve price of the land as ₹ 9780 lakhs. Based on approval of the Competent Authority on 4th July 2023, the process of sale of land has been annulled and is in the process to monetize the land at a Reserve Price of ₹ 9780 lakhs.
	e) Freehold Land of 4620.13 acres of Nasik division includes a land of 7 Acres - 13 Guntas which has been acquired by Maharashtra Government and transferred to HAL along with Durga Devi Temple and one tree. The title deeds of the land is in the name of HAL. Further, the Land at Nasik division includes 0.0516 acres (previous year: 0.0516 Acres) of land encroached by 9 persons. HAL Board in its 212th Board meeting had accorded approval for leasing of land 2.47 Acres (1 Hectare) to Maharashtra State Road Transport Corporation (MSRTC) at Ojhar Nasik adjoining the National Highway to MSRTC for construction of bus stand for initial period of 30 years on a nominal rent of ₹ 1/- per annam per acre, in exchange of one acre of MSRTC land to be leased to HAL at Nasik City located at SL. No.287/A, Aurangabad Road, Nasik measuring 4050 Sq. Mtrs. (i.e.1 acre of land). Division has obtained 7/12 extract from revenue authorities Gut No.128 which indicates that land belongs to HAL.
	f) About 50.21 acres(previous year: 50.21 acres) of the land belonging to the Company's Koraput Division is encroached upon by the nearby villagers for cultivation.
	g) "Land at Corporate office includes 711.22 sq.mt(Previous year 711.22 sq. mt) of land that has been acquired for the Metro Rail Project by M/s. Bangalore Metro Rail Corporation Limited (BMRCL). The compensation awarded of ₹ 549 lakhs (Previous year ₹ 549 lakhs) by M/s. Karnataka Industrial Area Development Board



Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
	(KIADB) was contested by Company in the City Civil Court at Bangalore. Meanwhile, a Joint Committee comprising the Company & BMRCL Officials was formed to arrive at an out of court settlement. Currently, the case is pending at evidence stage before the City Civil Court at Bangalore. However, this is subject to final agreement of parties and order of court. On completion of the Metro Rail project, the land utilized is restricted to 272.94 sq.mt.(Previous year 272.94 sq. mt) Area to the extent of 438.28 sq. mt. has been conveyed back to the Company through Deed of transfer. Compensation amount for remaining area, i.e 272.94 sq. mt. is yet to be received by the Company. Company has filed memos in the pending cases requesting the Court to disburse ₹ 348 lakhs along with interest as compensation for remaining area of land (i.e. 272.94 sq.mt.). Further, Special Land Acquisition Officer (SLAO) has filed an application before Court requesting the Court to refund the entire amount with interest to it and for closing the case. Company has filed objections to the said application filed by SLAO. Company has also filed an application before the Court for disbursing ₹ 348 lakhs along with interest as compensation for remaining area of land (i.e. 272.94 sq.mt.) The matter was listed for hearing, on which date the SLAO filed the Memo stating that it is ready to pay compensation amount. Court is in process of hearing and disposing off our memos and the applications filed by SLAO and HAL. Court has directed officials of parties to be present on next date of hearing to explore possibility of settlement. As per Court direction, HAL officials attended the matter. However for SLAO filed memo for disbursal of deposited amount to them. Same has been objected by HAL counsel. Court is in process of hearing the memos and application filed by the parties. As the matter is subjudice, no adjustment has been made in the books.
14.6	Land under clause 14.1 includes (i) 376.76 acres (previous year: 376.76 acres) of the land acquired by State Government of Uttar Pradesh for HAL and possession was handed over to HAL by District Land Acquisition Officer. (ii) The factory area 54.30 acres was transferred during 1973 from Indian Air Force to HAL. (iii) Out of total land of 431.06 acres, 2.03 acres of land was sold to NHAI. In the above cases, as per the legal position, all the parties are Government bodies. According to Government Grants Act, 15 of 1895, Section-2 Governments Grants are exempted from the operation of the transfer of property Act. Thus, there is no need of execution of the sale deed / transfer deed. Hence, the title deeds are not in the name of the Company. Land under clause 14.3 does not include, the ownership of 27 acres (previous year: 27 acres) of land on which labour colony has been built by Labour Commissioner, Kanpur, belongs to the Company as per Revenue records. Out of the above said land, Joint Secretary, UP government vide its orders transferred 6.617 acres of land to UP State Electricity Board. The encroachment of 41.69 acres has been identified as per Drone Survey Report, HAL has taken suitable and necessary steps towards eviction of the encroachers. Land of 25.49 acres is under litigation out of the total land of 429.03 acres.
14.7	a) Approval has given by the Board for acquiring 7.41 acres of land on lease at sattari Goa for undertaking MRO activity during December 2017 Subsequently, as per the Board Approval in its 431st and 434th Meeting, tripartite lease deed was executed on the 18th May 2023 between Goa Industrial Development Corporation (GIDC), M/s Helicopter Engines MRO Private Limited (HE MRO) and HAL MRO Division for transfer of Lease hold rights of land admeasuring 7.41 acres to HE-MRO. b) The Company acquired during January 2021, 5 acres of defence land on lease at Akabil village, Missamari, District sonitpur for establishing MRO Hub Facilities for an annual lease rental of ₹ 1.00 per annum without any premium and registration charges, processing fees etc as per actual. c) The Company acquired during March 2021, 4.34 acres of defence land on lease at Mamun Military station for establishing MRO Hub facilities at an annual lease rental of ₹ 1.00 per annum without any premium along with necessary registration charges, processing fees etc as per actual.





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

14.8 Title deeds of Immovable Property not held in name of the Company as at 31st March 2025

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director of employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
PPE	Land 76.475 acres	5	Various Persons, Bangalore	N/A	1950's Approx.	Compendium Error. Estate department in possession of Hand book with land acquired in various survey numbers called as Compendium. Few title documents are not available as per the compendium.
	Land - 39.32 Acres	286	Lucknow Development Authority	N/A	19/05/1986	The land is in the possessions of the division. However, same is to be registered in the name of the division by Lucknow Development Authority.
	Land at Kasbe Sukena Railway Station : Approx. 196.22 Acres of rail siding	-	Government of Maharashtra	No	Since Inception of Nasik Division (1964)	196.22 Acre Land being Railway siding land is not in use by HAL & to be returned to Appropriate authority of State Government. Division is continuously following up the matter.
	Land at Ojhar : Approx. 69.477 Acres of land given by State Government.	-	Government of Maharashtra	No	Since Inception of Nasik Division (1964)	Matter of 69.477 Acre of Land is being followed with Sub Divisional Magistrates Niphad for making Indenture.
	Land at Ghaukhera-Kanpur 16.81 acres	0	Exhibited as Audhyogik Krishik, Land in Govt. record	N/A	13/12/1965	Land acquired and handed over to HAL by District Land Acquisition Officer, case filed with SDM for transfer of name in title deed. Award & Possession certificate in the name of HAL
	Land at Chak kuriyan-Kanpur 7.92 acres	0	Not appearing in govt. record	N/A	22/12/1965	
	Land at Dahli Sujanpur-Kanpur 3.11 acres	0	Appearing as Vayuyaan Colony	N/A	15/12/1965	
	Land-Kanpur 401.19 acres	4	No title deed	N/A	Since inception 1964-65	Possession of the immovable property was handed over to Hindustan Aeronautics Limited (HAL) by district Land Acquisition Officer and Indian Air Force, therefore no title deed is required to be executed under Government Grants Act, 1895.(Section 2 Government Grants are exempted from the operation of the Transfer of Property Act). Property held since beginning but date not available, award & possession certificate in the name of HAL 346.89 acres of land. The remaining 54.3 acres of land is transferred to HAL by IAF by way of transfer of land
	Building	35				




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director of employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
	Land - 7.115 Acres		Govt. of India	NA	31/03/1969	7.115 acres of Land received from Army by Barrackpore division in exchange of 5 acres of Land at Bangalore, which was received free of cost from State Government before 31st March 1969. Therefore, no title deed is required to be executed under Government Grant Act, 1895 (Section 2 Government Grants are exempted from operation of the Transfer of Property Act)
	Land - 282.4 acers		Various persons, Korwa Village	NA	26/11/1982	As informed vide UP Govt ltr No. 606/B/DT 08.05.1990 in the instant case sale deed or gift deed is not necessary. However the land is in the possession of the division.

Title deeds of Immovable Property not held in name of the Company as at 31st March 2024

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director of employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
PPE	Land 76.475 acres	5	Various Persons, Bangalore	N/A	1950's Approx.	Compendium Error. Estate department in possession of Hand book with land acquired in various survey numbers called as Compendium. Few title documents are not available as per the compendium.
	Land - 39.32 Acres	286	Lucknow Development Authority	N/A	19/05/1986	The land is in the possessions of the division. However, same is to be registered in the name of the division by Lucknow Development Authority.
	Land at Kasbe Sukena Railway Station : Approx. 196.22 Acres of rail siding	-	Government of Maharashtra	No	Since Inception of Nasik Division (1964)	196.22 Acre Land being Railway siding land is not in use by HAL & to be returned to Appropriate authority of State Government. Division is continuously following up the matter.
	Land at Ojhar : Approx. 69.477 Acres of land given by State Government.	-	Government of Maharashtra	No	Since Inception of Nasik Division (1964)	Matter of 69.477 Acre of Land is being followed with Sub Divisional Magistrates Niphad for making Indenture.





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

Relevant line item in the Balance Sheet	Description of item of property	Gross Carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director of employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
	Land at Ghaukhera-Kanpur 16.81 acres	0	Exhibited as Audhyogik Krishik, Land in Govt. record	N/A	13/12/1965	Land acquired and handed over to HAL by District Land Acquisition Officer, case filed with SDM for transfer of name in title deed. Award & Possession certificate in the name of HAL
	Land at Chak kuriyan-Kanpur 7.92 acres	0	Not appearing in govt. record	N/A	22/12/1965	
	Land at Dahli Sujanpur-Kanpur 3.11 acres	0	Appearing as Vayuyaan Colony	N/A	15/12/1965	
	Land-Kanpur 401.19 acres	4	No title deed	N/A	Since inception 1964-65	Possession of the immovable property was handed over to Hindustan Aeronautics Limited (HAL) by district Land Acquisition Officer and Indian Air Force, therefore no title deed is required to be executed under Government Grants Act, 1895.(Section 2 Government Grants are exempted from the operation of the Transfer of Property Act). Property held since beginning but date not available, award & possession certificate in the name of HAL 346.89 acres of land. The remaining 54.3 acres of land is transferred to HAL by IAF by way of transfer of land
	Building	35				
	Land - 7.115 Acres		Govt. of India	NA	31/03/1969	7.115 acres of Land received from Army by Barrackpore division in exchange of 5 acres of Land at Bangalore, which was received free of cost from State Government before 31st March 1969. Therefore, no title deed is required to be executed under Government Grant Act, 1895 (Section 2 Government Grants are exempted from operation of the Transfer of Property Act)
	Land - 282.4 acers		Various persons, Korwa Village	NA	26/11/1982	As informed vide UP Govt ltr No. 606/B/DT 08.05.1990 in the instant case sale deed or gift deed is not necessary. However the land is in the possession of the division.

14.9 The Company has not revalued its Property, Plant and Equipment, and therefore disclosure, whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 does not arise.

14.10 The Company has not revalued its intangible assets, and therefore disclosure, whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017 does not arise.



Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

14.11 Information regarding income and expenditure of Investment property As per Ind AS 40 - Investment property:

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Rental income derived from investment properties	**783**	679
Direct operating expenses (including repairs and maintenance) generating rental income	**-**	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	**-**	-
Profit arising from investment properties before depreciation and Indirect expenses	**783**	679
Less – Depreciation	**-**	-
Profit arising from investment properties before Indirect expenses	**783**	679

Fair value of investment property

Fair value of the investment properties is ₹ 43481 lakhs as valued by a Registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

15 In respect of the materials received under bulk contracts with the Russian Federation where the suppliers do not indicate itemized prices, the value of materials issued is assessed on technical estimates to exhibit a fair value of the closing work-in-progress and inventory of these materials is subject to adjustment at the end of the project.

16

	As at 31st March 2025	As at 31st March 2024
The total inventory does not include materials belonging to customers but held by the Company on their behalf	**77330**	78240

17A Claims Receivable(Note 19) includes ₹ 1746 lakhs (Previous year: ₹ 2154 Lakhs) settled under Sabka Saath Sabka Vikas scheme, is fully reimbursable by customer as per terms of pricing policy with Defence Services. Further, an amount of ₹ 1746 lakhs provision exist against the claims receivable.

17B The Board in its 479th meeting accorded approval for upgrading Helicopter Factory, Tumakuru currently operating as extension of Helicopter Division to a new division named as Helicopter Division, Tumakuru (HFT) reporting to Helicopter Complex. Accounts of Helicopter Division, Tumakuru has been merged with Helicopter Division, Bangalore.

18A DIVIDEND POLICY:

As per extant memorandum F.No. PP/14(0005)/2016 dated June 20, 2016, of the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India (GOI) ("DoE") read with the memorandum F.No. 5/2/2016-Policy dated 27th May, 2016 of the Department of Investment & Public Asset Management, Ministry of Finance, GoI, all central public sector enterprises are required to pay a minimum annual dividend of 30% of Profit After Tax (PAT) or 5% of the net-worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions and the conditions mentioned in the aforesaid memorandum.

However, the declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our shareholders, at their discretion, subject to the provisions of the Articles, the Companies Act, 2013. Further, the dividends, if any, will depend on a number of factors, including but not limited to our earnings, guidelines issued by the DoE, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including the results of operations, financial condition, contractual restrictions, restrictive covenants under the loan or financing arrangements the Company may enter into.





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

18B	Particulars	As at 31st March 2025*	As at 31st March 2024 #
	Dividend paid to Resident shareholders - President of India and nominees (including Interim Dividend)	**182059**	141337
18C	Dividend paid to Resident shareholders - Other than President of India and nominees (including Interim Dividend)	**42912**	30802
18D	The Company as at 31.03.2025, 19999 Shareholders (previous year: 12856 shareholders) who are Non-Resident Indians. The Dividend Paid to the Non-Resident shareholders has been paid in Indian Rupees to their respective Non-Resident Ordinary Rupee Accounts.		
	Dividend paid to Non-Resident shareholders (including Interim Dividend)	**29164**	25150
18E	Final Dividend:		
	(a) The amount of dividend proposed to be distributed to Equity shareholders		
	* Final Dividend for the year 2023-24 ₹ 86941 lakhs paid during 2024-25 # Final dividend for the year 2022-23 ₹ 50158 lakhs paid during 2023-24		

19	Particulars	31st March 2025	31st March 2024
	The Information regarding dues to Micro and Small Enterprises*		
	1. The Principal and the Interest due thereon		
	a) Principal	**20708**	15604
	b) Interest	**422**	433
	2. The amounts paid by the Company beyond the appointed day during the year ended		
	a) Principal		
	b) Interest	**-**	**-**
	3. The Interest due and payable for the period of delay (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.		
	4. The interest accrued and remaining unpaid	**422**	433
	5. The amount of further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the Small Enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.		6

* The information has been given in respect of such suppliers on the basis of information available with the Company based on information received from such suppliers.

20 HAL has initiated criminal proceedings against the accused during 2011-12 and 2012-13, two civil suits have been filed for recovery of fraudulently drawn amounts against the accused, his accomplices and institutions namely, the State Bank of India (SBI) for ₹ 289 Lakhs (COM.OS.5322/2012) and Shri Krishna Souharda credit Co-operative Limited for ₹ 102 lakhs (COM.OS.8225/2012), totalling to ₹ 391 lakhs. Both the civil cases and criminal case are under progress in the court. Properties of the accused amounting to ₹ 138 lakhs have also been attached by the court. An amount of ₹ 243 lakhs has been received from SBI on 25.04.19 and the balance amount of ₹ 148 lakhs has been provided in the financials of 2018-19.




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
	The Hon'ble Court has passed the judgement and decree in favour of HAL by awarding ₹ 289 Lakhs along with interest. Out of which to the extent of ₹ 148 Lakhs to be retained by HAL and the balance amount to be re-imbursed to SBI as per MoU entered between HAL and SBI. HAL has filed an Execution Petition on defendants for recovery of ₹ 597 lakhs along with interest. Further, the subject case has been transferred to Commercial Court, Bengaluru Rural. The issuance of sale warrant in respect of the attached property is pending in court.
21A	A fraud involving misappropriation of funds by Company official in collusion with six contractors has been noticed by the management and referred to Vigilance department for further investigations. The Vigilance department based on the investigations has lodged FIR with Central Bureau of Investigation (CBI), Bhubaneshwar. An amount of ₹ 1892 lakhs has been provisionally assessed and fully provided in the financials of 2018-19 and 2020-21 as fraudulent payments made to contractors and others during the period from May 2011 to September 2018 and reported in the FIR with CBI. Adjustment of expenses relating to capital and other accounts in the financial year 2018-19 and 2020-21 includes the above mentioned amount. The matter is under investigation by CBI.
21B	An incidence of cyber fraud in the division was noticed by the management where the advance payment of ₹ 55 lakhs (USD 63,405.44) was transferred to a different bank account due to compromised email received from different domain other than the original source (vendor) and the matter was referred to Cybercrime cell and was also taken up with NIC for further investigation of any breach of NIC server. An amount of ₹ 55 lakhs has been transferred to Claims Receivable-Credit Impaired (Note-19) and provision for same has been made in the books of accounts during the financial year 2024-25. Further accounting treatment will be made based on the outcome of investigation in this regard.
22	Operating Cycle — The Company is having the Multiple Business Activities. Operating Cycle is determined by Divisions based on Individual business activity.

23		For the year ended 31st March 2025	For the year ended 31st March 2024
	Sales for the year includes deliveries for which amendment to firm task is awaited from the customer.	**43803**	27785

24A	As per the Accounting Policy of the Company, in respect of deliverables like spares, Revenue is recognized based on acceptance by the Buyers' Inspection Agency or as agreed by the buyer. Dispatch of items to the customers are generally within three weeks from the date of acceptance. However, during the year ended 31.03.2025, based on the customer insistence/request, the Company is holding materials on behalf of customers.
24B	HAL has launched production of Light Utility Helicopter (LUH) against Letter of Intent (LoI) received from customers. Material procured against this anticipated contract for ₹ 50278 lakhs (previous year: ₹ 14204 lakhs) has been accounted as Inventory.
24C	The Company was actively pursuing with the Ministry of Defence, Government of India for the approval of amendment of LCA (IOC/FOC) contract including price variation (LCA Change Order). Approval for the Change Order 3 in respect of LCA (IOC) contract was accorded during 2023-24. Based on the approval, the Company has recognized differential revenue of ₹ 54894 lakh during the year ended 31 March, 2024 pertaining to the supplies made in the earlier years, based on the amended contract. The Company had recognized revenue in the earlier years based on the estimated selling price of LCA aircrafts pending approval of the amendment to the contract price, out of prudence, the Company had subsequently recognized the same as doubtful debt for long pending approval. Consequent to the approval of the Change Order 3, the Company has reversed the provision of ₹ 103367 lakh made in earlier years during the year ended 31 March, 2024. Further, approval for Change Order in respect of LCA (FOC) contract was accorded by the Ministry. Based on the approval, the Company has recognized differential revenue of ₹ 120344 lakh during the year ended 31 March, 2025 pertaining to the supplies made in the earlier years, based on the amended contract.





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
25	**Seasonality of business:** The Company experiences cyclicality in respect of recognition of revenue from operations, which is attributable to the delivery of a majority of our products happening in the second half of the year. The Company recognise sales upon acceptance of the product by customers and issuance of a signalling out certificate(SOC) /certificate of conformity(COC) by them. The sales are dependent on the certification process which needs to be completed before the customers can take deliveries. The certification process typically takes place in the third and fourth quarter due to favourable weather conditions for flight tests during this period. This leads to bunching up of sales during the third and fourth quarter of each financial year and consequently, the revenue varies significantly between the first and second half of the year.
26	Aircraft have been accepted and signalled out by customers' inspector with fitment of Cat-B items taken on Loan, in case of non availability of Cat-A items. As the aircraft is flight worthy and the customers have accepted the same, the sales are accounted, consistently, on the basis of Signalling Out Certificate (SOC) / Certificate of Conformity(COC). As a principle, Loan items fitted on the aircraft are excluded in value for recognising Sales. Sales in respect of such Cat-A items are recognized on supply of Cat-A items, within the contract period.
27	Balance shown under Trade Receivables, Trade Payable, Claims Receivable, Advance against Goods and Services, Capital Advances, deposits and stock / materials lying with sub-contractors / fabricators are under reconciliation. Since the Company is a Government entity under the control of Ministry of Defence (MoD), around 98% of the Company's turnover, around 98% of Trade receivables and Contract Assets, around 97% of Claims receivables and around 99% of the customer advances is with respect to Government and Government related entities. The bills are raised on the customers by the divisions located at various places and reconciliation is carried out on an ongoing basis. However, management does not expect to have any material financial impact of such pending confirmation / reconciliation.
28	In the opinion of the Board, the Company do not have any assets other than fixed assets and Non-current investments having a value on realisation in the ordinary course of business less than the amount stated.
29A	Sales, based on Accounting Policy of the Company, is accounted on issuance of Signalling Out Certificate (SOC) by the customers. There is a time lag between SOC and Ferry out of Aircraft / Helicopter in view of the time involved in deputation of Ferry team by the customers, their handling flights and rectification of snags involved, if any, formation of the new squadron, training of pilots etc. The details of Aircraft /Helicopters which are yet to be ferried out (for which sales has been setup) as on the date of approval of financial statement is as under:

Year	Sales (₹ in Lakhs)	Value of the Aircraft / Helicopters yet to be ferried out								% of Sales	Date of approval of Accounts
		ALH		LCA		DORNIER		Total			
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value		
2023-24	2816185	5	45775					5	45775	1.63%	14.05.2025
2024-25	3010465					2	35472	2	35472	1.18%	

The expenditure involved in the work carried out post SOC date is absorbed against the provision for replacement charges.

The Company has taken up with Ministry of Defence (MoD) for amendment of ALH contract in respect of both Indian Air Force and Indian Army to bring them in line with the accounting policy of the Company. In respect of Indian Air Force, MoD have concurred "in principle" to above, with the stipulation that the contract amendment can be made only after similar contract amendment in respect of Indian Army contract with the Company is finalized. In respect of Indian Army contracts, the matter is under discussion.

29B	The PSLV contract contains a clause that the acceptance of hardware takes in two places. The preliminary acceptance will be based on the inspection and quality reports and test carried out at the contractor's premises and will be for the purpose of movement of hardware. Final acceptance will be at the site based on the final inspection / functional checks to be carried out on receipt at site.




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
30A	HTFE 25 Project: The Company has taken up the design and development of Hindustan Turbo Fan Engine (HTFE-25) in 2013-14 with a time frame of 6 years for completion. The Core Engine 2, Run completed and development activities of TD Full Engine run and Design Configuration review are under progress. An amount of ₹ 19097 Lakhs (previous year: ₹ 17967 Lakhs) has been accounted under Intangible Assets under Development. It is assessed that, further development activities involve development of flight worthy engine for certification on a particular platform would require at least another 4 years or so. Keeping this in view and also that there is no visibility of any progress of any commitment/ orders for the Product, the Intangible Asset review Committee has recommended for impairment of total expenditure incurred on this project. Accordingly, ₹ 19097 lakhs has been impaired up to the year ended 31st March 2025 (up to previous year: ₹ 17967 lakhs).
30B	HTT 40 Project: The Company has undertaken the design and development of Hindustan Turbo Prop Trainer Aircraft (HTT- 40). HAL has signed a contract with MoD on 6th March 2023 for supply of 70 HTT 40 Aircraft. As per the Contract, ₹ 82824 lakhs (excluding taxes) has been sanctioned towards Design & Development of HTT 40 aircraft. Accordingly ₹ 82824 lakhs has been recognised as revenue. The development amount of ₹ 62802 lakhs has been amortised against the revenue recognised upto 31.03.2024.
31A	DDP/MoD paid an advance of ₹ 20812 lakhs to HAL towards conducting Def Expo-2022 at Gandhinagar from 10th -13th Mar 2022. The event got postponed and held in the month of October 2022, HAL had incurred an expenditure of ₹ 23367 lakhs, audit of expenditure completed by the O/o PCDA Bangalore, and recommended payment to DEO, MOD. Payment is awaited, hence, the balance of ₹ 2555 lakhs shown under claims receivable from 2023-24.
31B	Inventory were damaged due to floods caused by rains during September 2022. Based on the internal technical assessment, the loss of Inventory was estimated as ₹ 7856 lakhs. Subsequently, based on the findings as part of the exercise to submit an insurance claim, the actual loss towards HAL owned items reassessed as ₹ 1001 lakhs and towards Customer owned and sister division owned items as ₹ 5590 lakhs. For the same, the provision was created in the books as Redundancy charges of ₹ 1001 lakhs and as replacement charges of ₹ 5590 lakhs during 2023-24. Based on the insurance claims submitted by the division for HAL owned items, the Insurance Surveyor has assessed loss of ₹ 688 Lakhs, for which an advance amount of ₹ 250 Lakhs is received as interim settlement and for the balance receivable from insurer of ₹ 438 Lakhs is shown under claims receivable as at 31st March 2025. Further, during the year, based on the feedback received from OEMs on retraival of the items, the Company has re assessed the loss of inventory as ₹ 3664 Lakhs against ₹ 5590 lakhs assessed during 2023-24. Hence, ₹ 3664 lakhs has been retained under Provision for Replacement and Future Charges and the balance provision of ₹ 1926 lakhs towards inventory retrieved back has been reversed during 2024-25. Insurance claims of ₹ 688 lakhs admitted by the Insurer, hence redundancy charges for the same amount has been reversed during 2024-25.
31C	Existing FPQ (arising out of 3rd PPRC) is up to 2022-23. 4th PPRC is under progress, due to which the prices for the year 2023-24 and onwards is yet to be firmed up. Hence pending finalisation of approval for the fixation of FPQ prices for the year 2023-24 and 2024-25, Sales have been recognized provisionally based on the indices provided by Air HQ. During the year ended 31.03.2024, Divisions have recognized FPQ Sales by considering the FPQ price of 2022-23, applying indices of 2023-24. For the year ended 31.03.2025, Divisions have recognized FPQ sales by considering the provisional price of 2023-24, and applying indices of 2024-25.
31D	As per Accounting Instruction, provision for redundancy is assessed on ageing at a suitable percentage / level of closing inventory. 100% redundancy provision is made for inventory items which have not moved for more than 5 years. The company makes estimates for recognizing provision for inventory. To bring uniformity in identifying the





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
	materials which have not moved more than 5 years, the date of arrival of the item to stores and subsequent issues has been reckoned for calculation of 5 years period. Due to the revision of the accounting estimates, an additional impact of ₹ 102497 Lakhs considered in the accounts during the year 2023-24. The same policy is continued, hence no impact for the year 2024-25.
31E	One overhauled Su-30 Aircraft having tail no. SB-182 got crashed during a flight near Ozar, Nashik on 04th June 2024. HAL has taken an insurance policy for efforts and material used in overhaul, and preferred the claim with the Insurance Company for ₹ 14435 lakhs. An amount of ₹ 14071 lakhs have been advised for payment by Insurance Company after deducting policy Administration charges. The disbursement has been received by HAL Nasik on 17th January 2025. Further, Brought on Charge (BOC) action of SB-182 was not completed and Aircraft was under custody & control of HAL. Board of Investigation (BOI) has been setup for finding the exact reason for the accident of aircraft. Customer is also demanding for the replacement of equivalent Aircraft. As there is no replacement aircraft (Cat-B) available, out of prudence, provision of ₹ 84336 lakhs for new aircraft have been created during 2024-25.
32	**Financial instruments by category**

(a) The following table presents the carrying value and fair value of each category of financial assets and liabilities as at 31st March 2025:

Particulars	Amortised costs	Fair value through profit & loss	Fair value through other comprehensive income	Total carrying value	Total Fair Value
Financial Assets:					
(i) Investments	162736			162736	162736
(ii) Trade receivables	464754			464754	464754
(iii) Contract Assets	1588916			1588916	1588916
(iv) Cash and Cash equivalents	454693			454693	454693
(v) Bank Balances other than Cash and Cash equivalents	3362383			3362383	3362383
(vi) Loans	1289			1289	1289
(vii) Other financial assets	172857			172857	172857
Financial Liabilities:					
(i) Borrowings					
(ii) Lease Liabilities	35			35	35
(iii) Trade payables	511084			511084	511084
(iv) Other financial liabilities	332224			332224	332224




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

(b) The following table presents the carrying value and fair value of each category of financial assets and liabilities as at 31st March 2024:

Particulars	Amor-tised costs	Fair value through profit & loss	Fair value through other comprehensive income	Total carry-ing value	Total Fair Value
Financial Assets:					
(i) Investments	149706			149706	149706
(ii) Trade receivables	461667			461667	461667
(iii) Contract Assets	1189396			1189396	1189396
(iv) Cash and Cash equivalents	425416			425416	425416
(v) Bank Balances other than Cash and Cash equivalents	2216768			2216768	2216768
(vi) Loans	1628			1628	1628
(vii) Other financial assets	190203			190203	190203
Financial Liabilities:					
(i) Borrowings					
(ii) Lease Liabilities	35			35	35
(iii) Trade payables	341467			341467	341467
(iv) Other financial liabilities	295505			295505	295505

(c) Interest income/(expenses), gains/(losses) recognised on financial assets and liabilities:

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
(i) Financial assets at amortised cost		
- Interest income from bank deposits	**197961**	153077
- Interest income from other financial assets	**11128**	10261
- Gain/(Loss) on amortisation of financial assets	**3117**	3027
(ii) Financial liabilities at amortised cost		
- Gain/(Loss) on amortisation of financial liabilities	**-2949**	-3248

33 Financial Risk Management

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Company, based on its business operation, evaluated the following risks:

a) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company's exposure to the risk of changes in exchange rates relates primarily to the Company's imports for which the payment has to be done in currencies other than the functional currency of the Company. The fluctuation in exchange rates in respect to the Indian rupee may have very restricted impact on company as any fluctuations in foreign exchange are in general reimbursed by the customers of the Company in terms of the contractual obligations which the Company has with its customers.





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

b) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, advances given to suppliers (for procurement of goods, services and capital goods), cash & cash equivalents and deposits with banks and financial institutions. The Company for the Financial Year (FY) derived 97% (Previous year: 95%) of its total sales from sales to the Indian Defence Services. The Company expects to continue to derive most of its sales from the Indian Defence Services under the contracts of the Ministry of Defence (MoD), Government of India (GoI) the Company's principal shareholder and administrative ministry.

Ageing Analysis of Trade Receivables :

Ageing	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	more than 181 days past due	Total
Net carrying amount as at 31st March 2025	149022	30774	38811	31576	18826	195744	464754
Net carrying amount as at 31st March 2024	115734	29481	17256	73558	28892	196745	461667

c) Provision for expected credit losses:

As the Company's debtors are predominantly the Government of India (Indian Defence Services, Ministry of External Affairs), Central Public Sector Undertakings where the counter - parties have sufficient capacity to meet the obligations and where the risk of default is nil / negligible. Accordingly, impairment on account of expected credit losses is being assessed on a case to case basis in respect of dues outstanding for significant period of time as per the accounting policy of the Company. Further, management believes that the unimpaired amounts that are due is collectable in full, based on historical payment behaviour and extensive analysis of customer credit risk.

d) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. The Company's standard contract terms provide that, the Company receives advance payments from customers pursuant to the applicable contracts, including the Government of India and the Indian Defence Services at the time of signing of any contract and milestone payments on achievement of physical milestones. These payments are utilized to meet the Company's working capital needs (for the Company required to maintain a high level of working capital because the Company's activities are characterized by long product development periods and production cycles). A majority of the Company's research, design and development costs are funded by the Indian Defence services. Services and supply of spares are governed by the Fixed Price Quotation (FPQ) policy for fixation of the prices wherein the prices are fixed for the base year with escalation parameters for a pricing period of 5-7 years. The process of fixation of prices and approvals takes a minimum period of two years after the expiry of previous pricing period. In the interim, the approved prices of the previous pricing period are continued and payments are accordingly realised and on finalisation of the revised prices, the differential prices are paid to the Company. Further, certain costs not forming part of selling price are reimbursed by customer on incurrence of expenditure. The reimbursement is based on verification and issuance of audit certificate by the payees. There are delays in the above process due to unanticipated variations/ adjustments in the scope and schedule of the Company's obligations due to subsequent modifications by the customers and delays in receipt of approvals from the customer. Further, payments to the Company by the Indian Defence Services are reliant on the continuing availability of budgetary appropriations by Government of India and any disruptions to the availability of such appropriations could adversely affect the Company's cashflows.



Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

e) Market risk:

The Ministry of Defence (MoD) and the Government of India (GoI) have continued efforts to reform defence related policies such as the Defence Acquisition Procedure 2020 ("DAP 2020") to promote private participation, a level playing field and the domestic defence manufacturing Industry and eco-system. While the MoD has given the highest priority to Indigenously Designed, Developed and Manufactured ("IDDM") products for capital procurement, the Company faces competition to be selected as the Indian production agency for such contracts. These policies have raised the level of market competition in the areas in which the Company operates.

f) Risk Mitigation Process:

As a step of institutionalizing the risk management in the Company, an elaborate framework has been developed and the Company's top management has overall responsibility for the establishment and oversight of the Company's risk management framework. An important purpose of the framework is to have a structured and comprehensive risk management system across the company which ensures that the risks are being properly identified and effectively managed. The Company has a risk management policy to manage & mitigate these risks. The risk management process includes risk identification, risk assessment, risk evaluation, risk mitigation and regular review and monitoring of risks. The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

34 Capital Management:

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital by using debt equity ratio, which is borrowings divided by Equity.

Particulars	As at 31st March 2025	As at 31st March 2024
Debt	-	-
Equity (including Reserves & Surplus)	**3484285**	2904642
No. of times	-	-

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2025 and 31st March 2024.

35A Borrowing Cash Credit (Note 30)

Details of lender	A Consortium of 7 banks comprising of State Bank of India (lead bank), Bank of Baroda, Indian Bank, Canara Bank, Punjab National Bank, Union Bank of India and Indian Overseas Bank.
Limit	₹ 400000 lakhs as Cash Credit (including ₹ 240000 Lakh of Commercial Paper)
Purpose	Working Capital Requirements
Security	Paripassu first charge on stocks and receivables of the Company with other consortium banks
Interest Rate	Interest rates ranging between TBLR to MCLR based at monthly rests.
Credit Rating (other than Commercial Paper)	[ICRA]AAA/Stable/ICRA A1+ by ICRA & CARE AAA/Stable/ CARE A1+ by CARE




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

35B Working Capital Facilities

The total Cash Credit limits ₹ 400000 lakhs including ₹ 240000 lakhs of Commercial Paper(previous year: ₹ 400000 lakhs including ₹ 240000 lakhs of Commercial Paper) and Corporate Loan of ₹ NIL lakhs and Non-Fund based limits ₹ 205000 lakhs (previous year: ₹ 205000 lakhs) sanctioned by consortium of bankers. The said limits are secured by hypothecation of inventories and receivables.

35C

Where the Company has borrowings from banks or financial institutions on the basis of security of current assets	As at 31st March 2025	As at 31st March 2024
Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.	The Company has been sanctioned working capital limits of ₹ 400000 lakhs, non fund based limit of ₹ 205000 lakhs and Corporate loan of ₹ Nil lakhs by the consortium bankers. As at 31.03.2025, no fund based limit were utilised and non fund based limits of ₹ 124035 lakhs were utilised by the Company against the sanctioned limits. The Quarterly stock statement filed by the company and the books of Accounts are in agreement.	The Company has been sanctioned working capital limits of ₹ 400000 lakhs, non fund based limit of ₹ 205000 lakhs and Corporate loan of ₹ Nil lakhs by the consortium bankers. As at 31.03.2024, no fund based limit were utilised and non fund based limit of ₹ 103395 lakhs were utilised by the Company against the sanctioned limits. The Quarterly stock statement filed by the company and the books of Accounts are in agreement.

35D

Wilful Defaulter	As at 31st March 2025	As at 31st March 2024
The company has not defaulted in payment of any dues to a Bank or Financial institutions.		
(a) Date of declaration as wilful defaulter	**NA**	NA
(b) Details of defaults(amount and nature of defaults)	**NA**	NA

36 UN-HEDGED FOREIGN CURRENCY EXPOSURE

Particulars	As at 31st March 2025		As at 31st March 2024	
	Foreign Currency	Amount in INR (in lakhs)	Foreign Currency	Amount in INR (in lakhs)
Receivables				
GBP	**14019**	**15**	9389	10
EURO	**1388955**	**1260**	508531	450
USD	**24633256**	**20877**	37309961	30818
RBL	**0**	**0**	569413	5
Payables				
GBP	**25864609**	**29108**	41514600	44347
EURO	**60950747**	**57197**	51542220	47149
USD	**244265765**	**210679**	205843331	173115
CHF	**290220**	**287**	132506	125
NOK	**1543750**	**127**		
CAD	**826458**	**501**	157350	98




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
37	**Segment Reporting** The Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23rd February 2018 has exempted the Government companies engaged in Defence production to the extent of application of Ind AS 108 on "Operating Segment".
38	As per Ind AS-109 relating to Accounting for Investments, amount being Dividend received from Joint Venture companies, which is recognised when right to receive Dividend is established.
39	**Disclosure with regard to Joint Working Groups** The Company has entered into two Joint Working Agreements with Air India (AIJWG) to start Ramp Handling Business and with CONCOR(HALCON) to carry out Air Cargo Handling Business. The Joint Working Group pools together the resources for carrying out its business activity and ownership of the assets vests with the respective working group.

Share of profit from Joint Working Groups of the Company with Air India and CONCOR:	**31st March 2025**	31st March 2024
AIJWG	**317**	348
HALCON	**253**	118
Total	**570**	466

Disclosure with regard to Joint Working Group

Name of the Joint Working Group	**AIJWG**		**HALCON**	
	31st March 2025	31st March 2024	**31st March 2025**	31st March 2024
Country of Operation	**India**	India	**India**	India
Share of Company / Ownership Interest	**50.00%**	50.00%	**50.00%**	50.00%
Principal Activities	**Flight Handling**	Flight Handling	**Cargo Handling**	Cargo Handling
Liabilities - Company's Share	**1942**	2905	**567**	378
Non-Current Assets - Company's share	**-**	-	**142**	151
Current Assets - Company's share	**1942**	2905	**425**	227
Income - Company's Share	**384**	393	**438**	234
Expenditure - Company's Share	**67**	46	**185**	116
Profit / (Loss) Company's Share	**317**	348	**253**	118
Contingent Liability				




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
40	**Break-up of Deferred Tax Assets and Liabilities are given below:**

(a) As at 31st March 2025

Particulars	As at 1st April 2024	Additions / (reversals) in Income statement	Additions/ (reversals) recognized in Equity	As at 31st March 2025
Deferred Tax Liability				
Tangible Assets	11853	-240		**11613**
Intangible Assets	55167	4920		**60087**
Special Tools and Equipment	72565	1812		**74377**
Interest on Income Tax Refund				
TOTAL	**139585**	**6492**		**146077**
Deferred Tax Asset				
Provision for Earned Leave Salary	33005	3842		**36847**
Provision for Replacement charges, Warranty, Raw Material, Doubtful debts and claims	202252	8830		**211082**
Provision for onerous contract and Liquidated Damages	36829	4725		**41554**
OCI Items	12932	461		**13393**
TOTAL	**285018**	**17858**		**302876**
Net Deferred Tax Assets	**145433**	**11366**		**156799**

(b) As at 31st March 2024

Particulars	As at 1st April 2023	Additions / (reversals) in Income statement	Additions/ (reversals) recognised in Equity	As at 31st March 2024
Deferred Tax Liability				
Tangible Assets	12088	-235		11853
Intangible Assets	47898	7269		55167
Special Tools and Equipment	73064	-499		72565
Interest on Income Tax Refund	20945	-20945		
TOTAL	**153995**	**-14410**		**139585**
Deferred Tax Asset				
Provision for Earned Leave Salary	29652	3353		33005
Provision for Replacement charges, Warranty, Raw Material, Doubtful debts and claims	196043	6209		202252
Provision for onerous contract and Liquidated Damages	31074	5755		36829
OCI Items	9796	3136		12932
TOTAL	**266567**	**18451**		**285018**
Net Deferred Tax Assets	**112571**	**32862**		**145433**




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

	Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
41A	A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:		
	Profit before taxes	**1082001**	1019897
	Enacted tax rates	**25.168%**	25.168%
	Expected tax expense/(benefit)	**272318**	256688
	Effect of:		
	Deductible expense for tax purpose:		
	Other Deductible Expenditure	**464**	998
	Provisions for Warranty, Replacement, Onerous Contracts, Doubtful Debts, Claims & Materials etc.(Net)		-6
	Non-deductible expenses for tax purposes:		
	Sustainable Development and Corporate Social Responsibility	**3986**	2795
	Diminution provision for long term investment	**33**	8
	Earlier year tax	**-25608**	
	Taxation impact on Ind AS Adjustment	**-42**	56
	Gratuity and PF	**-1166**	-381
	Rounding off	**336**	235
	Tax Expense	**250321**	260393
	Amount of Income Tax relating to each component of OCI:		
	Remeasurement of Defined Benefit Plans	**705**	-2755
	Exchange Differences in translating the financials statements of a foreign Operations		

41B Giving effect to the order passed by the Appellate authority, Rectification Order was passed by the assessing officer for the Assessment year 2009-10 during May 2024. Based on the rectification order passed, ₹ 25608 Lakhs income tax refund accounted by the company under tax expenses and consequent interest on income tax refund of ₹ 18895 lakhs accounted under other income.

	Particulars	As at 31st March 2025	As at 31st March 2024
42A	**Earned Leave**		
	The Actuarial Liability of Earned Leave of the employees of the Company for the period ended	**146405**	131137
	Discounting Rate	**6.80%**	7.20%
	Salary escalation rate	**8.50%**	8.50%
	Retirement Age	**60 Years**	60 Years





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

42B	Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
	Provident Fund		
	During the period, the Company has recognized the following amount in the Statement of Profit and Loss account		
	Defined Benefit Plan		
	Contribution to Provident Fund and Family Pension	**33348**	30600
42C	**Pension & Post Superannuation Group Health Insurance Schemes**		
	During the period, the Company has recognized the following amount in the Statement of Profit and Loss account		
	Defined Contribution Plan		
	Contribution to Pension	**22869**	39292
	Contribution to Post Superannuation Group Health Insurance Schemes	**23022**	17239

43 Provision for Gratuity and Earned Leave has been made based on Actuarial Valuation. The date of Actuarial valuation as of 31.03.2025

Employee Benefits:

The Company has adopted the Ind AS-19 on Employee Benefits. Consequently, the liability thereon is accounted on the basis of actuarial valuation, and is being recognised as short-term benefits / long term benefits.

43A Gratuity:

The Company has a Gratuity Scheme for its employees, which is a funded plan. Every year the Company funds to the Gratuity Trust to the extent of shortfall of the assets over the fund obligations, which is determined through actuarial valuation. As per the Gratuity Scheme, Gratuity is payable to an employee on the cessation of his employment after he has rendered continuous service for not less than 5 (five) years in the Company. For every completed year of service or part thereof in excess of six months, the Company shall pay Gratuity to an employee at the rate of 15 (fifteen) days' emoluments based on the emoluments last drawn with a ceiling of ₹ 20 (twenty) Lakhs.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the plan as furnished in the Disclosure Report provided by the Actuary:

Gratuity:

Analysis of Defined Benefit Obligation (DBO):

A split of the defined benefit obligation as at the valuation date between liability which has not vested and that which has fully vested is presented in the table below:

	For the year ended	
	31st March 2025	**31st March 2024**
DBO in respect of non vested employees	**770**	507
DBO in respect of vested employees	**183,124**	173,229
Total defined benefit obligation	**183,895**	173,736




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

The component of the defined benefit obligation which is attributable to future salary increases is shown in the table below:

	For the year ended	
	31st March 2025	**31st March 2024**
Liability without projected salary increases	**119,709**	108,979
Effect of projected salary increases	**64,186**	64,757
Defined benefit obligation with projected salary growth	**183,895**	173,736

Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation(PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 100 basis points.

Particulars	**For the year ended**	
	31st March 2025	
	Discount Rate	**Salary Escalation Rate**
Impact of decrease in 100 bps on DBO	**11.36%**	**(1.77%)**
Impact of increase in 100 bps on DBO	**(9.80%)**	**1.27%**

Particulars	**For the year ended**	
	31st March 2024	
	Discount Rate	Salary Escalation Rate
Impact of decrease in 100 bps on DBO	11.41%	(2.19%)
Impact of increase in 100 bps on DBO	(9.81%)	1.57%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

Projected Plan Cash Flow

Maturity Profile	31st March 2025	31st March 2024
Expected benefits for year 1	**12,596**	16,061
Expected benefits for year 2	**8,084**	8,164
Expected benefits for year 3	**8,916**	8,106
Expected benefits for year 4	**10,506**	9,064
Expected benefits for year 5	**10,207**	10,363
Expected benefits for year 6	**11,201**	10,228
Expected benefits for year 7	**12,839**	11,171
Expected benefits for year 8	**14,270**	12,927
Expected benefits for year 9	**16,802**	14,174
Expected benefits for year 10 and above	**345,562**	349,124
The weighted average duration to the payment of these cash flows is	**10.53 years**	10.52 years

Changes in present value of obligations:

	31st March 2025	31st March 2024
Present value of obligation as at the beginning of the period	**173,736**	165,069
Interest Expense	**12,079**	11,842
Current service cost	**12,340**	10,789
Benefits paid	**(11,941)**	(14,354)
Remeasurements on obligation - (Gain) / Loss	**(2,319)**	391
Present value of obligation as at the end of the period	**183,895**	173,736

Changes in fair value of plan assets:

A reconciliation of the plan assets during the inter-valuation period is given below:

	31st March 2025	31st March 2024
Fair value of plan assets at the beginning of the period	**164,506**	165,653
Adjustment to opening fund		(585)
Interest Income	**11,747**	11,886
Employer contributions	**9230**	-
Benefits paid	**(11,941)**	(14,354)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	**2,315**	1,906
Fair value of plan assets at the end of the period	**175,856**	164,506
Actual return on plan assets	**14,062**	13,792

Net interest (income)/expense :

	31st March 2025	31st March 2024
Interest (Income) / Expense - Obligation	**12,079**	11,842
Interest (Income) / Expense - Plan assets	**(11,747)**	(11,886)
Net interest (Income) / Expense for the year	**332**	(44)




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

Remeasurements for the year (actuarial (gain)/loss):

	31st March 2025	31st March 2024
Experience (Gain) / Loss on plan liabilities	**(9,846)**	(6,649)
Demographic (Gain) / Loss on plan liabilities		
Financial (Gain) / Loss on plan liabilities	**7,527**	7,040
Experience (Gain) / Loss on plan assets	**(2,804)**	(1,589)
Financial (Gain) / Loss on plan assets	**489**	(317)

Amounts recognised in statement of other comprehensive income (OCI):

	31st March 2025	31st March 2024
Opening amount recognised in OCI outside profit and loss account	**26,208**	27,723
Remeasurement for the year - obligation (Gain) / Loss	**(2,319)**	391
Remeasurement for the year - plan assets (Gain) / Loss	**(2,315)**	(1,906)
Total Remeasurements Cost / (Credit) for the year recognised in OCI	**(4,634)**	(1,515)
Closing amount recognised in OCI outside Profit and Loss account	**21,574**	26,208

Amounts recognised in the balance sheet:

	31st March 2025	31st March 2024
Present value of obligation at the end of year	**183,895**	173,736
Fair value of the plan assets at the end of year	**175,856**	164,506
Surplus / (Deficit)	**(8,038)**	(9,230)
Current liability	**8,000**	9,240
Non-current liability	**175,895**	164,496
Amount not recognised due to asset ceiling		
Net asset / (liability) recognised in balance sheet	**(8,038)**	(9,230)

Expense recognised in the statement of profit and loss:

	31st March 2025	31st March 2024
Service Cost	**12,340**	10,789
Net interest (Income) / Expense	**332**	(44)
Net periodic benefit cost recognised in the statement of profit & loss at the end of period	**12,672**	10,745




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

Reconciliation of Net Asset / (Liability) recognised:

	31st March 2025	31st March 2024
Net asset / (liability) recognised at the beginning of the period	**(9,230)**	585
Adjustments to opening fund		(585)
Company contributions	**9230**	
Amount recognized outside profit & loss account for the year	**4634**	1,515
Expense recognized at the end of year	**(12,672)**	(10,745)
Net asset / (liability) recognised at the end of the period	**(8,038)**	(9,230)

Major categories of plan assets:

	31st March 2025		
	Quoted Value	**Non Quoted value**	**Total**
Government securities		**500**	**500**
Funds managed by insurer		**175,317**	**175,317**
Others		**39**	**39**
Total	-	**175,856**	**175,856**

	31st March 2024		
	Quoted Value	**Non Quoted Value**	**Total**
Government securities		500	500
Funds managed by insurer		163,989	163,989
Others		17	17
Total	-	164,506	164,506

Principal Assumptions :

	31st March 2025	31st March 2024
Discounting Rate (p.a.)	**6.80%**	7.20%
Salary escalation rate (p.a.)	**8.50%**	8.50%




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
43B(i)	The exempt provident fund set up by the company is a defined benefit plan under Ind AS 19 Employee Benefits. Provident Fund for eligible employees is managed by the Company through a trust in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. The minimum interest rate payable by the trust to the beneficiaries every year is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust (including investment risk fall) and the notified interest rate. The Company has obtained report on the determination and disclosure of interest rate Guarantee & Diminution of Asset Values as per Ind AS19 of Employees Exempt Provident Fund of HAL for the period ended 31st March 2025. Based on the actuarial valuation of provident fund the liability for the year has been created of ₹ 4602 lakhs (Previous year: ₹ 5372 lakhs). As per the approval of Board an amount of ₹ 8089 lakhs released to various PF Trusts of HAL towards deficit arising out of investments made in DHFL and Sintex during the year 2023-24, Nil for 2024-25.

Note 49 - Explanatory Notes to the Standalone Financial Statements

(₹ in Lakhs)

Clause No.	Particulars								
43B(ii)	The Total Amount of net liability / asset to be recorded in the Balance Sheet								
		As at 31st March 2025							
	EMPLOYEES' PROVIDENT FUND TRUST	HAL(BC)	NASIK	KORAPUT	HYDERABAD	LUCKNOW	KORWA	KANPUR	HQ	Total
	Expense recognised in the Statement of Profit & Loss:									
	Current service cost	16,783	4,359	2,906	1,951	1,818	786	1,525	714	30,844
	Net Interest (Income) / Expense	541	16	356	(164)	(76)	(19)	39	(42)	651
	Net periodic benefit cost recognised in the statement of profit & loss at the end of period	17,324	4,375	3,262	1,788	1,742	767	1,564	672	31,494
	Amounts recognised in statement of Other Comprehensive Income(OCI):									
	Opening amount recognized in OCI outside profit and loss account	29,770	7,172	8,582	815	1,474	793	2,462	474	51,542
	Remeasurements for the period - Obligation (Gain) / Loss	5,340	(3,942)	2,418	(815)	755	1,089	2,202	454	7,502
	Remeasurement for the period - Plan assets (Gain) / Loss	(5,809)	5,385	(3,855)	1,325	137	(755)	(1,894)	(204)	(5,670)
	Total Remeasurements Cost / (Credit) for the year recognised in OCI	(469)	1,443	(1,437)	510	892	334	308	250	1,832
	Closing amount recognised in OCI outside profit and loss account	29,301	8,615	7,146	1,326	2,366	1,127	2,770	723	53,373
	Reconciliation of Net Asset / (Liability) recognised :									
	Net asset / (liability) recognised at the beginning of the period	(31,005)	(6,284)	(9,757)	(227)	(1,327)	(717)	(2,538)	(314)	(52,170)
	Employer's Contributions	15,422	4,323	2,823	1,805	1,566	724	1,386	675	28,724

Note 49 - Explanatory Notes to the Standalone Financial Statements

(₹ in Lakhs)

Clause No.	Particulars								
43B(ii)	The Total Amount of net liability / asset to be recorded in the Balance Sheet								
		As at 31st March 2025							
	EMPLOYEES' PROVIDENT FUND TRUST	**HAL(BC)**	**NASIK**	**KORAPUT**	**HYDERABAD**	**LUCKNOW**	**KORWA**	**KANPUR**	**HQ**	**Total**
	Benefits directly paid by Company									
	Amount recognized outside profit & loss account for the year	469	(1,443)	1,437	(510)	(892)	(334)	(308)	(250)	(1,832)
	Expense recognised at the end of period	(17,324)	(4,375)	(3,262)	(1,788)	(1,742)	(767)	(1,564)	(672)	(31,494)
	Impact of Transfer (In) / Out									
	Net asset / (liability) recognised at the end of the period	(32,438)	(7,779)	(8,760)	(720)	(2,396)	(1,094)	(3,025)	(561)	(56,772)
	Changes in present value of Benefit obligation:									
	Present value of benefit obligation as at the beginning of the period	310,920	154,609	109,398	36,070	56,815	28,046	48,025	15,765	759,649
	Transfer in / (out)*	(84)	1,701	331	678	95	(987)	(301)	2,212	3,645
	Interest cost	20,621	10,287	7,459	2,435	3,877	1,817	3,352	957	50,806
	Current Service Cost	16,783	4,359	2,906	1,951	1,818	786	1,525	714	30,844
	Employee Contribution	31,560	7,809	6,810	3,196	3,193	1,244	2,617	1,111	57,539
	Benefits paid	(49,027)	(23,468)	(11,597)	(4,492)	(5,936)	(5,614)	(2,949)	(4,947)	(108,029)
	Remeasurements due to:									-
	Actuarial loss/(gain) arising from change in financial assumptions	2,403	1,477	2,223	581	936	342	694	220	8,876
	Actuarial loss/(gain) arising from change in demographic assumptions									-
	Actuarial loss/(gain) arising on account of experience changes	2,937	(5,419)	195	(1,396)	(180)	747	1,508	234	(1,374)
	Closing of defined benefit obligation	336,112	151,356	117,726	39,024	60,617	26,382	54,473	16,266	801,955





Note 49 - Explanatory Notes to the Standalone Financial Statements

(₹ in Lakhs)

Clause No.	Particulars								
43B(ii)	The Total Amount of net liability / asset to be recorded in the Balance Sheet								
		As at 31st March 2025							
	EMPLOYEES' PROVIDENT FUND TRUST	HAL(BC)	NASIK	KORAPUT	HYDERABAD	LUCKNOW	KORWA	KANPUR	HQ	Total
	Changes in Fair value of Plan Assets:									
	Fair value of plan assets as at the beginning of the period	279,915	148,325	99,641	35,843	55,488	27,329	45,487	15,451	707,479
	Transfer in / (out)*	(84)	1,701	331	678	95	(987)	(301)	2,212	3,645
	Interest Income	20,080	10,271	7,103	2,599	3,953	1,836	3,313	999	50,155
	Employer's Contributions	15,422	4,323	2,823	1,805	1,566	724	1,386	675	28,724
	Employee's Contributions	31,560	7,809	6,810	3,196	3,193	1,244	2,617	1,111	57,539
	Benefits paid	(49,027)	(23,468)	(11,597)	(4,492)	(5,936)	(5,614)	(2,949)	(4,947)	(108,029)
	Shortfall arising on account to asset diminution									-
	Amount paid on settlement									-
	Actuarial Gain / (Loss) on plan assets	5,809	(5,385)	3,855	(1,325)	(137)	755	1,894	204	5,670
	Fair value of plan assets as at the end of the period	303,675	143,578	108,966	38,304	58,221	25,289	51,448	15,704	745,183

* On account of business combination or inter group transfer





Note 49 - Explanatory Notes to the Standalone Financial Statements

(₹ in Lakhs)

Clause No.	Particulars								
43B(ii)	The Total Amount of net liability / asset to be recorded in the Balance Sheet								
		As at 31st March 2024							
	EMPLOYEES' PROVIDENT FUND TRUST	HAL(BC)	NASIK	KORAPUT	HYDERABAD	LUCKNOW	KORWA	KANPUR	HQ	Total
	Expense recognised in the Statement of Profit & Loss:									
	Current service cost	15,090	4,151	2,751	1,903	1,622	722	1,382	600	28,220
	Net Interest (Income) / Expense	679	(183)	359	(195)	(159)	(67)	13	(52)	394
	Net periodic benefit cost recognised in the statement of profit & loss at the end of period	15,769	3,967	3,110	1,707	1,463	655	1,395	548	28,615
	Amounts recognised in statement of Other Comprehensive Income(OCI):									
	Opening amount recognized in OCI outside profit and loss account	30,874	4,277	8,521	459	423	236	2,147	235	47,171
	Remeasurements for the period - Obligation (Gain) / Loss	12,251	918	2,675	612	1,228	585	1,239	392	19,899
	Remeasurement for the period - Plan assets (Gain) / Loss	(13,355)	1,977	(2,613)	(256)	(177)	(28)	(923)	(153)	(15,529)
	Total Remeasurements Cost / (Credit) for the year recognised in OCI	(1,104)	2,895	62	356	1,051	557	315	239	4,370
	Closing amount recognised in OCI outside profit and loss account	29,770	7,172	8,582	815	1,474	793	2,462	474	51,542
	Reconciliation of Net Asset / (Liability) recognised :									
	Net asset / (liability) recognised at the beginning of the period	(31,037)	(3,562)	(9,315)	(25)	(365)	(209)	(2,171)	(115)	(46,798)
	Employer's Contributions	14,697	4,140	2,729	1,861	1,552	703	1,343	587	27,613

Note 49 - Explanatory Notes to the Standalone Financial Statements

(₹ in Lakhs)

Clause No.	Particulars								
43B(ii)	The Total Amount of net liability / asset to be recorded in the Balance Sheet								
		As at 31st March 2024							
	EMPLOYEES' PROVIDENT FUND TRUST	HAL(BC)	NASIK	KORAPUT	HYDERABAD	LUCKNOW	KORWA	KANPUR	HQ	Total
	Benefits directly paid by Company									
	Amount recognized outside profit & loss account for the year	1,104	(2,895)	(62)	(356)	(1,051)	(557)	(315)	(239)	(4,370)
	Expense recognised at the end of period	(15,769)	(3,967)	(3,110)	(1,707)	(1,463)	(655)	(1,395)	(548)	(28,615)
	Impact of Transfer (In) / Out									
	Net asset / (liability) recognised at the end of the period	(31,005)	(6,284)	(9,757)	(227)	(1,327)	(717)	(2,538)	(314)	(52,170)
	Changes in present value of Benefit obligation:									
	Present value of benefit obligation as at the beginning of the period	283,175	141,354	101,192	32,768	53,957	28,702	42,410	14,462	698,019
	Transfer in / (out)*	(536)	1,093	672	63	1,084	153	(565)	1,515	3,479
	Interest cost	19,446	10,190	7,163	2,290	3,738	1,944	3,098	965	48,835
	Current Service Cost	15,090	4,151	2,751	1,903	1,622	722	1,382	600	28,220
	Employee Contribution	29,271	7,871	6,329	3,394	3,409	1,504	2,662	1,030	55,470
	Benefits paid	(47,778)	(10,969)	(11,384)	(4,459)	(8,222)	(5,563)	(2,202)	(3,198)	(93,774)
	Remeasurements due to:									-
	Actuarial loss/(gain) arising from change in financial assumptions	5,321	2,105	2,077	628	919	494	728	208	12,481
	Actuarial loss/(gain) arising from change in demographic assumptions									-
	Actuarial loss/(gain) arising on account of experience changes	6,930	(1,187)	598	(16)	309	90	510	183	7,418
	Closing of defined benefit obligation	310,920	154,609	109,398	36,570	56,815	28,046	48,025	15,765	760,149



Note 49 - Explanatory Notes to the Standalone Financial Statements

(₹ in Lakhs)

Clause No.	Particulars								
43B(ii)	**The Total Amount of net liability / asset to be recorded in the Balance Sheet**								
		As at 31st March 2024							
	EMPLOYEES' PROVIDENT FUND TRUST	**HAL(BC)**	**NASIK**	**KORAPUT**	**HYDERABAD**	**LUCKNOW**	**KORWA**	**KANPUR**	**HQ**	**Total**
	Changes in Fair value of Plan Assets:									
	Fair value of plan assets as at the beginning of the period	252,138	137,792	91,877	32,743	53,592	28,493	40,239	14,347	651,221
	Transfer in / (out)*	(536)	1,093	672	63	1,084	153	(565)	1,515	3,479
	Interest Income	18,767	10,374	6,804	2,486	3,897	2,011	3,086	1,017	48,441
	Employer's Contributions	14,697	4,140	2,729	1,861	1,552	703	1,343	587	27,613
	Employee's Contributions	29,271	7,871	6,329	3,394	3,409	1,504	2,662	1,030	55,470
	Benefits paid	(47,778)	(10,969)	(11,384)	(4,459)	(8,222)	(5,563)	(2,202)	(3,198)	(93,774)
	Shortfall arising on account to asset diminution									-
	Amount paid on settlement									-
	Actuarial Gain / (Loss) on plan assets	13,355	(1,977)	2,613	256	177	28	923	153	15,529
	Fair value of plan assets as at the end of the period	279,915	148,325	99,641	36,343	55,488	27,329	45,487	15,451	707,979

** On account of business combination or inter group transfer*





Note 49 - Explanatory Notes to the Standalone Financial Statements

(₹ in Lakhs)

Clause No.	Particulars								
43B(iii)	**The following table summarizes the disclosure report provided by the Actuary: As at 31st March 2025 (Ind AS 19)**								
	EMPLOYEES' PROVIDENT FUND TRUST*	**HAL(BC)**	**NASIK**	**KORAPUT**	**HYDERABAD**	**LUCKNOW**	**KORWA**	**KANPUR**	**HQ**	**Total**
	Summary of Data:									
	Total PF Account Balance	**325,508**	**145,761**	**112,266**	**39,024**	**58,221**	**25,289**	**52,543**	**15,704**	**774,316**
	Investment in (Default/Stress) or surplus investment income	**(21,834)**	**(2,183)**	**(3,300)**	**(720)**			**(1,095)**		**(29,133)**
	Weighted Average Remaining Tenure of the investment Portfolio (in years)	**7.46**	**6.94**	**6.45**	**5.79**	**4.47**	**7.80**	**6.54**	**7.25**	
	Amounts to be Recognized in Balance Sheet:									
	Present Value of Obligation at the end of the period	**336,112**	**151,356**	**117,726**	**39,024**	**60,617**	**26,382**	**54,473**	**16,266**	**801,955**
	Fair Value of the Plan Assets at the end of the year	**303,675**	**143,578**	**108,966**	**38,304**	**58,221**	**25,289**	**51,448**	**15,704**	**745,183**
	Net asset / (liability) recognised in balance sheet	**(32,438)**	**(7,779)**	**(8,760)**	**(720)**	**(2,396)**	**(1,094)**	**(3,025)**	**(561)**	**(56,772)**
	Major Categories of Plan Assets (as % of Total Plan Assets):									
	Government of India Securities	**52%**	**78%**	**77%**	**63%**	**64%**	**83%**	**85%**	**85%**	
	High Quality Corporate Bonds	**30%**								
	Equity shares of listed companies	**6%**	**7%**	**7%**	**5%**	**4%**	**6%**	**9%**	**8%**	
	Bank Balance	**3%**		**2%**	**1%**	**1%**	**5%**	**2%**		
	Special deposit scheme	**3%**	**5%**	**6%**	**1%**	**4%**			**2%**	
	Receivable from HAL							**2%**		
	Others (refundable loans)	**6%**	**10%**	**8%**	**30%**	**27%**	**6%**	**2%**	**5%**	
	Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	
	Summary of Principal Actuarial Assumptions:									
	Discount Rate (p.a)	**6.80%**	**6.80%**	**6.80%**	**6.80%**	**6.80%**	**6.80%**	**6.80%**	**6.80%**	
	Interest Rate declared by EPFO for the year	**8.25%**	**8.25%**	**8.25%**	**8.25%**	**8.25%**	**8.25%**	**8.25%**	**8.25%**	
	Yield Spread	**0.50%**	**0.50%**	**0.50%**	**0.50%**	**0.50%**	**0.50%**	**0.50%**	**0.50%**	
	Expected rate of return on plan assets	**7.20%**	**7.20%**	**7.20%**	**7.20%**	**7.20%**	**7.20%**	**7.20%**	**7.20%**	
	Average Historic Yield on the Investment	**7.98%**	**8.17%**	**7.72%**	**8.17%**	**7.52%**	**8.17%**	**8.17%**	**7.77%**	

** In case of inter-divisional transfer of employees moneys standing to the credit of the employees in the trust accounts will be transferred to the trust accounts of the division to which he is posted.*



Note 49 - Explanatory Notes to the Standalone Financial Statements

(₹ in Lakhs)

Clause No.	Particulars								
43B(iii)	**The following table summarizes the disclosure report provided by the Actuary: As at 31st March 2024 (Ind AS 19)**								
	EMPLOYEES' PROVIDENT FUND TRUST*	**HAL(BC)**	**NASIK**	**KORAPUT**	**HYDERABAD**	**LUCKNOW**	**KORWA**	**KANPUR**	**HQ**	**Total**
	Summary of Data:									
	Total PF Account Balance	303,194	150,825	106,385	26,570	55,488	27,329	46,671	15,451	731,914
	Investment in (Default/Stress) or surplus investment income	(23,280)	(2,500)	(6,744)	(227)			(1,184)		(33,936)
	Weighted Average Remaining Tenure of the investment Portfolio (in years)	6.42	7.40	5.79	5.75	4.47	8.44	6.11	7.48	
	Amounts to be Recognized in Balance Sheet:									
	Present Value of Obligation at the end of the period	310,920	154,609	109,398	36,570	56,815	28,046	48,025	15,765	760,149
	Fair Value of the Plan Assets at the end of the year	279,915	148,325	99,641	36,343	55,488	27,329	45,487	15,451	707,979
	Net asset / (liability) recognised in balance sheet	(31,005)	(6,284)	(9,757)	(227)	(1,327)	(717)	(2,538)	(314)	(52,170)
	Major Categories of Plan Assets (as % of Total Plan Assets):									
	Government of India Securities	56%	68%	76%	70%	66%	81%	83%	85%	
	High Quality Corporate Bonds	28%	0%						0%	
	Equity shares of listed companies	4%	5%	4%	4%	3%	5%	7%	7%	
	Bank Balance	2%	1%	3%	3%	1%	2%	0%		
	Special deposit scheme	5%	6%	7%	1%	5%	6%	5%	3%	
	Receivable from HAL	0%						2%		
	Others (refundable loans)	5%	20%	10%	22%	25%	6%	3%	5%	
	Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	
	Summary of Principal Actuarial Assumptions:									
	Discount Rate (p.a)	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	7.20%	
	Interest Rate declared by EPFO for the year	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	
	Yield Spread	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	
	Expected rate of return on plan assets	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	
	Average Historic Yield on the Investment	7.92%	8.25%	7.39%	8.25%	7.79%	8.25%	8.25%	7.71%	

** In case of inter-divisional transfer of employees moneys standing to the credit of the employees in the trust accounts will be transferred to the trust accounts of the division to which he is posted.*








Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
43C(i)	The Company has provided Performance Related Pay for the year as per the Guidelines issued by Department of Public Enterprises.
43C(ii)	During the year 2011, C&AG observed that the profits earned from short term deposits is an incidental activity and not a core activity of the Company and inclusion of the interest income from these deposits for PRP computation had led to excess of payment of ₹ 4318 lakhs to its executives. Based on HAL reply on difficulties in recovery, the C&AG vide letter dated 11th November 2024, suggested that the issue of difficulties in retrospective recovery of excess amount of ₹ 4318 lakhs paid on account of PRP for the year 2009-10 to 2011-12 be placed before the Board for obtaining waiver and disclose in the Financial statements. In compliance with the C&AG letter, the issue of difficulties in retrospective recovery of excess amount paid on account of PRP for the year 2009-10 to 2011-12 to its Executives was placed before HAL Board in its 488th Meeting held on 16th December 2024. After deliberation, HAL Board approved the waiver from recovery of ₹ 4318 lakhs of excess payment of PRP for the Year 2009-10 to 2011-12 to its Executives. Necessary accounting treatment has been done in the accounts for the year ended 31.03.2025.
43D(i)	**Pension:** In line with the Guidelines issued by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Govt. of India for revision of the Salary Structure of Executives of CPSEs with effect from 1st January, 2007 and as per the approval accorded by the Board of Directors and Department of Defence Production, Ministry of defence, a Defined Contribution Pension Scheme was notified in the Company on 16th July, 2014 in respect of Executives retired etc., from 1st January, 2007. A Defined Contribution Pension Scheme in respect of Workmen retired after 1st January, 2012 was notified on 2nd June, 2015 which was agreed as a part of the Workmen's Wage Revision effective from 1st January, 2012. Contribution to the corpus of the above schemes by the Management may vary from year to year as the same is dependent on profits generated, affordability & sustainability by the Company. The Scheme is managed by a duly constituted Trust.
43D(ii)	Ministry vide OM dated 12.07.2023 has conveyed the approval for increasing the Company's contribution to the Pension Scheme of Executives from existing 7% to 10% of Basic Pay + DA w.e.f. 0.1.01.2017. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2017 has been made in respect of Executives who are on the rolls of the Company as on the date of implementation of the revised ceiling i.e. 01.01.2017. In respect of new incumbents who joined the Company post 01.01.2017, it will be effective from the date of appointment. The additional liability accruing to the Company due to the increased ceiling, is ₹ 21776 lakh pertaining to the period from 1 January, 2017 to 31 March, 2024 (₹ 3719 lakh for the year ended 31 March, 2025). The total additional financial impact on revision of Pension contribution up to 31st March 2024 has been given effect in the books of accounts during the year ended 31 March, 2024. Accordingly, employees cost for the current year is not comparable with the corresponding previous year. In respect of Workmen, Company issued Circular dated 24.04.2025 has conveyed the approval for increasing the Company's contribution to the Pension Scheme from existing 7% to 10% of Basic Pay + DA w.e.f. 01.01.2025. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2025 has been made in respect of workmen who were on the rolls of the Company as on the date of implementation of the revised ceiling. The additional liability accruing to the Company due to the increased ceiling is ₹ 1051 lakh pertaining to the period from 1 January, 2025 to 31 March, 2025. The total additional financial impact on revision of Pension contribution has been given effect in the books of accounts during the year ended 31 March, 2025. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
43E	**Post Superannuation Group Health Insurance Schemes:** In line with the Guidelines issued by the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India and as per the approval accorded by the Board of Directors and Department of Defence Production, Ministry of defence, Post Superannuation Group Health Insurance Schemes in respect of (a) Employees (Officers & Workmen) retired before 1st January, 2007 and (b) Executives retired on or after 1st January, 2007 were introduced with effect from 1st February, 2014. A Post Superannuation Group Health Insurance Scheme in respect of Workmen of the Company retired, etc. after 1st January, 2007 has been introduced in the Company with effect from 1st February, 2015 which was agreed as a part of the Workmen's Wage Revision effective from 1st January, 2012. Benefits under the Schemes may vary from year to year, as contribution to the Corpus of the Schemes is dependent on Profits generated, Affordability & Sustainability by the Company. The Schemes are managed by a duly constituted Trust.
43F	**HAL Employees Group Life Insurance Trust:** As per the approval accorded by the Board, the Company has notified an insurance scheme namely the HAL Employees Group Life Insurance Trust to cover its employees, in case of death due to any reason other than suicide. The contribution towards the scheme are borne equally by employees and the Management. In the event of Death of an employee due to any reason other than suicide, the dependent family members will be paid the sum assured (₹ 10 lakhs). The Company has made contribution of ₹ 118 lakhs (previous year : ₹ 135 lakhs) to the trust for the year ended 31.03.2025 with employees contributing an equal amount.
43G	Revision of pay scales of executives and workmen, with effect from 01.01.2017 was implemented in accordance with the guidelines issued by Department of Public Enterprises vide OM dated 03.08.2017 for Executives and in accordance with the Wage Agreement entered into between Management and Employees Union representative in 2019-20 in respect of Workmen. On an interpretation on pay refixation and pursuant to the directives of the Administrative Ministry, the pay fixation to be revised and the excess amount paid is to be recovered from the employees. Based on the directives Company issued a Circular dated 24.07.2021 and the communication dated 26.07.2021 for recovery of the excess amount. While so, the Employees Union and Officers Association have filed Writ Petition with Hon'ble High Court of Karnataka to stay recovery of excess amount of salary paid by the Company. The Hon'ble High court given verdict in favour of Officers Associations by setting aside the Circular dated 24.07.2021 and the communication dated 26.07.2021 issued by the Management. The order of the Hon'ble High Court in favour of Officers was put up to the Board in its 490th Meeting held on 12.02.2025. Board has noted the judgement of the Hon'ble High Court and accorded approval to abide by the Court order. Accordingly, the differential amount withheld by the Management in respect of Ex-officers has to be released /refunded to the concerned Ex-officers/Nominees along with applicable interest. As per the Board approval, one increment impact amount of ₹ 2712 lakhs recovered from the retired/deceased/ resigned employees has been paid during 2024-25. Further, in respect of officers an amount of ₹ 18565 lakhs credited to salaries and wages in the earlier years and kept under claims receivable has been reversed during 2024-25. Accordingly, employees cost for the current year is not comparable with the corresponding previous year. In respect of Workmen, the order is awaited, hence, reduction of salaries and wages in respect of workmen continued for the year ended 31st March 2025 and ₹ 2444 lakhs effect given in the books towards this. Excess amount credited to salaries and Wages in respect of Workmen has been shown under claims receivable(Gross) of ₹ 16390 lakhs as at 31st March 2025 (previous year: ₹ 14282 lakhs). Based on the final verdict, decision in respect of workmen will be taken and suitable effect will be carried out in the accounts.





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

43H Financial Assistance Scheme for Dependents of Deceased Employee

As per the approval accorded by the Board, the Company has notified "Financial Assistance Scheme for dependents of Deceased Employees (FASDDE)" to pay a fixed amount on monthly basis to surviving spouse or dependent children if the spouse is not surviving, till the notional date of superannuation of the deceased employee. The prime objective of the scheme is to provide financial support for dependent beneficiaries of the employees who expire while in service, to enable them to lead a normal life. The scheme will be applicable in all cases of Death of an employee due to any other reason other than suicide. Fund of ₹ 4000 lakhs during 2021-22 & ₹ 1500 lakhs during 2022-23 transferred to trust for management of the Corpus. The income generated from the Corpus which will be invested with M/s LIC will be utilized to make payments under the Scheme.

During the year ₹ NIL lakhs (previous year: ₹ 56 lakhs) has been incurred as expenditure under Financial Assistance Scheme for Dependents of Deceased Employee which is included in Note 40 - Staff Welfare expenditure.

44 As per Ind AS-21 relating to accounting for the effects of changes in the Foreign Exchange rates.

	Particulars	As at 31st March 2025	As at 31st March 2024
(a)	Exchange rate variation recognised in Statement of Profit and Loss towards Capital Assets.	**-178**	-204

(b) As and when the instalments in respect of deferred debts falls due for payment to the Russian Federation, the same is paid by applying the exchange rate ruling on the date of actual payment and liability discharged. The differences arising due to recalculation of debts at the applicable /ruling rate is charged to the revenue at the time of payment and recognised as sales when realised from the customer except to the extent it pertains to Capital Assets. The sales for Exchange Rate Variation (ERV) considered is ₹ 6074 lakhs (Previous year - ₹ 4873 lakhs). The Assets and Liabilities relating to deferred credit transaction are reinstated under Non-current Other Financial Assets, Current Other Financial Assets (recoverable within one year), Non-current Other Financial Liabilities and Current Other Financial Liabilities (to be settled within one year).

Note 49 - Explanatory Notes to the Standalone Financial Statements

(₹ in Lakhs)

Clause No.	Particulars	M/s. Indo Avia Services Limited	M/s. BAe HAL Software Limited	M/s. Safran HAL Aircraft Engines Private Limited	M/s. SAMTEL HAL Display Systems Limited	M/s. HAL Edge-wood Tech-nologies Private Limited	M/s. HALBIT Avionics Private Limited*	M/s. Infotech HAL Limited	M/s. HATSOFF Helicopter Training Private Limited	M/s. Inter-national Aero-space Manu-facturing Private Limited	M/s. Multirole Transport Aircraft Limited	M/s Aero-space & Aviation Sector Skill Council	M/s Helicopter Engines MRO Private Limited	M/s Defence Inno-vation Organi-sation	M/s SAFHAL Aircraft Engines Private Limited	M/s Naini Aero-space Limited	M/s Indo Russian Heli-copters Limited	M/s Electronic Warfare (Defence) Testing Foundation (EWDTF)	M/s Commun-ication (Defence) Testing Foun-dation (CDTF)	M/s UAS Testing Foun-dation (UASTF)	M/s Advanced Materials (Defence) Testing Foun-dation (AMDTF)	M/s Systems Testing and Research for Advanced Materials Foundation (STREAM)
45A	**DISCLOSURE RELATING TO Ind AS-24 ON RELATED PARTY**																					
	The name of the transacting related party																					
(a)	**Country of incorporation**	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India
	Proportion of Ownership Interest	48%	49%	50%	40%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	100%	50.50%	20.00%	25.00%	33.33%	20.00%	20.00%
(b)	**Description of the relationship between the parties**	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Subsi-diary	Subsi-diary	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
(c)	Description of the nature of the transactions	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services
(d)	Volume of the transactions either as an amount or as an appropriate proportion on Purchase of Goods and Services and other expenses	4168	618		2073		50		34							2068		-	-	-	-	-
	Previous year	(2,397)	(569)	-	(3,375)	-	(24)	-	(44)	-	-	-	-	-	-	(1,591)	-	-	-	-	-	-
(e)	Volume of the transactions either as an amount or as an appropriate proportion on Sale of Goods and Services	-	-	-	-	-	-	-	19	2,984	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	-	-	-	-	-	-	-	(11)	(1,748)	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date on Purchase of Goods and Services and other expenses	3,482	90	-	348	-	329	-	1	12	-	-	-	-	-	559	-	-	-	-	-	-
	Previous year	(4,153)	(98)	-	(708)	-	(326)	-	(3)	(12)	-	-	-	-	-	(385)	-	-	-	-	-	-
(g)	Amounts or appropriate proportions of outstanding items pertaining to related parties at the Balance Sheet date on Sale of Goods and Services and other expenses	8	41	-	-	457	321	-	114	908	1	-	-	-	-	1,907	69	-	-	-	-	-
	Previous year	(7)	(419)	-	-	(457)	(252)	-	(75)	(880)	(1)	-	-	-	-	(1,682)	(70)	-	-	-	-	-
(h)	Income on Rent, Water and Electricity Expenses	5	117	-	-	-	134	-	221	295	10	-	-	-	-	-	6	-	-	-	-	-
	Previous year	(8)	(137)	-	-	-	(56)	-	(221)	(276)	(10)	-	-	-	-	-	(6)	-	-	-	-	-
(i)	Advances Outstanding on Purchases of Goods and Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11	-	-	-	-	-	-
	Previous year	-	-	-	(60)	-	-	-	-	-	-	-	-	-	-	(35)	-	-	-	-	-	-
(j)	Advances Outstanding on Sale of land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-





Note 49 - Explanatory Notes to the Standalone Financial Statements

(₹ in Lakhs)

Clause No.	Particulars	M/s. Indo Avia Services Limited	M/s. BAe HAL Software Limited	M/s. Safran HAL Aircraft Engines Private Limited	M/s. SAMTEL HAL Display Systems Limited	M/s. HAL Edge-wood Tech-nologies Private Limited	M/s. HALBIT Avionics Private Limited*	M/s. Infotech HAL Limited	M/s. HATSOFF Helicopter Training Private Limited	M/s. Inter-national Aero-space Manu-facturing Private Limited	M/s. Multirole Transport Aircraft Limited	M/s Aero-space & Aviation Sector Skill Council	M/s Helicopter Engines MRO Private Limited	M/s Defence Inno-vation Organi-sation	M/s SAFHAL Aircraft Engines Private Limited	M/s Naini Aero-space Limited	M/s Indo Russian Heli-copters Limited	M/s Electronic Warfare (Defence) Testing Foundation (EWDTF)	M/s Commun-ication (Defence) Testing Foun-dation (CDTF)	M/s UAS Testing Foun-dation (UASTF)	M/s Advanced Materials (Defence) Testing Foun-dation (AMDTF)	M/s Systems Testing and Research for Advanced Materials Foundation (STREAM)
45A	**DISCLOSURE RELATING TO Ind AS-24 ON RELATED PARTY**																					
(k)	Amount paid towards investment in shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	235	261	500	273	61
	Previous year	-	-	-	-	-	-	-	-	-	-	-	(950)	-	(100)	-	-	-	-	-	-	-
(l)	Dividend on Investments	332	-	-	-	-	-	-	-	159	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	(187)	-	-	-	-	-	-	-	(108)	-	-	-	-	-	-	-	-	-	-	-	-
(m)	Re-imbursement Salaries including KMP Salaries	86	71	-	-	-	-	-	-	-	-	-	-	-	-	227	24	-	-	-	-	-
	Previous year	(98)	(61)	-	-	-	(8)	-	-	-	-	-	-	-	-	(273)	(27)	-	-	-	-	-
(n)	Allowances recognised in respect of Doubtful debts during the year	-	-	-	-	-	69	-	39	-	-	-	-	-	-	226	-	-	-	-	-	-
	Previous year	-	43	-	-	-	(9)	-	(10)	-	-	-	-	-	-	(216)	-	-	-	-	-	-
(o)	Provision for doubtful debts related to the amount of outstanding balances	-	-	-	-	457	321	-	114	-	-	-	-	-	-	1,907	66	-	-	-	-	-
	Previous year	-	-	-	-	(457)	(252)	-	(75)	-	-	-	-	-	-	(1,681)	(66)	-	-	-	-	-
(p)	Grant outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	-	-	-	-	-	-	-	-	-	-	-	-	(4,500)	-	-	-	-	-	-	-	-

45A Figures in brackets relate to previous year (31.03.2024)

The differences in the amount disclosed by the Company and JV's are due to reconciliation items.

Generally transaction with related parties are at arm's length basis. Wherever transactions are not at arm's length basis, like in single tender / nomination basis, will be approved by the Board of Directors.

* Does not include disputed amount of ₹1686 lakhs (previous year - ₹ 1686 lakhs), as the same is shown under clause 2(b) in respect of M/s HALBIT Avionics Private Ltd.

Key Management Personnel of the Company in Joint Ventures are as follows:

Dr. D.K.Sunil - Chairman & Managing Director additional charge as Director (Engineering and R&D)

Shri Barenya Senapati - Director (Finance) & CFO

Shri Ravi K - Director (Operations)

The total salaries including perquisites drawn by the above key Management Personnel from Joint Ventures is Nil.








Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

45A(i) The Company makes monthly contributions to provident fund managed by "The Provident Fund of HAL" for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company contributed to PF Trust during the period is given below.

Name of PF Trust	31st March 2025	31st March 2024
1. HAL - Bangalore Complex	**15422**	14697
2. HAL - Nasik	**4323**	4140
3. HAL - Koraput	**2823**	2729
4. HAL - Hyderabad	**1805**	1861
5. HAL - Lucknow	**1566**	1552
6. HAL - Korwa	**724**	703
7. HAL - Kanpur	**1386**	1343
8. HAL - Corporate Office	**675**	587
Total	**28724**	27613

45A(ii)

The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (HAL Employees Gratuity scheme). Transaction /outstanding balance with gratuity Trust during the year is given below:	31st March 2025	31st March 2024
Fund transfer during the year	**14328**	16661
Amount payable	**8038**	9230
Amount receivable	**11916**	14303

45B The Board in its 406th meeting held on 22nd September 2017, accorded in principle approval for voluntary winding up / closure of the three Joint Ventures i.e. M/s. HAL-Edgewood Technologies Private Limited, M/s. Tata HAL Technologies Ltd and M/s. Multirole Transport Aircraft Ltd. enabling the Company to take further action in the matter.

Further, the Board authorized the Company to seek approval of Ministry of Defence (MoD), for short closure of the Contracts associated with the M/s Multirole Transport Aircraft (MTA) project and requested MoD, to initiate necessary action for closure of IGA, as it is a prerequisite for winding up of the MTA - Joint Venture Company. Further, MOD vide its letter dated 14th October 2021 notified the termination of the agreement between the Govt. of the Republic of India and Govt. of Russian Federation. In this respect the Russian Federation vide its letter dated 20th April 2022 intimated that the decision of the Indian side has been taken into consideration.

Further in 435th meeting held on 16th March 2020, the Board has directed the Company to expedite the closure of M/s. Multirole Transport Aircraft Ltd at the earliest after taking clearance from Russian partners from their Board(refer Clause No.10).

The Board in its 440th meeting held on 9th December 2020, accorded in principle approval for voluntary winding up / closure of Joint Venture M/s. Infotech HAL Limited(IHL) enabling the Company to take further action in the matter.

45B(i) The Company had signed an agreement with Safran Helicopter Engines SAS for setting up a joint venture to carry out business of design, development, certification, production, sale and support of helicopter engines. Pursuant to the same a Joint Venture Company with Safran Helicopter Engines SAS by name SAFHAL Helicopter Engines Private Limited has been incorporated on 09 November 2023. Each JV partner has subscribed for 1000000 equity shares of ₹ 10 each amounting to ₹ 100 lakhs.





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
45B(ii)	During the current financial year, the Company has reversed the impairment provided in earlier years on its investment in the Joint Ventures for ₹ 855 lakhs for International Aerospace Manufacturing Pvt Limited and ₹ 61 lakh for BAe-HAL Software Limited. For this purpose, the investments made in IAMPL and BAeHAL were evaluated taking into account certain key financial parameters of the Joint Ventures. Based on the evaluation, it was assessed that there has been an overall improvement in the financial health of both the companies. The total financial effect of the reversal is ₹ 916 lakhs.
45C	**Defence Innovation Organisation ("DIO"):** A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Defence Innovation Organisation" with M/s BEL with an authorised Capital of ₹ 100 lakhs (Paid up capital as on 31st March 2025 is ₹ 1 Lakh(HAL 50% Share and BEL 50% Share). The registered office of DIO is situated at Centre for Learning and Development, Bharat Electronics Limited, Jalahalli, Bengaluru – 560013, Karnataka, India. DIO was incorporated to implement the scheme of defence innovation fund initiative by creation of an ecosystem to foster innovation and technology development in defence. HAL Board in its 417th meeting held on 30th July 2018 had accorded approval for release of ₹ 5000 lakhs to DIO towards initial corpus fund in form of Grant in Aid in a staggered manner. Accordingly ₹ 500 lakhs has been released to DIO in the month of August 2018 and the balance amount of ₹ 4500 lakhs has been released to DIO during August 2024.
45D	The Board in its 434th meeting was informed that Government approval is not required for transfer of lease hold land to M/S Helicopter Engines MRO Private Limited (HE-MRO), as it is neither defence land nor it is a land owned by HAL. Board reconsidered the decision taken in its 431st meeting and approved transfer of land without Government approval to M/s HE-MRO. In line with the Board Approval in its 431st and 434th meetings, Tripartite Deed of Lease was executed on the 18th May 2023 between Goa Industrial Development Corporation (GIDC), M/s Helicopter Engines MRO Private Limited (HE MRO) and HAL MRO Division for transfer of Lease hold rights of industrial plot admeasuring 7.41 acres to HE MRO. Further, the Sale of Deed was executed between HAL-MRO Division and HE -MRO on 8th June 2023 for sale of Building and Plant & Machinery and Other Assets for a total consideration of ₹ 1029 lakhs. Accordingly necessary accounting treatment has been made in the Books of Accounts.
45E	The Company paid ₹ 950 lakhs towards subscription of 950000 equity shares of the face value of ₹ 100 each to its Joint Venture Company, Helicopter Engines MRO Private Limited, on 8 January, 2024 towards equity participation in Rights issue of the Joint Venture Company. Pursuant to the same, the investment of the Company in the Joint Venture has increased from ₹ 1510 lakh to ₹ 2460 lakh during the FY 2023-24.
45E(i)	A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Electronic Warfare (Defence) Testing Foundation(EWDTF)". The total project cost ₹ 46.96 Crs comprising of Govt. Grant-in-Aid of ₹ 35.22 Crs and SPV partners contribution ₹ 11.74 Crs. Wherein M/s BEL will be the lead with equity contribution of 40%, HAL-20%, IOL-20%, BDL-10% & TIDCO-10%. EWDTF was incorporated for Development, Operation and Management of DTI for Electronic Warfare. EWDTF was incorporated on 21st May 2024. HAL has made an investment of ₹ 235 lakhs (20% stake) towards subscription of 23480 Equity shares of ₹ 1000 each on 27th June 2024.
45E(ii)	A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Communication (Defence) Testing Foundation (CDTF)". The total project cost ₹ 41.81 Crs comprising of Govt. Grant-in-Aid of ₹ 31.36 Crs and SPV partners contribution ₹ 10.45 Crs. Wherein M/s BEL will be the lead with equity contribution of 40%, HAL-25%, BEML-25%, & AWEIL-10%. CDTF was incorporated for Development, Operation and Management of DTI for Communication domain. CDTF was incorporated on 31st May 2024. HAL has made an investment of ₹ 261 lakhs (25% stake) towards subscription of 26125 Equity shares of ₹ 1000 each on 27th June 2024.



Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
45E(iii)	A Section 8 Company has been formed (Under Companies Act 2013) in the name of "UAS Testing Foundation (UASTF)". The total project cost ₹ 60 Crs comprising of Govt. Grant-in-Aid of ₹ 45 Crs and SPV partners contribution ₹ 15 Crs. Wherein M/s HAL will be the lead with equity contribution of 33.33%, BEL-20%, BEML-20%, YIL-10%, GIL-10% & Endure Air-6.67%. UASTF was incorporated for Development, Operation and Management of DTI for Unmanned Aerial Systems(UAS). UASTF was incorporated on 21st June 2024. HAL has made an investment of ₹ 500 lakhs (33.33% stake) towards subscription of 50000 Equity shares of ₹ 1000 each on 18th July 2024.
45E(iv)	A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Advanced Materials (Defence) Testing Foundation (AMDTF)". The total project cost ₹ 54.36 Crs comprising of Govt. Grant-in-Aid of ₹ 40.70 Crs and SPV partners contribution ₹ 13.66 Crs. Wherein M/s MIDHANI will be the lead with equity contribution of 20%, HAL-20%, BDL-20%, YIL-20% & PTC-20%. AMDTF was incorporated for Development, Operation and Management of DTI for Mechanical & Material(M&M) testing. AMDTF was incorporated on 4th June 2024. HAL has made an investment of ₹ 273.20 lakhs (20% stake) towards subscription of 27320 Equity shares of ₹ 1000 each on 8th July 2024.
45E(v)	A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Systems Testing and Research for Advanced Materials Foundation (STREAM)". The total project cost ₹ 49.68 Crs comprising of Govt. Grant-in-Aid of ₹ 36.864 Crs and SPV partners contribution ₹ 12.816 Crs. Wherein M/s Microlab will be the lead with equity contribution of 20%, BEML-20%, HAL-20%, Vaidheswaran Industries-10%, & TIDCO-30%. STREAM was incorporated with a vision of creating easy access and addressing the testing needs of domestic defence industry. STREAM was incorporated on 18th September 2024. HAL has made an investment of ₹ 20 lakhs towards subscription of 20000 Equity shares of ₹ 100 each on 18th November 2024. Further HAL made an investment of ₹ 41.25 lakhs towards subscription of 41250 Equity Shares of ₹ 100 each, pending allotment, the amount of investment shown under share application money under current financial assets.

45F

Key Management Personnel in the Company		For the year ended 31st March 2025			For the year ended 31st March 2024		
Name	**Designation**	**Salary**	**Company Contribution to PF / Gratuity**	**Total**	Salary	Company Contribution to PF / Gratuity	Total
Shri Dr. D.K.Sunil	Chairman and Managing Director with effect from 9th September 2024 with Addl. charge of Director (Engineering and R &D)	74	6	80	68	5	73
Shri Barenya Senapati	Director(Finance) & CFO with effect from 22nd October 2024	31	2	33			
Shri K Ravi	Director (Operations) with effect from 26th November 2024	25	2	27			
Shri A B Pradhan,	Director (Human Resources) up to 28th February 2025	66	5	71	48	4	52
Shri C.B. Ananthakrishnan	Director(Finance) & CFO up to 31st August 2024	35	3	38	80	6	86
Shri Jayadeva E P	Director(Operations) up to 31st August 2024	33	2	35	76	5	81
Shri Shailesh Bhansal	Company Secretary with effect from 28th March 2023	48	4	52	43	4	47





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

45G **Independent Directors (Non-Executive)**

	Sitting Fees	
	2024-25	2023-24
1. Dr. Divya Gupta	**9**	10
2. Shri Deepak Abasaheb Shinde	**9**	8

45H Apart from transactions reported above, the Company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government:	Government of India
Nature of Transactions:	Sale of Products and Services

These transactions are conducted in the ordinary course of the Company's business.

46 **The disaggregation of changes to OCI is shown below:**

For the year ended 31st March 2025

Particulars	Opening balance as at 1st April 2024	Additions/ Reversal	Transferred to Retained earnings	Closing balance as at 31st March 2025
Gains and losses arising from the financial statements of a foreign operations				
Re-measurement gains (losses) on defined benefit plans (Gratuity/PF)		2098	2098	
Total		**2098**	**2098**	

For the year ended 31st March 2024

Particulars	Opening balance as at 1st April 2023	Additions / Reversal	Transferred to Retained earnings	Closing balance as at 31st March 2024
Gains and losses arising from the financial statements of a foreign operations				
Re-measurement gains (losses) on defined benefit plans (Gratuity/PF)		-8190	-8190	
Total		-8190	-8190	




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

47 — As per Ind AS-33 relating to Earnings per Share (Basic and Diluted)

	For the year ended 31st March 2025	For the year ended 31st March 2024
Profit Before Tax	**1082001**	1019897
Provision for Taxation	**250321**	260393
Net Profit After Tax	**831680**	759504
Weighted Average Number of Equity Shares of Face Value of ₹ 5/- each fully paid up	**668775000**	668775000
Earnings per Share (in Rupees) - Basic	**124.36**	113.57
Earnings per Share (in Rupees) - Diluted	**124.36**	113.57

47A The Shareholders of the Company, at the 60th Annual General Meeting held on 31 August 2023, had approved the sub-division of one equity share of the face value of ₹ 10 each into two equity shares of face value ₹ 5 each. The record date for the said sub-division was 29th September 2023.

48A **Buyback of Shares:**

In accordance with the approval of Board of Directors at its 408th meeting held on 28th November, 2017 and approval of shareholders, the Company has bought back 2,71,12,500 fully paid equity shares of ₹ 10/- each equivalent to 7.5% of the paid-up share capital and Free Reserves of the Company, for an aggregate amount of ₹ 92150 lakhs (excluding tax of ₹ 20636 lakhs) at ₹ 339.88 per equity share from the President of India. The consideration amount for buy back of shares was paid to the Government of India on 19th December, 2017 and the shares so bought back were extinguished on 22nd December, 2017.

48B To achieve the mandatory threshold of 25% minimum public shareholding in the Company, Government of India (GoI) had offered 3.5% (1,17,03,563) equity shares of the Company to Non-Retail Investors, Retail Investors and employees during March and April 2023, out of its shareholding of 75.15% in the Company, through Offer for Sale (OFS) by Stock Exchange Mechanism. Consequent to the OFS, the Government of India shareholding stands at 71.64%.

49 **Movement of provisions in the Books of Accounts during the year as required by Ind AS 37 "Provisions, Contingent Liabilities and Contingent Asset" is as follows:**

Nature of Provision	Opening Balance 1st April 2024	Provision made during the year	Utilisation during the year	Reversal during the year	Closing Balance 31st March 2025
Provision for Warranty Charges	126100	37015	26561	2115	**134439**
	(121887)	(32425)	(21939)	(6273)	**(126100)**
Provision for Replacement and Other Charges	468921	126373	34350	28565	**532379**
	(417546)	(116611)	(3303)	(61933)	**(468921)**
Provision for Redundancy in Raw Material and Components, Stores and Spares, Construction Material and Loose Tools	281566	7678		46083	**243161**
	(207220)	(100164)	(5)	(25813)	**(281566)**
Provision for Doubtful Debts	16751	83	(1)	2424	**14411**
	(15409)	(3534)	(5)	(2187)	**(16751)**
Provision for Doubtful Contract Assets	6392	15010		40	**21362**
	(113084)	(2386)		(109078)	**(6392)**





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No. | **Particulars**

Nature of Provision	Opening Balance 1st April 2024	Provision made during the year	Utilisation during the year	Reversal during the year	Closing Balance 31st March 2025
Provision for Claims	28943	635	116	2721	**26741**
	(25678)	(4100)	(185)	(650)	**(28943)**
Provision for Liquidated Damages	146331	65843	47068		**165106**
	(123468)	(70271)	(44830)	(2578)	**(146331)**
Provision for Impairment of Investments	19534	133		916	**18751**
	(19502)	(32)			**(19534)**
Provision for Advances	1034	240		636	**638**
	(19)	(1015)			**(1034)**
Total	**1095572**	**253010**	**108094**	**83500**	**1156988**
	(1043813)	**(330538)**	**(70267)**	**(208512)**	**(1095572)**

Figures in brackets relate to previous year - 31st March 2024

Nature of Provision	As at 31st March 2025			As at 31st March 2024		
	Non-current	Current	Total Provision	Non-current	Current	Total Provision
Provision for Warranty Charges	**270**	**134169**	**134439**	756	125344	126100
Provision for Replacement and Other Charges	**39937**	**492442**	**532379**	26211	442710	468921
Provision for Redundancy in Raw Material and Components, Stores and Spares, Construction Material and Loose Tools		**243161**	**243161**		281566	281566
Provision for Doubtful Debts		**14411**	**14411**		16751	16751
Provision for Doubtful Contract Assets		**21362**	**21362**		6392	6392
Provision for Claims	**8171**	**18570**	**26741**	9510	19433	28943
Provision for Liquidated Damages	**10047**	**155059**	**165106**	10751	135580	146331
Provision for Impairment of Investments	**18751**		**18751**	19534		19534
Provision for Advances	**240**	**398**	**638**		1034	1034
Total Provision	**77416**	**1079572**	**1156988**	66762	1028810	1095572

		For the year ended 31st March 2025	For the year ended 31st March 2024
50	As required by Ind AS 36, the Company has accounted impairment losses based on the Assessment of Impairment assets committee carried out during the year and based on such assessment 'impairment loss' in the Statement of Profit and Loss has been recognised.	**2474**	1495




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars
51	**Sensitivity of estimates on provisions:**
	The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates made in recognizing these provisions.
	Provision for replacement and other charges represents, amounts towards expenditure incurred from the date of Signalling Out Certificate (SOC) to date of ferry out, loan items taken from the customer which needs to be replaced etc.
	Warranty represents Performance Warranty for manufacture, repair and overhaul of Aircraft / Helicopters/ Engines / Rotables, supply of spares and development activities etc.
	Provision for Redundancy in Raw Material and Components, Stores and Spares, Construction Material, Loose Tools and Work in progress represents provision on redundancy of such materials, completed / specific projects and other surplus / redundant materials pending transfer to salvage stores etc.
	Provision for Liquidated Damages represents amounts provided for the period of delay between the due date of supply of the Goods / rendering of services as per delivery schedule and the expected Date of delivery of said Goods / rendering of service in respect of manufacture / repair and overhaul of Aircraft / Helicopters/ Engines / Rotables, supply of spares and development activities etc.
	Provision for doubtful debts and doubtful contract assets is being assessed on a case to case basis in respect of dues outstanding for a significant period of time. Debts from the Government departments are generally treated as fully recoverable and hence the Company does not recognize credit risk of such financial assets.
	Provision for doubtful claims represents provision on expected credit losses.
	Impairment in value of investment represents reduction in the share of net worth below investment.
	Provision for Onerous contract has been recognised as the cost of meeting obligations is over and above the economic benefits expected to be received under it.
52	Advances from Customers of ₹ 2630576 Lakhs and Milestone receipts of ₹ 2591311 Lakhs disclosed in Note Nos. 29 and 33 as Non-Current and Other Current Liabilities (in terms of Schedule III to the Companies Act, 2013) represent gross amounts received. These amounts have been utilised for procurement of Special Purpose Tooling, Incurrence of DRE, Inventory Holding, Advances to Vendors etc. as detailed below:

Particulars	31st March 2025		31st March 2024	
	Note 29	Note 33	Note 29	Note 33
	Non - Current	Current	Non - Current	Current
Outstanding Advances from Customer				
- Defence	**1651671**	**967362**	455250	728283
- Others		**11543**		7986
	1651671	**978905**	455250	736269
Less: Utilisation of Advances				
- Inventory	**355876**	**547114**	209812	315293
- Advances against Goods & Services	**185234**	**5818**	5091	62033





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

Particulars	31st March 2025		31st March 2024	
	Note 29	Note 33	Note 29	Note 33
	Non - Current	Current	Non - Current	Current
- Intangible Assets		**20606**		21627
- Special Tools & Equipment	**8920**	**38549**	8920	51876
- Trade Receivables		**6032**		5982
- Claims Receivables		**6641**		6587
	550030	**624760**	223823	463398
Net Outstanding Advances (A)	**1101641**	**354145**	231427	272872
Outstanding Milestone Receipt				
- Defence	**830315**	**1679500**	598892	1422456
- Others	**72**	**81424**	234	48784
	830387	**1760924**	599126	1471240
Less: Utilisation of Milestone Receipts				
- Inventory	**57604**	**705991**	104076	480917
- Advances against Goods & Services	**98729**	**284844**	73875	262766
- Intangible Assets	**5856**	**4466**	6465	34122
- Special Tools & Equipment	**79368**	**46562**	84703	60116
- Trade Receivables	**107265**	**98693**	51328	106963
- Claims Receivables		**26540**		26351
	348822	**1167096**	320447	971235
Net Outstanding Milestone Receipts (B)	**481565**	**593828**	278679	500006
Total (A+B)	**1583206**	**947973**	510106	772877

Summary

Particulars	31st March 2025	31st March 2024
(A) Gross Advances from Defence Customers		
Initial Advances from Defence Customers	**2619033**	1183533
Milestone Advances from Defence Customers	**2509815**	2021348
Gross Advances from Defence Customers (A)	**5128848**	3204881
Advances from Others (B)	**93039**	57004
Total (A+B)	**5221887**	3261885
Less Advances / Milestone utilisation (C)	**2690709**	1978902
Outstanding Advances / Milestone Receipts (A+B-C)	**2531179**	1282983
Defence Customers	**2443509**	1229303
Others	**87670**	53680
Total	**2531179**	1282983



Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

53(a) Non current Trade Receivables Ageing schedule (Note - 8)

Particulars	As at 31st March 2025							
	Outstanding for following periods from due date of payment					Unbilled	Not due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
(i) Undisputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for Doubtful Debts	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Particulars	As at 31st March 2024							
	Outstanding for following periods from due date of payment					Unbilled	Not due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
(i) Undisputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for Doubtful Debts	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

53(b) Non current Contract Assets Ageing schedule (Note - 8A)

Particulars	As at 31st March 2025						
	Outstanding for following periods from due date of payment					Not due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Contract Assets - considered good	-	-	-	-	-	-	-
(ii) Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Contract Assets - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Contract Assets - considered good	-	-	-	-	-	-	-
(v) Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Contract Assets - credit impaired	-	-	-	-	-	-	-
Less : Allowance for Doubtful Debts	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

Particulars		As at 31st March 2024						
		Outstanding for following periods from due date of payment					Not due	Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i)	Undisputed Contract Assets - considered good	-	-	-	-	-	-	-
(ii)	Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Contract Assets - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Contract Assets - considered good	-	-	-	-	-	-	-
(v)	Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Contract Assets - credit impaired	-	-	-	-	-	-	-
Less : Allowance for Doubtful Debts		-	-	-	-	-	-	-
Total								

53(c) Current Trade Receivables Ageing schedule (Note - 15)

Particulars		As at 31st March 2025							
		Outstanding for following periods from due date of payment					Unbilled	Not due	Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
(i)	Undisputed Trade receivables - considered good	**269,010**	**82,251**	**62,716**	**44,359**	**6,418**	**-**	**-**	**464,754**
(ii)	Undisputed Trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(iii)	Undisputed Trade receivables - credit impaired	**-**	**-**	**-**	**170**	**14,241**	**-**	**-**	**14,411**
(iv)	Disputed Trade receivables - considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(v)	Disputed Trade receivables - which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(vi)	Disputed Trade receivables - credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Less : Allowance for Doubtful Debts		**-**	**-**	**-**	**170**	**14,241**	**-**	**-**	**14,411**
Total		**269,010**	**82,251**	**62,716**	**44,359**	**6,418**	**-**	**-**	**464,754**

Particulars		As at 31st March 2024							
		Outstanding for following periods from due date of payment					Unbilled	Not due	Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
(i)	Undisputed Trade receivables - considered good	264,922	54,913	94,995	39,616	7,221	-	-	461,667
(ii)	Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii)	Undisputed Trade receivables - credit impaired	-	-	14	174	16,563	-	-	16,751
(iv)	Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v)	Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi)	Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Less : Allowance for Doubtful Debts		-	-	14	174	16,563	-	-	16,751
Total		264,922	54,913	94,995	39,616	7,221	-	-	461,667



Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

53(d) Current Contract Assets Ageing schedule (Note - 15A)

Particulars		As at 31st March 2025						
		Outstanding for following periods from due date of payment					Not due	Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i)	Undisputed Contract Assets - considered good	**799,583**	**152,395**	**334,365**	**193,396**	**130,540**	-	**1,610,278**
(ii)	Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Contract Assets - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Contract Assets - considered good	-	-	-	-	-	-	-
(v)	Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Contract Assets - credit impaired	-	-	-	-	-	-	-
Less : Allowance for Doubtful Debts		-	-	-	-	**21,362**	-	**21,362**
Total		**799,583**	**152,395**	**334,365**	**193,396**	**109,178**	-	**1,588,916**

Particulars		As at 31st March 2024						
		Outstanding for following periods from due date of payment					Not due	Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
(i)	Undisputed Contract Assets - considered good	662,259	129,074	227,056	132,207	45,192	-	1,195,788
(ii)	Undisputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Contract Assets - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Contract Assets - considered good	-	-	-	-	-	-	-
(v)	Disputed Contract Assets - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Contract Assets - credit impaired	-	-	-	-	-	-	-
Less : Allowance for Doubtful Debts		1,237	-	-	-	5,155	-	6,392
Total		661,022	129,074	227,056	132,207	40,037	-	1,189,396

54(a) Non current Trade Payables Ageing schedule (Note - 25)

Particulars		As at 31st March 2025						
		Outstanding for following periods from due date of payment				Unbilled	Not due	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years			
(i)	Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(ii)	Other than Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(iii)	Disputed dues - Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(iv)	Disputed dues - Other than Micro enterprises and Small enterprises	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

Particulars		As at 31st March 2024						
		Outstanding for following periods from due date of payment				Unbilled	Not due	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years			
(i)	Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(ii)	Otherthan Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(iii)	Disputed dues - Micro enterprises and Small enterprises	-	-	-	-	-	-	-
(iv)	Disputed dues - Other than Micro enterprises and Small enterprises	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-

54(b) Current Trade Payables Ageing schedule (Note - 31)

Particulars		As at 31st March 2025						
		Outstanding for following periods from due date of payment				Unbilled	Not due	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years			
(i)	Micro enterprises and Small enterprises	**10697**	**3**	**54**	**365**	**943**	**5607**	**17669**
(ii)	Other than Micro enterprises and Small enterprises	**443439**	**17229**	**2429**	**14692**	**3385**	**12241**	**493415**
(iii)	Disputed dues - Micro enterprises and Small enterprises	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(iv)	Disputed dues - Other than Micro enterprises and Small enterprises	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total		**454136**	**17232**	**2483**	**15057**	**4328**	**17848**	**511084**

Particulars		As at 31st March 2024						
		Outstanding for following periods from due date of payment				Unbilled	Not due	Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years			
(i)	Micro enterprises and Small enterprises	14170	68	141	226	0	0	14605
(ii)	Other than Micro enterprises and Small enterprises	283490	13315	10179	19879	0	0	326862
(iii)	Disputed dues - Micro enterprises and Small enterprises	0	0	0	0	0	0	0
(iv)	Disputed dues - Other than Micro enterprises and Small enterprises	0	0	0	0	0	0	0
Total		**297660**	**13383**	**10320**	**20105**	**0**	**0**	**341467**

55 Additional Regulatory Information:

55A The Company do not have any Benami Property, where any proceedings has been initiated or pending against the Company for holding any Benami property.

55B Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies, Act, 2013) either severally or jointly with any other person that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment.



Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

Type of Borrower	As at 31st March 2025		As at 31st March 2024	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	**NIL**	**NIL**	NIL	NIL
Directors	**NIL**	**NIL**	NIL	NIL
KMPs	**NIL**	**NIL**	NIL	NIL
Related Parties	**NIL**	**NIL**	NIL	NIL

55C **Relationship with Struck off Companies(under section 248 of Companies Act, 2013 or section 560 of the Companies Act, 1956)**

Name of struck off Company	Nature of transactions with struck-off Company	As at 31st March 2025		As at 31st March 2024	
		Balance outstanding in INR	Relationship with the struck off company	Balance outstanding in INR	Relationship with the struck off company
Close Links Security Services Pvt. Ltd.	Payables	**367961**	**Vendor**	367961	Vendor
Empire Aviation Private Limited	Payables	**84163**	**Customer Airlines**	84163	Customer Airlines
Caliban Software Solutions Pvt. Ltd.	Payables	**188252**	**Vendor**	188252	Vendor
Hunting Hawks security & facility Services Pvt. Ltd.	Payables	**2363725**	**Vendor**	752073	Vendor
Formula one solution Pvt. Ltd.	Payables	**54005**	**Vendor**	54005	Vendor

		31st March 2025	31st March 2024
55D	**Registration of charges or satisfaction with Registrar of Companies (ROC)** **Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof shall be disclosed.**	**There is no Charges or Satisfaction yet to be registered with RoC beyond the statutory period.**	There is no Charges or Satisfaction yet to be registered with RoC beyond the statutory period.
55E	**Compliance with number of layers of companies**	**NA**	NA





Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No. | **Particulars**

55F

Ratios		Numerator	Denominator	31st March 2025	31st March 2024	% Change in Ratio	Explanation for change in the ratio by more than 25% as compared to the preceding year
(a)	Current Ratio	Current Assets	Current Liabilities	**2.04**	1.73	17.92%	-
(b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	**-**	-	-	Not Applicable since, borrowed fund during the year is NIL.
(c)	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	**-**	-	-	Not Applicable since, borrowed fund during the year is NIL.
(d)	Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	**26.04%**	28.90%	-9.93%	-
(e)	Inventory turnover ratio	Sales	Average Inventory	**1.73**	2.22	-22.24%	-
(f)	Trade Receivables turnover ratio	Sales	Average Accounts Receivable	**6.50**	6.03	7.73%	-
(g)	Trade payables turnover ratio	Purchases	Average Trade Payables	**4.56**	3.94	15.77%	-
(h)	Net capital turnover ratio	Sales	Average Working Capital	**0.83**	1.18	-29.77%	Cash balance increased due to advance received from new contracts
(i)	Net profit ratio	Net Profit	Sales	**28%**	27%	2.44%	-
(j)	Return on Capital employed	Earning before interest and taxes	Capital Employed	**31%**	35%	-11.77%	-
(k)	Return on investment.						NA

i. Current Assets = Inventories (Note - 13) + Investments (Note -14) + Trade receivables (Note -15) + Contract Assets (Note -15A) + Cash and Cash Equivalents (Note - 16) + Bank Balances other than Cash and Cash Equivalents (Note-17) + Loans (Note -18) + Other Financial Assets (Note 19) + Current tax Assets (net) (Note - 20) + Other Current Assets (Note - 21)

ii. Current Liabilities = Borrowings (Note - 30) + Lease liability (Note 30A) + Trade Payables (Note - 31) + Other Financial liabilities (Note - 32) + Other current liabilities (Note - 33) + Provisions (Note - 34) + Current Tax Liabilities (Net) (Note - 35)

iii. Total Debt = Non-current borrowing (Note-24) + Current borrowing working capital loan - Cash Credit (Note - 30) + Current borrowing from Banks - Commercial paper (Note - 30)

iv. Shareholders Equity = Equity Share Capital (Note - 22) + Other Equity (Note - 23)

v. Earnings available for debt service = Profit after Tax +Depreciation and amortisation (Note - 42) + Finance Cost (Note - 41) + Loss on sale of assets

vi. Debt Service = Finance cost (Note - 41) + Principal repayment

vii. Net Profits after taxes = Profit (Loss) for the period

viii. Average Shareholder's Equity = (Shareholder's Equity for current period + previous year) /2

ix. Average Inventory = (Inventories (Note-13) for current period + previous year) / 2

x. Average Accounts Receivable = (Trade Receivables (Note-8 and Note -15) for current period + previous year) / 2

xi. Average Trade Payables = (Trade payables (Note - 25 and Note - 31) for current period + previous year) / 2

xii. Average Working Capital = (Total Current Assets - Total Current Liabilities for current period + previous year) / 2

xiii. Net Profit = Profit(Loss) for the period from continuing operations

xiv. Earning before interest and taxes = Profit Before Tax + Finance Cost (Note - 41)

xv. Capital Employed = Shares holder's Equity + Long Term Borrowings(Note - 24) + Deferred tax liability (Note - 28)




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars	
55G	Compliance with approved Scheme(s) of Arrangements	NA

55H Utilisation of borrowed funds and share Premium through intermediaries or for benefit of third party beneficiaries:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, its subsidiary, associate to or in any other person(s) or entity(ies),including foreign entities (Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company, its subsidiary, associate, (Ultimate Beneficiaries).

The Company have not received any fund from any party(s) (Funding Party) with the understanding that the Company, its subsidiary, associate, shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company, its subsidiary, associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

55I Undisclosed Income

No transaction that has been not recorded in the books of accounts which are surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and previously unrecorded income and related assets that have been properly recorded in the books of accounts during the year.

55J Corporate Social Responsibility

Particulars	31st March 2025	31st March 2024
(a) amount required to be spent by the Company on CSR activities as per Companies Act, 2013	**14605**	10660
(b) Amount of surplus generated from CSR activities through savings in energy charges from the Wind Power Plant and football stadium during the financial year 2023-24 to be spent by the Company during the year 2024-25	**873**	892
Less : Excess expenditure spent during the Previous year	**1067**	621
Gross amount required to be spent by the Company during the Financial Year 2024-25	**14411**	10931

	31st March 2025		
Particulars	**In Cash**	**Yet to be paid in Cash**	**Total**
(a) Amount of expenditure incurred during the year on CSR activities			
(i) Construction / Acquisition of any Assets	**4,076**	**715**	**4,791**
(ii) On purposes other than (i) above	**9,974**	**1,074**	**11,048**
(b) Amount of surplus generated from CSR activities *	**873**	**-**	**873**
Total	**14,922**	**1,789**	**16,711**




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars

31st March 2024			
Particulars	**In Cash**	**Yet to be paid in Cash**	**Total**
(a) Amount of expenditure incurred during the year on CSR activities			
(i) Construction / Acquisition of any Assets	2,756	1,293	4,049
(ii) On purposes other than (i) above	6,850	207	7,057
(b) Amount of surplus generated from CSR activities*	892	-	892
Total	10,498	1,500	11,998

* The Company has spent an amount of ₹ 873 lakhs during 2024-25 (Previous year ₹ 892 lakhs) against the surplus generated of ₹ 873 lakhs (Previous year ₹ 892 lakhs) in financial year 2023-24 through savings in energy charges from the Wind Power Plant and football stadium as a CSR project. The details of Expenditure spent during the year is given below:

Particulars	2024-25	2023-24
1. On going projects	**9673**	7850
2. Other than on going projects	**7038**	4148
Total Expenditure incurred during the year	**16711**	11998

During the year 2024-25, an amount of ₹ 841 lakhs surplus, was generated through savings in energy charges from the Wind Power Plant & football academy. The surplus will be utilised for other CSR projects/ activities during 2025-26 over and above the 2% budget allocation as per the Companies Act, 2013. The same is disclosed under Note 32.

	31st March 2025	31st March 2024
(a) Shortfall at the end of the year		
(b) Total of previous years shortfall		
(c) Reason for short fall		
(d) Nature of CSR activities:		
Particulars		
Education	**4,038**	2,301
Environment Sustainability	**332**	578
Facilities for Senior Citizens	**172**	-
Healthcare	**4,658**	1,748
Livelihood Generation	**223**	7
Rural Development	**981**	2,663
Sanitation	**1,709**	252
Sports Development	**1,384**	553
Skill Development	**2,557**	2,792
Others	**657**	1,104
Total	**16,711**	**11,998**




Notes to the Standalone Financial Statements for the year ended March 31, 2025

Note 49 - Explanatory notes to the Standalone Financial Statements for the year ended 31st March 2025

(₹ in Lakhs)

Clause No.	Particulars		31st March 2025	31st March 2024
	(e)	Details of related party transactions(e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard)		
	(f)	Movement in CSR Provision:		
		Opening Balance		
		Additions		
		Deletions		
		Closing Balance		
55K	**Details of Crypto Currency or Virtual Currency**		**NA**	**NA**

55L Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 7th May, 2025, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below. The amendment will be effective from 01st April, 2025.

Ind AS 21, Effects of change in foreign exchange rates - This amendment has defined the exchangeability of a currency. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

56 The financial statements were approved for issue by the Board of Directors at their meeting held on 14th May 2025.

These financial statements are presented in Indian rupees (rounded off to lakhs).

Material accounting policies and accompanying notes no.1 to 49 form an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064



Independent Auditor's Report

TO THE MEMBERS OF HINDUSTAN AERONAUTICS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of Hindustan Aeronautics Limited ("herein after referred to as the Holding Company") and its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group") , its jointly controlled entities, listed in **Annexure A**, which comprise the Consolidated Balance Sheet as at 31st March 2025 and the Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Consolidated Statements of Changes in Equity and the Consolidated Cash Flows Statements for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of Material Accounting Policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements".)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its Joint ventures as at 31st March 2025 and their Consolidated Profit, their Consolidated Total Comprehensive Income, their Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its Joint Ventures in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

1) Attention is invited to Notes to the Consolidated Financial Statements extracted below:

Emphasis of Matter

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

Note 49: Clause - 20

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

On an interpretation on pay refixation and pursuant to the directives of the Administrative Ministry, the pay fixation to be revised and the excess amount paid is to be recovered from the employees. Based on the directives Company issued a Circular dated 24.07.2021 and the communication dated 26.07.2021 for recovery of the excess amount.

While so, the Employees Union and Officers Association have filed Writ Petition with Hon'ble High Court of Karnataka to stay recovery of excess amount of salary paid by the Company. The H'ble High Court given verdict in favour of Officers Associations by setting aside the Circular dated 24.07.2021 and the communication dated 26.07.2021 issued by the Management. The order of the H'ble High Court in favour of officers was put up to the Board in its 490th Meeting held on 12.02.2025. Board has noted the judgement of the H'ble High Court and accorded approval to abide by the Court order. Accordingly, the differential amount withheld by the Management in respect of ex-officers has to be released / refunded to the concerned Ex-officers/Nominees along with applicable interest.




As per the Board approval, one increment impact amount of ₹ 2712 lakhs recovered from the retired/deceased/resigned employees has been paid during 2024-25. Further, in respect of officers an amount of ₹18565 lakhs credited to salaries and wages in the earlier years and kept under claims receivable has been reversed during 2024-25. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.

In respect of workmen, the order is awaited, hence, reduction of salaries and wages in respect of workmen continued for the year ended 31st March 2025 and ₹ 2444 lakhs effect given in the books towards this. Excess amount credited to salaries and Wages in respect of workmen has been shown under claims receivable(Gross) of ₹16390 lakhs as at 31st March 2025 (previous year: ₹ 14282 lakhs).

Based on the final verdict, decision in respect of workmen will be taken and suitable effect will be carried out in the accounts.

Note 49: Clause - 21

Ministry vide OM dated 12.07.2023 has conveyed the approval for increasing the Company's contribution to the Pension Scheme of Executives from existing 7% to 10% of Basic Pay + DA w.e.f. 0.1.01.2017. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2017 has been made in respect of executives who are on the rolls of the Company as on the date of implementation of the revised ceiling i.e. 01.01.2017. In respect of new incumbents who joined the Company post 01.01.2017, it will be effective from the date of appointment.

The additional liability accruing to the Company due to the increased ceiling, is ₹21776 lakh pertaining to the period from 1 January, 2017 to 31 March, 2024 (₹3719 lakh for the year ended 31 March, 2025). The total additional financial impact on revision of pension contribution upto 31st March 2024 has been given effect in the books of accounts during the year ended 31 March, 2024. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.

In respect of workmen, Company issued Circular dated 24.04.2025 has conveyed the approval for increasing the Company's contribution to the Pension Scheme from existing 7% to 10% of Basic Pay + DA w.e.f. 01.01.2025. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2025 has been made in respect of workmen who were on the rolls of the Company as on the date of implementation of the revised ceiling.

The additional liability accruing to the Company due to the increased ceiling is ₹ 1051 lakhs pertaining to the period from 1 January, 2025 to 31 March, 2025. The total additional financial impact on revision of pension contribution has been given effect in the books of accounts during the year ended 31 March, 2025. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.

Note 49: Clause – 35

Exceptional item represents ₹ 589 lakhs received on 12th September 2024 for compensation received from the Office of Special Land Acquisition Officer, Bangalore under KIADB Act, on compulsory acquisition of 315 Sq. Mtrs (0.078 Acres) of HAL land at Beninganahalli Village, Bangalore by M/s Bangalore Metro Rail Corporation Ltd.

Note 49: Clause – 39

Inventory were damaged due to floods caused by rains during September 2022. Based on the internal technical assessment, the loss of Inventory was estimated as ₹ 7856 lakhs. Subsequently, based on the findings as part of the exercise to submit an insurance claim, the actual loss towards HAL owned items reassessed as ₹ 1001 lakhs and towards customer owned and sister division owned items as ₹ 5590 lakhs. For the same, the provision was created in the books as Redundancy charges of ₹ 1001 lakhs and as replacement charges of ₹5590 lakhs during 2023-24. Based on the insurance claims submitted by the division for HAL owned items, the Insurance Surveyor has assessed loss of ₹ 688 lakhs, for which an advance amount of ₹ 250 lakhs is received as interim settlement and for the balance receivable from insurer of ₹ 438 lakhs is shown under claims receivable as at 31st March 2025. Further, during the year, based on the feedback received from OEMs on retraival of the items, the Company has re assessed the loss of inventory as ₹ 3664 lakhs against ₹ 5590 lakhs assessed during 2023-24. Hence, ₹ 3664 lakhs has been retained under Provision for Replacement and Future Charges and the balance provision of ₹ 1926 lakhs towards inventory retrieved back has been reversed during 2024-25. Insurance claims of ₹ 688 lakhs admitted by the Insurer, hence redundancy charges for the same amount has been reversed during 2024-25.





Note 49: Clause – 37

One overhauled Su-30 Aircraft having tail no. SB-182 got crashed during a flight near Ozar, Nashik on 04th June 2024. HAL has taken an insurance policy for efforts and material used in overhaul, and preferred the claim with the Insurance Company for ₹ 14435 lakhs. An amount of ₹ 14071 lakhs have been advised for payment by Insurance Company after deducting policy Administration charges. The disbursement has been received by HAL Nasik on 17th January 2025.

Further, Brought on Charge (BOC) action of SB-182 was not completed and Aircraft was under custody & control of HAL. Board of Investigation (BOI) has been setup for finding the exact reason for the accident of aircraft. Customer is also demanding for the replacement of equivalent Aircraft. As there is no replacement aircraft (Cat-B) available, out of prudence, provision of ₹84336 lakhs for new aircraft have been created during 2024-25.

Note 49: Clause – 38

An incidence of cyber fraud in the Division was noticed by the Management where the advance payment of ₹ 55 lakhs (USD 63,405.44) was transferred to a different bank account due to compromised email received from different domain other than the original source (vendor) and the matter was referred to Cybercrime cell and was also taken up with NIC for further investigation of any breach of NIC server. An amount of ₹ 55 lakhs has been transferred to Claim Receivable-Credit Impaired (Note-19) and provision for same has been made in the books of accounts during the financial year 2024-25. Further accounting treatment will be made based on the outcome of investigation in this regard.

Note 49: Clause – 32(vi)

A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Systems Testing and Research for Advanced Materials Foundation (STREAM)". The total project cost ₹ 49.68 Crs comprising of Govt. Grant-in-Aid of ₹ 36.864 Crs and SPV partners contribution ₹ 12.816 Crs. Wherein M/s Microlab will be the lead with equity contribution of 20%, BEML-20%, HAL-20%, Vaidheswaran Industries-10%, & TIDCO-30%. STREAM was incorporated with a vision of creating easy access and addressing the testing needs of domestic defence industry. STREAM was incorporated on 18th September 2024. HAL has made an investment of ₹ 20 lakhs towards subscription of 20000 Equity shares of ₹ 100 each on 18th November 2024. Further HAL made an investment of ₹ 41.25 lakhs towards subscription of 41250 Equity Shares of ₹ 100 each, pending allotment, the amount of investment shown under share application money under current financial assets.

Note 31:

Notes specific to Joint Ventures

(i) In respect of HATSOFF Helicopter Training Private Limited

Going Concern

The Company has made a net profit of ₹ 1909.27 lakhs for the year ended 31st March, 2025 and, as of that date, the Company's current liabilities exceeded its current assets by ₹ 12613.59 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 31st March, 2025 is ₹ 337.10 lakhs (as at 31 March, 2024 negative by ₹ 1564.98 lakhs).

The Company has incurred a cost of ₹ 4332.42 lakhs in connection with the Military Dhruv Cockpit development. The supply contract with CAE Inc, Canada, wherein the Company exported the cockpit purchased from Hindustan Aeronautics Limited to CAE Inc. for further fittings and is currently awaiting the delivery of the completed Military Dhruv Cockpit. The agreed price in 2008 was USD 6,892,777 and an amount of USD 4,892,777 (₹ 2090.73 lakhs) was paid. The revised estimated price, as quoted by CAE Inc, in June 2019 and valid until March 2020 is USD 13,692,777 reflecting cost escalations. The Company is currently negotiating for the final quote and delivery schedules from CAE Inc. The management expects to reach an agreement with CAE Inc, to finalize the price and delivery schedule. Consequently, no impairment is deemed necessary for the amount shown under CWIP and capital advances.




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 obligations.

2) The Company has been able to get the multi-year contracts from Defence 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 principal of ₹ 3600 lakhs (US$ 4,217,066) during the current year and previous year ₹ 4518.05 lakhs (US$ 5,445,471) against ECB overdue installments at various dates and serviced interest up to 4 September 2023.

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

Material Uncertainty Related to Going Concern

The Company, as on 31 March 2025, has a net liability of ₹ 1015.30 lakhs (March 31st 2024: ₹1022.06 lakhs) and a net current liability of ₹ 1088.45 lakhs (March 31st 2024: ₹ 1093.93 lakhs) indicating existence of an uncertainty that may cast doubt upon the Company's ability to continue as a going concern. However, the bulk of its current liability is subject to the satisfactory completion of the performance obligations by the supplier, who is also a shareholder of this Joint Venture Company. Besides this, the Company continues to generate positive cash flows from its operations and plans to liquidate the liability in a phased manner. The Company expects to fund its operating and capital expenditure and continue business operations. Accordingly, the Management has determined that these actions are sufficient to mitigate the uncertainty and has prepared the financial statements on a going concern basis.

(iii) In respect of Multirole Transport Aircraft Limited

Board in its 47th Meeting held on 09th February, 2023, approved the following resolution: "Subject to the necessary approval being obtained from the Government of India, in principle approval of the Board was accorded for the Voluntary Liquidation of the Company in accordance with its Articles of Association, Shareholders Agreement and other relevant contracts, provisions of Section 59 and other applicable provisions of the Insolvency and Bankruptcy Code 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and other provisions of the Companies Act 2013 and relevant rules and any other law as may be applicable. Hence, on fulfillment of the following steps, the Going Concern assumption will become inappropriate-

i. Receipt of Government of India approval for closure of the Company,

ii. Adopting unanimous resolution with affirmative vote by all the directors as per Para 9.4(h) of the Shareholders Agreement read with Para 147(2)(h) of the Articles of Association, recommending liquidation of the Company to the General Meeting.

iii. Adopting necessary resolutions for Voluntary Liquidation of the Company in the Members General Meeting as per the provisions of Insolvency and Bankruptcy Code, 2016.

iv. Adherence of procedures for closure of MTAL Moscow Branch in compliance with rules and regulations of Russian Federation.

v. Compliance of all other necessary steps as per internal rules and regulations of the Company, as well as applicable statutory provisions of the respective country (i.e. India and Russian Federation) for closure of the company.





(iv) In respect of Infotech HAL Ltd

The audited/reviewed financial statements of Infotech HAL Ltd, joint venture of Hindustan Aeronautics Limited are not made 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.

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

The Joint Venture Company, HAL-Edgewood Technologies Private Limited, has not prepared the financial statements for the year ended 31 March 2025, and accordingly not considered for consolidation. The impact of non-consolidation, however, is not material. The Board in its 406th meeting held on 22nd September 2017, accorded in principle approval for voluntary winding up / closure of M/s. HAL-Edgewood Technologies Private Limited enabling the Company to take further action in the matter.

(II) We draw attention that the Company is not complying with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Section 149(4) of the Companies Act, 2013 pertaining to the required composition of its Board of Directors.

(III) We draw attention to the fact that, due to the absence of the requisite number of Independent Directors, the Company has not been able to reconstitute the Audit Committee and the Nomination and Remuneration Committee. Consequently, the Company is not in compliance with the provisions of Section 177 and Section 178 of the Companies Act, 2013, as well as Regulation 18(1) and Regulation 19(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This constitutes a non-compliance with the applicable statutory requirements.

(IV) Existing FPQ (arising out of 3rd PPRC) is up to 2022-23. 4th PPRC is under progress, due to which the prices for the year 2023-24 and onwards is yet to be firmed up. Hence pending finalisation of approval for the fixation of FPQ prices for the year 2023-24 and 2024-25, sales have been recognized provisionally based on the indices provided by Air HQ.

During the year ended 31.03.2024, Divisions have recognized FPQ sales by considering the FPQ price of 2022-23, applying indices of 2023-24. For the year ended 31.03.2025, Divisions have recognized FPQ sales by considering the provisional price of 2023-24, and applying indices of 2024-25.

(V) The Company has provided Performance Related Pay for the year as per the Guidelines issued by Department of Public Enterprises.

During the year 2011, C&AG observed that the profits earned from short term deposits is an incidental activity and not a core activity of the Company and inclusion of the interest income from these deposits for PRP computation had led to excess of payment of ₹ 4318 lakhs to its executives. Based on HAL reply on difficulties in recovery, the C&AG vide letter dated 11th November 2024, suggested that the issue of difficulties in retrospective recovery of excess amount of ₹4318 lakhs paid on account of PRP for the year 2009-10 to 2011-12 be placed before the Board for obtaining waiver and disclose in the Financial statements.

In compliance with the C&AG letter, the issue of difficulties in retrospective recovery of excess amount paid on account of PRP for the year 2009-10 to 2011-12 to its Executives was placed before HAL Board in its 488th Meeting held on 16th December 2024.

After deliberation, HAL Board approved the waiver from recovery of ₹ 4318 lakhs of excess payment of PRP for the Year 2009-10 to 2011-12 to its Executives. Necessary accounting treatment has been done in the accounts for the year ended 31.03.2025.

(VI) Balance shown under Trade Receivables, Trade Payable, Claims Receivable, Advance against Goods and Services, Capital Advances, deposits and stock / materials lying with sub-contractors / fabricators are under reconciliation. Since the Company is a Government entity under the control of Ministry of Defence (MoD), around 98% of the Company's turnover, around 98% of Trade receivables and Contract Assets, around 97% of Claims receivables and around 99% of the customer advances is with respect to Government and Government related entities. The bills are raised on the customers by the divisions located at various places and reconciliation is carried out on an ongoing basis. However, management does not expect to have any material financial impact of such pending confirmation / reconciliation.

Our opinion is not modified in respect of these matters




Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Response to Key Audit Matters & Conclusion
a) Revenue recognition (Ind AS 115) The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue is recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the appropriateness of the disclosures provided under the revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures. • Evaluated the design of internal controls relating to implementation of the revenue standard. • Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Selected a sample of continuing and new contracts and performed the following procedures • Read, analysed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that of identified and recorded by the group. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable revenue. • Examination of the correspondence relating to price revision and ascertained the reasonableness of the estimates. • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts Due to detailed procedures, a portion of is recognised based on the most likely amount based on past experience and the consistent practices followed. We have verified the procedures revenue recognition including unbilled revenue.





Key Audit Matters	Response to Key Audit Matters & Conclusion
b) Impairment of Trade Receivables In respect of receivables from Government the Company does not make any impairment provision based on past experience. The amount involved being significant balance and management judgment we consider this as a Key Audit Matter	We have verified the i) Effectiveness of internal controls in place and procedures followed in identifying the recoverability of long outstanding dues. ii) The procedures and follow-up actions in ascertaining the impairment of receivables. Our audit procedures include evaluation of provisions made for impairment in earlier years. We also made test checks of invoice wise collection details provided made in respect of in the five preceding financial years and we concluded the Management assumption is reasonable
c) Contract Asset Contract asset represents the revenue recognized but yet to be invoiced to the customer.	Contract Assets represents the Company's right to receive the consideration in exchange for the Goods or Services that the Company has transferred to the customer, when that right is conditioned on something other than passage of time.
d) Liquidated damages The Company's contract with the customers has standard clause for liquidated damages for delayed delivery. The Company's product has extended period of manufacturing; design approvals and inspection by customer at various stages which result in delay in certain cases leading to liquidated damages. The liquidated damages recognized being significant in the statement of profit and loss, is considered a key audit matter in our opinion.	We have verified the controls, period of delay, the expected days of delay as on 31.03.2025 and also the calculation for the liquidated damages recognized and found the system followed and calculation to be in order.
e) Work - in - Progress (WIP) - Inventories Inventories include Work in Progress which have been physically verified by the Management based on physical verification instructions.	Our Audit Procedures generally include review of • Physical Verification instructions • Physical verification reports • Roll back procedures • Examining the basis of valuation on a test check basis Currently, the verification of WIP is done on annual basis. The division wise WIP inventory was submitted from Divisions and consolidated at H.O. level. Based on the above audit procedures we conclude that the valuation of WIP is proper




Key Audit Matters	Response to Key Audit Matters & Conclusion
f) Pay Refixation Revision of pay scales of executives and workmen, with effect from 01.01.2017 was implemented in accordance with the guidelines issued by Department of Public Enterprises vide OM dated 03.08.2017 for Executives and in accordance with the Wage Agreement entered into between Management and Employees Union representative in 2019-20 in respect of Workmen. On an interpretation on pay refixation and pursuant to the directives of the Administrative Ministry, the pay fixation to be revised and the excess amount paid is to be recovered from the employees. Based on the directives Company issued a Circular dated 24.07.2021 and the communication dated 26.07.2021 for recovery of the excess amount. While so, the Employees Union and Officers Association have filed Writ Petition with Hon'ble High Court of Karnataka to stay recovery of excess amount of salary paid by the Company. The H'ble High court given verdict in favour of Officers Associations by setting aside the Circular dated 24.07.2021 and the communication dated 26.07.2021 issued by the Management. The order of the H'ble High Court in favour of officers was put up to the Board in its 490th Meeting held on 12.02.2025. Board has noted the judgement of the H'ble High Court and accorded approval to abide by the Court order. Accordingly, the differential amount withheld by the Management in respect of ex-officers has to be released /refunded to the concerned ex-officers/Nominees along with applicable interest. As per the Board approval, one increment impact amount of ₹ 2712 lakhs recovered from the retired/deceased/ resigned employees has been paid during 2024-25. Further, in respect of officers an amount of ₹ 18565 lakhs credited to salaries and wages in the earlier years and kept under claims receivable has been reversed during 2024-25. Accordingly, employees cost for the current year is not comparable with the corresponding previous year. In respect of workmen, the order is awaited, hence, reduction of salaries and wages in respect of workmen continued for the year ended 31st March 2025 and ₹ 2444 lakhs effect given in the books towards this. Excess amount credited to salaries and Wages in respect of workmen has been shown under claims receivable (Gross) of ₹ 16390 lakhs as at 31st March 2025 (previous year: ₹ 14282 lakhs). Based on the final verdict, decision in respect of workmen will be taken and suitable effect will be carried out in the accounts.	For Workmen revision of pay scales, We have Verified the Calculations, Interim Stay Granted by Hon'ble High Court of Karnataka. For Executives revision of pay scales, We have Verified the Calculations, Order passed by Hon'ble High Court of Karnataka. There is no major observation.





Key Audit Matters	Response to Key Audit Matters & Conclusion
g) Revision of Contribution to Pension Scheme Ministry vide OM dated 12.07.2023 has conveyed the approval for increasing the Company's contribution to the Pension Scheme of Executives from existing 7% to 10% of Basic Pay + DA w.e.f. 01.01.2017. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2017 has been made in respect of executives who are on the rolls of the Company as on the date of implementation of the revised ceiling i.e. 01.01.2017. In respect of new incumbents who joined the Company post 01.01.2017, it will be effective from the date of appointment. The additional liability accruing to the Company due to the increased ceiling, is ₹ 21776 lakhs pertaining to the period from 1 January, 2017 to 31 March, 2024 (₹ 3719 lakhs for the year ended 31 March, 2025). The total additional financial impact on revision of Pension contribution upto 31st March 2024 has been given effect in the books of accounts during the year ended 31st March, 2024. Accordingly, employees cost for the current year is not comparable with the corresponding previous year. In respect of workmen, Company issued Circular dated 24.04.2025 has conveyed the approval for increasing the Company's contribution to the Pension Scheme from existing 7% to 10% of Basic Pay + DA w.e.f. 01.01.2025. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2025 has been made in respect of workmen who were on the rolls of the Company as on the date of implementation of the revised ceiling. The additional liability accruing to the Company due to the increased ceiling is ₹1051 lakhs pertaining to the period from 1st January, 2025 to 31st March, 2025. The total additional financial impact on revision of Pension contribution has been given effect in the books of accounts during the year ended 31st March, 2025. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.	We have verified the calculations and there is no major observations.




Key Audit Matters	Response to Key Audit Matters & Conclusion
h) Impairment Assessment of Intangible Assets and Intangible Assets Under Development The Company has recognised significant intangible assets comprising software, documentation charges, development expenditure, and license fees. In addition, the Company also has intangible assets under development representing ongoing development charges. These assets are recognised and measured in accordance with Ind AS 38 – Intangible Assets and are subject to impairment testing under Ind AS 36 – Impairment of Assets. The assessment of impairment for both completed intangible assets and those under development involves significant management judgment. This includes evaluating technical feasibility, future economic benefits, project viability, useful life estimations, and expected completion and commercialization timelines for assets under development. The Company has instituted an Impairment Review Committee, which conducts a structured evaluation of all HAL-funded R&D projects. The review includes analysis of approvals, project status, expenditure incurred, estimated completion costs, future economic benefits, and other relevant technical and financial parameters. Based on this review, the Committee recommends appropriate accounting actions such as recognition of impairment, amortisation, or deferral of costs.	Our audit procedures included, among others: • Understanding and evaluating the Company's policy and procedures for identifying and assessing impairment indicators for both recognised intangible assets and those under development. • Reviewing the functioning and documentation of the Impairment Review Committee, including its evaluation of project status, economic viability, and accounting recommendations. • Reviewing the basis for management's judgments and estimates, including technical reviews, projected benefits, and cost-to-completion assumptions for selected projects. • Verifying whether the impairment testing methodology was in accordance with Ind AS 36 and that capitalization criteria under Ind AS 38 were met for assets under development. • Evaluating the adequacy and appropriateness of disclosures in the financial statements relating to intangible assets and their impairment assessment. Based on the audit procedures performed, we found that the impairment assessment process was reasonable, and the judgments and estimates made by the management were supported by appropriate documentation.

Information Other than the Consolidated Financial Statements and Auditors Reports Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon. The Holding Company's Annual report is expected to be made available to us after the date of this auditor's report

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act, that give a true and fair view of the Consolidated Financial Position, Consolidated Profit and Other Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Cash Flows of the Group, including its Joint Ventures, in accordance with the accounting principles generally accepted in India, including the Indian





Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its Joint Ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 statements that give a true and fair view and are free from material misstatements, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its Joint Ventures are responsible for assessing the ability of the Group and of its Joint Ventures to continue as a Going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company 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 Jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its Joint ventures.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatements, 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 misstatements 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 Statements.

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 misstatements of the Consolidated Financial Statements, 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 misstatements 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 Management.

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements 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 Joint ventures 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 statements 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 Joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.




- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Joint ventures to express an opinion on the Consolidated Financial Statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, 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.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding company and such other entities included in the Consolidated Financial Statements 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 statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The Consolidated Financial Statements include the audited Financial Statements of two Subsidiaries, whose interim financial statements / financial information reflect Group's share of total assets of ₹ 4314 lakhs as at 31st March 2025, Group's share of total revenues of ₹ 1938 lakhs and Group's share of total net profit after tax of ₹ 122 lakhs for period from 01.04.2024 to 31.03.2025, as considered in the consolidated financial Statements, which have been audited by their respective independent auditors.

   The Consolidated financial statements also include Group's share of Net Profit of ₹ 4065 lakhs for period from 01.04.2024 to 31.03.2025, as considered in the Consolidated Financial Statements, in respect of twelve Joint ventures (financial statement not provided for two Joint Ventures), which have been audited by their respective independent auditors.

   The independent auditors reports on financial statements of these entities have been furnished to us and our opinion on the Consolidation Financial Statements, 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 Statements 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 Statements /financial information certified by the Board of the Directors.

2. The Consolidated Financial Statements include, the audited financial statements / financial information of 29 Divisions of the Company, whose financial statements / financial information reflect the total assets of ₹ 108,87,946 lakhs as at March 31, 2025, total income of ₹ 33,54,645 lakhs and Net profit before Tax of ₹ 10,82,001 lakhs for the year ended 31st March 2025, as considered in the Standalone Financial Statements which have been audited by the respective independent auditors.

   The Independent Auditors Reports on the financial statements 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.





3. The Consolidated Financial Statements of the Company for the year ended 31st March 2024, quarter ended 30th June 2024, included in these Consolidated financial statements, have been audited by the predecessor auditors, M/s A. John Moris & Co., Chartered Accountants, who has expressed an unmodified opinion vide their audit reports dated 16th May 2024, 14th August 2024 respectively.

   Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

   e) In terms of circular NO. GSR 463(E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, Government of India, the Company being Government Company, is exempt from the provisions of section 164(2) of the Act regarding disqualification of Directors.

   f) Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23rd February 2018 has exempted the companies engaged in defence production to the extent of application of relevant Accounting Standard on Segment Reporting. In view of the above, no disclosure is made by the Company as required by Ind AS 108. Subject to the above, we state that, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

   g) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** which is based on the auditors' reports of the Company, its Subsidiary and Joint Ventures incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies.

   h) Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Group. Further, on the basis of the reports of the auditors of 10 (Ten) Joint Ventures out of 12(twelve) Joint Ventures incorporated in India, the managerial remuneration for the year ended 31st March 2025 has been paid / provided to their directors in accordance with the provisions of section 197 read with Schedule V to the Act.

   i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group and its Joint Ventures. Refer Note 49 (4a), 49 (4b), 49 (20), 49 (38), to the Consolidated Financial Statements




ii. The Group and its Joint Ventures have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts. The Group and its Joint Ventures do not have any derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by The Group and its Joint Ventures incorporated in India.

iv. (a) The respective Managements of the Group and Joint Ventures, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such Subsidiaries and its Joint Ventures that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such Subsidiaries or Joint Ventures, to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such Subsidiaries or Joint Ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Group and Joint Ventures which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such Subsidiaries and Joint Ventures that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such Subsidiaries, or Joint Ventures, from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such Subsidiaries or Joint Ventures, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint ventures, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The final dividend paid by the Company, its Subsidiaries and its Joint Ventures during the year, in respect of declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

(b) The interim dividend declared and paid by the Company, its Subsidiaries and its Joint Ventures during the year and until the date of this audit report is in accordance with Section 123 of the Act.

(c) The Company, its Subsidiary and its Joint Ventures have not proposed any final dividend up to the date of our report.

vi. Based on our examination which included test checks, performed by us on the Company, its Subsidiaries and its Joint Ventures incorporated in India, have used accounting software for maintaining their respective books of account for the period ended 31st March 2025, which has a feature of recording audit trail (edit log) facility. The audit trail facility has been operating throughout the period 1st April 2024 to 31st March 2025 for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Additionally, the audit trail has been preserved by the Holding Company and above referred Subsidiary Companies and Joint Ventures incorporated in India as per the statutory requirements for record retention.





2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by the component auditors of the subsidiaries and joint ventures included in the Consolidated Financial Statements of the Holding Company, to which reporting under CARO is applicable, provided to us by the Management of the Holding Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that, the auditors of such companies have not reported any qualifications or adverse remarks.

FOR GUPTA NAYAR & CO.
Chartered Accountants
Firm Reg. No. 008376N



Nandlal Agarwal
Partner
M No. 091272
UDIN: 25091272BMSCAK3717

Place: Bengaluru
Date: 14.05.2025




ANNEXURE-A

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 Avia Services Limited (Erstwhile referred as Indo Russian Aviation Limited)
4	HALBIT Avionics Pvt. Ltd
5	SAMTEL HAL Display Systems Ltd
6	HATSOFF Helicopter Training Pvt. Ltd.
7	International Aerospace Manufacturing Pvt.Ltd.
8	Helicopter Engines MRO Pvt. Ltd
9	SAFHAL Helicopter Engines Pvt.Ltd
10	Multirole Transport Aircraft Ltd
11*	HAL Edgewood Technologies Private Limited
12*	Infotech HAL Limited

**Not considered in Consolidation as the financial statements were not made available till the date of our report. Please refer to Emphasis of matter paragraph in our Report.*

FOR GUPTA NAYAR & CO.
Chartered Accountants
Firm Reg. No. 008376N



Nandlal Agarwal
Partner
M No. 091272
UDIN: 25091272BMSCAK3717

Place: Bengaluru
Date: 14.05.2025



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN AERONAUTICS LIMITED.

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act").

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March 2025, we have audited the Internal Financial Controls with reference to Consolidated Financial Statements of Hindustan Aeronautics Limited ("herein after referred to as the Holding Company") and its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group") , its Jointly controlled entities, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its Subsidiary Companies and Joint Ventures which are companies incorporated in India, are responsible for establishing and maintaining Internal Financial Controls based on the Internal Control with reference to Consolidated Financial Statements criteria established by the Holding Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Group Company's and Joint Ventures Internal Financial Controls with reference to Consolidated Financial Statements based on our audit.

Based upon the audit conducted by the Divisional Statutory Auditors on the Divisions, our audit done for the overall position of the Company and audit conducted by the IFC Auditor

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Consolidated Financial Statements included obtaining an understanding of Internal Financial Controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the Subsidiaries and Joint Venture companies incorporated in India, in terms of their reports referred to in the 'Other Matters' paragraph is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting with reference to Consolidated Financial Statements

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal Financial Control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control with reference to Consolidated Financial Statements includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company




- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated financial statements

Because of the inherent limitations of Internal Financial Controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the Internal Financial Control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, its Subsidiary Companies and its Joint Ventures incorporated in India has, in all material respects, an adequate Internal Financial Controls System with reference to Consolidated Financial Statements and such Internal Financial Controls were operating effectively as at 31st March 2025, based on the Internal Control with reference to Consolidated Financial Statements criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Further, an incident of cyber fraud in Kanpur division of Holding company was noticed by the Management where the advance payment of ₹ 55 lakhs (63405.44 USD) was transferred to a different bank account due to compromised email received from different domain other than the original source (vendor). The FIR was registered with cyber crime cell and matter is still under investigation.

The Kanpur Division of Holding company does not have mapping of incoming emails and creating a white list of all authentic vendors so that all incoming emails are validated.

Our opinion is not modified in respect of this matter

Other Matters

Our aforesaid Reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls with reference to Consolidated Financial Statements in so far as it relates to the Subsidiaries and Joint Ventures which are companies incorporated in India, is based on the corresponding Reports of the Auditors of such companies incorporated in India.

Our report is not modified in respect of the above matters.

FOR GUPTA NAYAR & CO.
Chartered Accountants
Firm Reg. No. 008376N

Nandlal Agarwal
Partner
M No. 091272
UDIN: 25091272BMSCAK3717

Place: Bengaluru
Date: 14.05.2025





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सं./No. Insp-II/25-26/HAL/Alcs/24-25/151

प्रधान निदेशक रक्षा-वाणिज्यिक लेखापरीक्षा का कार्यालय
बेंगलूरू - 560 001

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT, DEFENCE-COMMERCIAL, BENGALURU - 560 001

दिनांक/ DATE. 09.07.2025

To

The Chairman & Managing Director
Hindustan Aeronautics Limited
Corporate Office,
No.15/1, Cubbon Road,
Bengaluru-560001.

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013.

*****

I forward herewith Nil Comments Certificate of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the standalone accounts and consolidated accounts of Hindustan Aeronautics Limited, Bengaluru for the year ended 31 March 2025.

It may please be ensured that the Comments are:

(i) printed in *toto* without any editing;
(ii) placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication in the index;
(iii) Placed before the AGM as required under proviso to Section 143(6)(b) of the Companies Act, 2013.

The receipt of this letter may please be acknowledged.

Yours faithfully,

(Vinod C)
Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा एवं लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
पहला तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूरू - 560001
1st Floor, Basava Bhavan, Sri Basweswara Road, Bengaluru - 560 001.

दू.भा./Phone : 080-2226 7646 / 2226 1168
Email : pda.dc.blr@cag.gov.in

फैक्स /Fax : 080-2226 2491




COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN AERONAUTICS LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2025.

The preparation of consolidated financial statements of **Hindustan Aeronautics Limited (HAL), Bengaluru** for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by him vide their Audit Report dated 14 May 2025.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Hindustan Aeronautics Limited, Bengaluru for the year ended 31 March 2025 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Hindustan Aeronautics Limited, Bengaluru but did not conduct supplementary audit of the two Subsidiaries, viz., Indo Russian Helicopters Limited, Bengaluru and Naini Aerospace Limited, Prayagraj and of twelve Joint Venture Companies of Hindustan Aeronautics Limited (as per *Annexure*) for the year ended on that date. Further, section 139(5) and 143(6)(a) of the Act are not applicable to the twelve Joint Venture Companies being private entities (*Annexure*), for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the statutory auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's Report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Rajesh Ranjan

(Rajesh Ranjan)
Principal Director of Audit (Defence-Commercial)

Place: Bengaluru
Date: 09 July 2025.





ANNEXURE

List of Joint Venture Companies of Hindustan Aeronautics Limited for which supplementary audit of the Financial Statements not conducted by this office

01. BAe-HAL Software Limited
02. Indo-Avia Services Limited
03. Safran HAL Aircraft Engines Private Limited
04. SAMTEL HAL Display System Limited
05. HAL Edgewood Technologies Private Limited
06. HALBIT Avionics Private Limited
07. Infotech HAL Limited
08. HATSOFF Helicopter Training Private Limited
09. International Aerospace Manufacturing Private Limited
10. Multirole Transport Aircraft Limited
11. Helicopter Engine MRO Private Limited
12. SAFAL Helicopter Engine Private Limited




HAL -A Maharatna CPSE-

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सं./No. निरेवठा-II/2025-26/NAINI(24-25)/139

प्रधान निदेशक रक्षा-वाणिज्यिक लेखापरीक्षा का कार्यालय
बेंगलूरू - 560 001

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
DEFENCE-COMMERCIAL, BENGALURU - 560 001

दिनांक/ DATE. 03-07-2025

To

The Chairman,
Naini Aerospace Limited
Regd. Office : 15/1, Cubbon Road
Bangalore – 560 001

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013.

I forward herewith Non-Review Certificate of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Naini Aerospace Limited, Prayagraj for the year ended 31 March 2025.

It may please be ensured that the Comments are:

(i) printed in *toto* without any editing;
(ii) placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication in the index;
(iii) Placed before the AGM as required under proviso to Section 143(6) (b) of the Companies Act, 2013.

The receipt of this letter may please be acknowledged.

Yours faithfully,

03/07/25

(Vinod C)
Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा एवं लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
पहला तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूरू - 560001
1st Floor, Basava Bhavan, Sri Basweswara Road, Bengaluru - 560 001.

दू.भा./Phone : 080-2226 7646 / 2226 1168
Email : pda.dc.blr@cag.gov.in

फैक्स /Fax : 080-2226 2491



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NAINI AEROSPACE LIMITED, PRAYAGRAJ FOR THE YEAR ENDED 31 MARCH 2025.

The preparation of financial statements of Naini Aerospace Limited, Prayagraj for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30.04.2025.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Naini Aerospace Limited, Prayagraj for the year ended 31 March 2025 and as such have no comments to make under section 143(6)(b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Rajesh Ranjan

(Rajesh Ranjan)
Principal Director of Audit
(Defence-Commercial)

Place: Bengaluru
Date: 03 July 2025.





HAL -A Maharatna CPSE-

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प्रधान निदेशक रक्षा-वाणिज्यिक लेखापरीक्षा का कार्यालय
बेंगलूरू - 560 001
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
DEFENCE-COMMERCIAL, BENGALURU - 560 001

दिनांक/ DATE. 03-07-2025

To
The Chairman,
M/s. Indo-Russian Helicopters Limited
HAL Corporate Office
Cubbon Road,
Bengaluru – 560 001

Sir,

Sub: Comments of the Comptroller and Auditor General of India under section 143(6) (b) of the Companies Act, 2013.

I forward herewith Non-Review Certificate of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the accounts of Indo-Russian Helicopters Limited, Bengaluru for the year ended 31 March 2025.

It may please be ensured that the Comments are:

(i) printed in *toto* without any editing;
(ii) placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication in the index;
(iii) Placed before the AGM as required under proviso to Section 143(6) (b) of the Companies Act, 2013.

The receipt of this letter may please be acknowledged.

Yours faithfully,
03/07/25
(Vinod C)
Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा एवं लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
पहला तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूरू - 560001
1st Floor, Basava Bhavan, Sri Basweswara Road, Bengaluru - 560 001.

दू.भा./Phone : 080-2226 7646 / 2226 1168
Email : pda.dc.blr@cag.gov.in
फैक्स /Fax : 080-2226 2491



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDO-RUSSIAN HELICOPTERS LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2025.

The preparation of financial statements of Indo-Russian Helicopters Limited, Bengaluru for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 09.05.2025.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Indo-Russian Helicopters Limited, Bengaluru for the year ended 31 March 2025 and as such have no comments to make under section 143(6)(b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Rajesh Ranjan

(Rajesh Ranjan)
Principal Director of Audit
(Defence-Commercial)

Place: Bengaluru
Date: 03 July 2025.




Consolidated Balance Sheet as at March 31, 2025

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	1		
Gross Block	1A	**1348731**	1257385
Less: Accumulated Depreciation	1B	**701646**	629059
Less: Impairment	1C	**50059**	50303
Net Block		**597026**	578023
(b) Capital work-in-progress	2	**109108**	93688
(c) Investment Property	3		
Gross Block	3A	**4**	4
Less: Accumulated Depreciation	3B	**2**	2
Less: Impairment	3C	**0**	0
Net Block		**2**	2
(d) Goodwill	4	**0**	0
(e) Other Intangible assets	5		
Gross Block	5A	**495732**	459405
Less: Accumulated Amortization	5B	**360707**	299898
Less: Impairment	5C	**64973**	63843
Net Block		**70052**	95664
(f) Intangible Assets under Development	6		
Gross Block	6A	**266103**	219747
Less: Accumulated Amortization	6B	**58518**	58518
Less: Impairment	6C	**6918**	5574
Net Block		**200667**	155655
(g) Investments accounted for using the Equity Method	7	**24472**	20164
(h) Financial Assets			
(i) Investments	7A	**150948**	138969
(ii) Trade Receivables	8	**0**	0
(iii) Contract Assets	8A	**0**	0
(iv) Loans	9	**557**	561
(v) Other Financial Assets	10	**38911**	39547
(i) Deferred tax Assets (Net)	11	**156799**	145433
(j) Other Non-Current Assets	12	**268683**	240063
Total non-current assets		**1617225**	1507769
Current assets			
(a) Inventories	13	**2167570**	1321754
(b) Financial Assets			
(i) Investments	14	**0**	0
(ii) Trade receivables	15	**464779**	461685
(iii) Contract Assets	15A	**1588916**	1189396
(iv) Cash and Cash Equivalents	16	**454855**	425469
(v) Bank Balances other than Cash and Cash Equivalents	17	**3363370**	2217692
(vi) Loans	18	**743**	1077
(vii) Other Financial Assets	19	**134693**	151419
(c) Current Tax Assets (Net)	20	**0**	0
(d) Other Currents Assets	21	**834534**	533257
Total current assets		**9009460**	6301749
Assets held for Sale		**0**	0
Total Assets		**10626685**	7809518




Consolidated Balance Sheet as at March 31, 2025

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	22	**33439**	33439
(b) Other Equity	23	**3464722**	2880378
Equity attributable to owners of the parent		**3498161**	2913817
Non-controlling interest	23	**356**	364
Total equity		**3498517**	2914181
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	**0**	0
(ia) Lease Liabilities	24A	**114**	108
(ii) Trade payables	25		
A) total outstanding dues of micro enterprises and small enterprises		**0**	0
B) total outstanding dues of creditors other than micro enterprises and small enterprises		**0**	0
Sub Total- Trade payables		**0**	0
(iii) Other Financial Liabilities	26	**49665**	50586
(b) Provisions	27	**186806**	157834
(c) Deferred Tax Liabilities (Net)	28	**0**	0
(d) Other Non-Current Liabilities	29	**2482058**	1054376
Total non-current liabilities		**2718643**	1262904
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	30	**0**	0
(ia) Lease Liabilities	30A	**2**	2
(ii) Trade payables	31		
A) total outstanding dues of micro enterprises and small enterprises		**17709**	14605
B) total outstanding dues of creditors other than micro enterprises and small enterprises		**492858**	326682
Sub Total- Trade payables		**510567**	341287
(iii) Other Financial Liabilities	32	**282932**	245138
(b) Other Current Liabilities	33	**2760327**	2254968
(c) Provisions	34	**841736**	761071
(d) Current tax liabilities (Net)	35	**13961**	29967
Total current liabilities		**4409525**	3632433
Total Equity and Liabilities		**10626685**	7809518

Material accounting policies and accompanying notes No. 1 to 49 form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064




Consolidated Statement of Profit and Loss

for the year ended 31st March 2025

(₹ in Lakhs)

S. No.	Particulars	Note No.	For the Year ended 31st March 2025	For the Year ended 31st March 2024
	REVENUE			
I	Revenue from Operation	36	**3098095**	3038108
II	Other Income	37	**256169**	189660
III	**Total Income (I+II)**		**3354264**	3227768
IV	**EXPENSES**			
	Cost of Materials Consumed	38	**1923446**	1234633
	Purchases of Stock-in-Trade	38A	**67937**	67140
	Changes in Inventories of Finished Goods, Stock-in-Trade, Work-in-Progress and Scrap	39	**-762579**	-195864
	Employee Benefits Expense	40	**573037**	529069
	Finance Costs	41	**868**	3211
	Depreciation and Amortization Expense	42	**134037**	140717
	Impairment Loss	42A	**2474**	1495
	Other Expenses	43	**178462**	153053
	Direct Input to WIP / Expenses Capitalised	44	**37233**	42599
	Provisions	45	**252784**	330304
	Total Gross Expenses		**2407699**	2306357
	Less: Expenses relating to Capital and Other Accounts	46	**135507**	98427
	Total expenses (IV)		**2272192**	2207930
V	Profit/(Loss) before Share of Profit/(Loss) of Joint Ventures, Exceptional items and Tax (III-IV)		**1082072**	1019838
VI	Share of Profit/(Loss) of Joint Ventures accounted using Equity Method		**4065**	2650
VII	**Profit/(Loss) before Exceptional items and Tax (V+VI)**		**1086137**	1022488
VIII	Exceptional Items	Clause 35 of Note 49	**589**	0
IX	**Profit/(loss) before tax (VII+VIII)**		**1086726**	1022488
X	Tax expense:			
	(1) Current Tax		**288000**	290500
	(2) Earlier Year Tax Refund/Liability		**-25608**	0
	(3) Deferred Tax		**-12071**	-30107
XI	Profit (Loss) for the period from Continuing Operations (IX-X)		**836405**	762095
XII	Profit/(loss) from Discontinued Operations		**0**	0
XIII	Tax expense of Discontinued Operations		**0**	0
XIV	Profit/(loss) from Discontinued Operations (after tax) (XII-XIII)		**0**	0
XV	**Profit/(loss) for the period (XI+XIV)**		**836405**	762095
XVI	**Other Comprehensive Income (OCI)**			
	A (i) Items that will not be reclassified to profit or loss	47	**2786**	-10940
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method		**-15**	-29
	(iii) Income tax benefit/(expense) on the items that will not be reclassified to Profit or Loss		**-705**	2755
	B (i) Items that will be reclassified to profit or loss	48	**0**	0
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method		**0**	0





Consolidated Statement of Profit and Loss

for the year ended 31st March 2025

(₹ in Lakhs)

S. No.	Particulars	Note No.	For the Year ended 31st March 2025	For the Year ended 31st March 2024
	(iii) Income tax benefit/(expense) on items that will be reclassified to Profit or Loss		**0**	0
	Total Other Comprehensive Income (A + B)		**2066**	-8214
XVII	**Total Comprehensive Income for the period (XV+XVI) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)**		**838471**	753881
	Profit/(Loss) for the period			
	Attributable to:			
	Owners of the parent		**836413**	762105
	Non Controlling interest		**-8**	-10
	Other Comprehensive Income for the period			
	Attributable to:			
	Owners of the parent		**2066**	-8214
	Non Controlling interest		**0**	0
	Total Comprehensive Income for the period			
	Attributable to:			
	Owners of the parent		**838479**	753891
	Non Controlling interest		**-8**	-10
XVIII	Earnings per Equity Share (for Continuing Operations):	Clause 1 of Note 49		
	(1) Basic (₹)		**125.07**	113.95
	(2) Diluted (₹)		**125.07**	113.95
XIX	Earnings per Equity Share (for Discontinued Operations):			
	(1) Basic (₹)		**0**	0
	(2) Diluted (₹)		**0**	0
XX	Earnings per Equity Share (for Continuing & Discontinued Operations):			
	(1) Basic (₹)		**125.07**	113.95
	(2) Diluted (₹)		**125.07**	113.95

Material accounting policies and accompanying notes No. 1 to 49 form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064

Consolidated Statement of Changes in Equity for the year ended 31st March 2025

A. Equity Share Capital

(₹ in Lakhs)

Particulars	Balance as at 1 April, 2024	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1 April, 2024	Changes in Equity Share Capital for the year ended 31 March, 2025	**Balance as at 31 March, 2025**
Equity Share Capital	33439	0	33439	**0**	**33439**

(₹ in Lakhs)

Particulars	Balance as at 1 April, 2023	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1 April, 2023	Changes in Equity Share Capital for the year ended 31 March, 2024	Balance as at 31 March, 2024
Equity Share Capital	33439	0	33439	0	33439

B. Other Equity (Refer Note 23)

(₹ in Lakhs)

Particulars	Other Equity							Total equity attributable to equity holders of the Company	Non-controlling interest	Total other Equity
	Reserves and Surplus					Other Comprehensive Income				
	Research and Development Reserve	Capital Redemption Reserve	Indigenization Fund Reserve	General Reserve	Retained earnings	Remeasure-ments of net defined ben-efit liability/ asset	Share of Other Comprehen-sinve Income in Joint Venture			
Balance as at 1 April, 2024	**299646**	**14761**	**28885**	**2537079**		**0**	**7**	**2880378**	**364**	**2880742**
Changes in Other Equity due to changes in accounting policy or prior period errors								0		0
Restated Balance as at 1 April, 2024	**299646**	**14761**	**28885**	**2537079**	**0**	**0**	**7**	**2880378**	**364**	**2880742**
Changes in Other Equity for the year ended 31 March, 2025										
Profit for the year ended 31 March, 2025					836413			836413	-8	836405
Remeasurements of the net defined benefit liability/asset					2081			2081		2081
Items that will not be reclassified to profit or loss						2786	-15	2771		2771
Income tax relating to items that will not be reclassified to profit or loss						-705		-705		-705
Transfer to Retained Earnings						-2081		-2081		-2081
Total comprehensive income for the year ended 31 March, 2025					**838494**	**0**	**-15**	**838479**	**-8**	**838471**
Current year transfer	92176		18435					110611		110611
Transfer to General Reserve on utlization	-7477		-10554					-18031		-18031
Surplus Transferred from Statement of Profit and Loss				473748				473748		473748
Transfer from Indigenization Fund Reserve				10554				10554		10554
Transfer from Research & Development Reserve				7477				7477		7477
Transfer to Research & Development Reserve					-92176			-92176		-92176
Transfer to Indigenization Reserve					-18435			-18435		-18435
Final Dividend (For FY 2023-24)					-86941			-86941		-86941
Interim Dividend (For FY 2024-25)					-167194			-167194		-167194
Transfer to General Reserves					-473748			-473748		-473748
Balance as at 31 March, 2025	**384345**	**14761**	**36766**	**3028858**	**0**	**0**	**-8**	**3464722**	**356**	**3465078**





HAL -A Maharatna CPSE-

Consolidated Statement of Changes in Equity for the year ended 31st March 2025

B. Other Equity (Refer Note 23)

(₹ in Lakhs)

Particulars	Other Equity							Total equity attributable to equity holders of the Company	Non-controlling interest	Total other Equity
	Reserves and Surplus					Other Comprehensive Income				
	Research and Development Reserve	Capital Redemption Reserve	Indigenization Fund Reserve	General Reserve	Retained earnings	Remeasure-ments of net defined ben-efit liability/ asset	Share of Other Comprehen-sinve Income in Joint Venture			
Balance as at 1 April, 2023	**211256**	**14761**	**10776**	**2086947**	**0**	**0**	**36**	**2323776**	**374**	**2324150**
Changes in Other Equity due to changes in accounting policy or prior period errors								**0**		**0**
Restated Balance as at 1 April, 2023	**211256**	**14761**	**10776**	**2086947**	**0**	**0**	**36**	**2323776**	**374**	**2324150**
Changes in Other Equity for the year ended 31 March, 2024										
Profit for the year ended 31 March, 2024					762105			762105	-10	762095
Items that will not be reclassified to profit or loss						-10940	-29	-10969		-10969
Remeasurements of the net defined benefit liability/asset					-8185			-8185		-8185
Income tax relating to items that will not be reclassified to profit or loss						2755		2755		2755
Transfer to Retained Earnings						8185		8185		8185
Total comprehensive income for the year ended 31 March, 2024					**753920**	**0**	**-29**	**753891**	**-10**	**753881**
Current year transfer	92718		18544					111262		111262
Transfer to General Reserve on utlization	-4328		-435					-4763		-4763
Surplus Transferred from Statement of Profit and Loss				445369				445369		445369
Transfer from Indigenization Fund Reserve				435				435		435
Transfer from Research & Development Reserve				4328				4328		4328
Transfer to Research & Development Reserve					-92718			-92718		-92718
Transfer to Indigenization Fund Reserve					-18544			-18544		-18544
Final Dividend (For FY 2022-23)					-50158			-50158		-50158
Interim Dividend					-147131			-147131		-147131
Transfer to General Reserves					-445369			-445369		-445369
Balance as at 31 March, 2024	**299646**	**14761**	**28885**	**2537079**	**0**	**0**	**7**	**2880378**	**364**	**2880742**

Material accounting policies and accompanying notes No. 1 to 49 form an integral part of the financial statements
As per our report of even date attached

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

For and on behalf of the Board of Directors

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064




Consolidated Statement of Cash Flows

for the year ended 31st March 2025

(₹ in Lakhs)

Sl. No.	Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
A	**Cash flow from Operating activities**		
	Profit After Tax	**836405**	762095
	Adjustments to reconcile net profit to net cash provided by operating activities		
	Income Tax expense	**250321**	260393
	(Gain)/Loss on sale of Property, Plant & Equipment	**-188**	-590
	Finance cost	**868**	3141
	Interest Income	**-228744**	-163443
	Share of (Profit) or Loss of Joint Venture	**-4065**	-2650
	Other Adjustments	**34**	45
	Net (Gain)/Loss on Fair Value Adjustment	**-168**	221
	Depreciation,amortization and impairment expense	**136267**	142212
	Reversal of Provision for Impairment in Value of Investments	**-783**	0
	Provision for Doubtful Debts	**83**	3534
	Provision for Doubtful Contract Assets	**15010**	2386
	Provision for Doubtful Claims	**409**	3898
	Provision for Doubtful Advances	**240**	1015
	Provision for Replacement and Other charges	**126373**	116611
	Provision for Warranty	**37015**	32425
	Provision for Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials, Work-in-progress and Inventory - Warranty	**7678**	100164
	Provision for Liquidated Damages	**65843**	70271
	Operating Profit Before Working Capital Changes	**1242598**	1331728
	Adjustments for:		
	(Increase)/decrease in Trade Receivables	**-417707**	-247443
	(Increase)/decrease in Loans, Financial Assets and Other Assets	**-262031**	-136194
	(Increase)/decrease in Inventories	**-853494**	-207049
	Increase/(decrease) in Trade Payables	**169280**	27790
	Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities	**1839515**	250383
	Cash generated from Operations	**1718161**	1019215
	Income Taxes Paid	**-353815**	-196933
	Net Cash (used in)/generated from Operating Activities (A)	**1364346**	822282
B.	**Cash flow from Investing activities**		
	Purchase of Property, Plant & Equipment	**-93009**	-91642
	Purchase of Intangible Assets	**-82683**	-83875
	Proceeds from sale of Property, Plant & Equipment	**335**	797
	Investment in Joint Ventures	**-1289**	-1050





Consolidated Statement of Cash Flows

for the year ended 31st March 2025

(₹ in Lakhs)

Sl. No.	Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
	Purchase of other non current Investments	**-10690**	-10010
	Investment in short term deposits	**-1145678**	-630108
	Interest Received	**255455**	174588
	Dividend Received from Joint Ventures	**491**	295
	Share application money paid	**-41**	0
	Net Cash (used in)/generated from Investing Activities (B)	**-1077109**	-641005
C.	**Cash flow from Financing Activities**		
	Payment of Lease Liabilities	**-2**	-31
	Interest paid	**-3714**	-2565
	Dividend Paid	**-254135**	-197289
	Net Cash (used in)/generated from Financing Activities (C)	**-257851**	-199885
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**29386**	-18608
	Add: Cash and Cash Equivalents at the beginning of the year (Refer Note 16)	**425469**	444077
	Cash and Cash Equivalents at the end of the period (Refer Note 16)	**454855**	425469

Material Accounting Policies and accompanying notes no. 1 to 49 form an integral part of the financial statements

Notes:

1. The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 "Statement of Cash Flow"
2. Cash & Cash equivalent include Short Term Deposits with Bank
3. Cash and Cash Equivalents are available fully for use

As per our report of even date attached

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

For and on behalf of the Board of Directors

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064





Material Accounting Policies for the financial year 2024-25

CORPORATE INFORMATION:

Hindustan Aeronautics Limited (the Company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India with its registered office located at Bengaluru, Karnataka, India. The Holding Company's shares are listed on Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Holding Company is a public sector enterprise and is under the administrative control of the Department of Defence Production, Ministry of Defence.

The Consolidated Financial Statements comprise of the financial statements of Hindustan Aeronautics Limited (the 'Holding Company') and its subsidiaries (collectively referred to as the 'Group') and the Group's interest in associates and joint ventures.

The Group is engaged in the design, development, manufacture, repair, overhaul, upgrade and servicing of a wide range of products including, aircraft, helicopters, aero-engines, avionics, accessories and aerospace structures.

Information on the Group's structure is provided in Clause 30 of Note-49, Consolidated Notes to Financial Statements.

1 BASIS OF PREPERATION OF FINANCIAL STATEMENTS:

a) Hindustan Aeronautics Limited and its subsidiaries is collectively referred to as the "Group" or "Company" and its Joint Ventures are consolidated in this Financial Statement.

b) The Financial Statements are prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read together with relevant rules of the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Financial Statements have been prepared under the historical cost convention, on the accrual basis of accounting except for certain financial instruments that are qualified to be measured at fair value. The principles of consolidation are enumerated in Clause 2 of Note 49, Consolidated Notes to Financial Statements.

The functional currency of the Company is Indian Rupee.

2. USES OF ESTIMATES:

a) Preparation of financial statements in conformity with the recognition and the measurement principle of Ind AS requires the management of the Company to make estimates, judgments and assumptions that affects the reported balances of Assets and Liabilities, disclosure relating to contingent liabilities as on the date of the Financial Statements and the reported amount of revenues and expense for the reporting period.

b) Estimates and the underlying assumption are reviewed on an ongoing basis. The revision to the accounting estimates, if material is recognized in the period in which the estimates are revised.

c) Estimates and judgments made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are as follows:

i. Employee Defined benefit plans

The liabilities and costs for defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

ii. Provisions and contingencies

Assessments undertaken in recognising provisions and contingencies have been made as per the best judgment of the Management based on the current available information.

iii. Income Taxes

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.





Material Accounting Policies for the financial year 2024-25

3. CURRENT/NON-CURRENT CLASSIFICATION:

An asset is classified as current if it satisfies any of the following conditions:

a) the asset is expected to be realized or intended to be sold or consumed in Company's normal operating cycle;

b) the asset is held primarily for the purpose of trading;

c) the asset is expected to be realized within twelve months after the reporting period;

d) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

All other assets are classified as non-current.

A liability is classified as current if it satisfies any of the following conditions:

a) the liability is expected to be settled in Company's normal operating cycle;

b) the liability is held primarily for the purpose of trading;

c) the liability is due to be settled within 12 months after the reporting period;

d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date;

All other liabilities are classified as non-current.

The Company is having multiple business activities. For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle, business activity wise as follows:

i. For major manufacturing projects, repair and overhaul activities, spares, normal operating cycle is considered as the time period starting from the acquisition of assets for processing to their realization in cash or cash equivalents.

ii. In respect of Design and Development projects operating cycle is considered as the time period starting from the date of implementation of the project till the date of initial operational clearance.

iii. In respect of those activities/projects for which operating cycle cannot be determined or identified the same is taken as 12 months.

4. PROPERTY, PLANT AND EQUIPMENT(PPE):

a) Items of Property, Plant and Equipment Property that qualifies for recognition as an asset is initially measured at its cost. Following initial recognition, the items of Property, Plant and Equipment are carried at their cost less accumulated depreciation and accumulated impairment losses if any.

b) The cost includes purchase price, import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any cost directly attributable including borrowing cost on qualifying assets to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

c) Subsequent expenditure relating to PPE including major inspection costs, spare parts, standby and servicing equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

d) In accordance with Ind AS 101-First Time Adoption of Indian Accounting Standards, the Company had chosen to consider the carrying value for all its PPE as their deemed cost at the Opening Balance Sheet as at April 01, 2015.

e) Depreciation is calculated on straight line basis over estimated useful life as prescribed in Schedule II of the Companies Act 2013. Where the useful life of the asset is not as per Schedule II of the Companies Act 2013, the same is disclosed under Notes to Accounts.




Material Accounting Policies for the financial year 2024-25

f) PPE individually costing ₹ 50,000 and below are fully depreciated in the year of purchase.

g) Where part of an item of PPE with a cost significant in relation to the total cost of the item and have different useful lives, they are treated as separate components and depreciated over their estimated useful life.

h) Certain items like Special Tools are amortized over the number of units of production expected to be obtained from the asset based on technical assessment and management estimates depending on the nature and usage of the respective assets.

i) CSR Assets are fully depreciated in the year of capitalization.

j) The cost and the related accumulated depreciation are eliminated from the Financial Statements upon sale or de-recognition or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss of the relevant period.

k) The estimated useful lives, residual values and depreciation / amortisation method are reviewed at the end of each reporting period with the effect of changes in estimates accounted for on a prospective basis.

5. CAPITAL ADVANCES AND CAPITAL WORK IN PROGRESS (CWIP)

a) Advances given towards acquisition of PPE outstanding at each Balance sheet date are disclosed as other non-current assets.

b) Cost of Assets not ready for its intended use as on the Balance sheet date is shown as CWIP. Such properties are classified to the appropriate categories of PPE when completed and ready for its intended use.

c) Depreciation on such assets commence when the assets are ready for their intended use.

6. INVESTMENT PROPERTY

a) A property is considered as investment property only if the same is held for earning rentals and /or for capital appreciation or both. Properties held by the Company (directly or indirectly) which are used in the production of supply of goods or services for administrative purposes are not considered as Investment Property.

b) Investment Properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. In accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, the Company has chosen to consider the carrying value for all its Investment Property recognized in its Indian GAAP financial statement as their deemed cost as at the transition date viz, April 01, 2015.

c) Depreciation is calculated on straight line basis over estimated useful life as prescribed in Schedule II of the Companies Act 2013. Where the useful life of the asset is not as per Schedule II of the Companies Act 2013, the same is disclosed under Notes to Accounts.

7. INTANGIBLE ASSETS

a) Intangible Assets controlled and from which future economic benefits are expected to flow and having useful life are initially measured at cost and subsequently at cost less accumulated amortization and cumulative impairment losses, if any.

b) Development Costs having useful life and which will generate probable future economic benefits are recognized as an intangible asset and amortised over production based on technical estimate and to the extent not amortized are carried forward.

c) Expenditure on license fees, documentation charges etc, based on the definition criteria of intangible assets in terms of reliability of measurement of cost and future economic benefits from the assets, are amortised over production based on technical estimates, and to the extent not amortised, are carried forward.





Material Accounting Policies for the financial year 2024-25

d) The cost of software internally generated / acquired for internal use which is not an integral part of the related hardware, is recognized as an intangible asset and is amortised over three years, on straight line method. Amortisation commences when the asset is available for use.

e) Expenditure on Research is recognized as expenditure in the period in which it is incurred.

f) Wherever it is not possible to assess the useful life of an intangible asset (whether or not significant) the same is not amortised. Impairment on such intangible assets are reviewed annually and when there is an indication of impairment, the asset is impaired.

8. LEASE ACCOUNTING

The Company recognizes, at inception of a contract a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

a) At the date of commencement of the lease, the Company recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset for the lease term and a lease liability for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short term leases) and leases for which the underlying assets is of low value. For such short term and assets of low value leases, the Company recognizes the lease payment as an expense on a straight-line basis over the term of the lease.

b) At commencement date the ROU asset is measured at cost. The cost of the ROU asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The ROU assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any.

c) The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of PPE. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

d) At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the Company's incremental borrowing rate.

e) Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows. Short term lease payments and payments for leases of low value assets are classified as operating cash flows.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease.

I. Finance Lease:

a) A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the Lessee is classified as a finance lease. Title may or may not eventually be transferred.

b) At commencement date, an amount equal to the net investment in the lease is presented as receivable. The interest rate implicit in the lease is used to measure the value of net investment in the lease.

c) The finance income is recognized over the lease term in the statement of profit and loss account so as to reflect a constant periodic rate of return on the net investment in the lease.

d) The de-recognition and impairment requirement of the underlying asset is tested as per Ind AS 109- Financial instruments.




Material Accounting Policies for the financial year 2024-25

e) Any modifications in the lease are accounted as a separate lease when the recognition criteria specified in paragraph 79 of the standard are met.

II. Operating Lease:

a) Lease other than finance leases are operating leases.

b) The lease payment from operating leases are recognized as income on either a straight-line basis or another systematic basic, if required.

c) The expenses including depreciation cost associated with earning of the lease income is recognized as an expense.

d) Depreciation on underlying assets subject to operating leases are calculated on straight line basis over estimated useful life as prescribed in Schedule II of the Companies Act, 2013.

e) Any modifications in the lease are accounted as a separate lease if the recognition criteria specified in the standard is met.

Transition to Ind AS 116

a) Effective April 1, 2019, the Company has applied Ind AS 116 on Lease Accounting. Ind AS 116 replaces Ind AS 17. The Company has adopted Ind AS 116 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2019) and the comparative information continues to be reported under Ind AS 17.

b) The Company has chosen the practical expedient provided by the standard to apply Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17 and therefore has not reassessed whether a contract is or contains a lease at the date of initial application.

9. NON-CURRENT INVESTMENTS

a) In accordance with Ind AS 101, First time adoption of Indian Accounting Standards, the Company has chosen to consider the carrying amount of investment as their deemed cost as at the Opening Balance Sheet as at 01st April, 2015.

b) The Company has elected to recognize its investments in subsidiary and joint venture companies at cost in accordance with the option available in Ind AS 27 'Separate financial statements'.

c) Investments are carried individually at cost less accumulated impairment in the value of such Investments.

d) Cost of Investment includes acquisition charges such as brokerage, fees and duties.

e) The Company reviews the book value of the investment on a quarterly basis and provides for diminution in the value of the investment based on the net worth of the investee company.

f) Impairment in the value of investment is made only if in the opinion of management when there is a permanent fall in value of investment.

10. IMPAIRMENT OF NON-FINANCIAL ASSETS

As at each reporting date the Company assesses whether there is any indication that an asset may be impaired. If any indication exists, the Company estimates the recoverable amount. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognised and assets are written down to their recoverable amount.

11. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument.





Material Accounting Policies for the financial year 2024-25

I. Financial Assets

Initial recognition and Measurement

All financial assets are recognized at fair value on initial recognition except for trade receivables which are initially measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of the financial asset, which are not valued at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

Subsequent Measurement

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset

Based on the above criteria, for purpose of subsequent measurement, financial assets are classified in the following categories:

a) Financial assets carried at amortised cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company.

b) Financial assets carried at fair value through other comprehensive income (FVOCI):

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets carried at fair value through profit or loss (FVTPL):

A financial asset, which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

Derecognition

The Company derecognizes (i.e removes from the Company's balance sheet) a financial asset (or where applicable a part of a financial asset) when the contractual rights to receive the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

On derecognition of a financial asset, (except as mentioned in (b) above for financial assets measured at FVTOCI), the difference between the asset's carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

a) Debts from the Government departments are generally treated as fully recoverable, based on past experience, and hence in the opinion of Management there is no increase in the credit risk of such financial assets.

b) In respect of dues outstanding for a significant period of time, impairment on account of expected credit loss is being assessed on a case-to-case basis.




Material Accounting Policies for the financial year 2024-25

c) Suitable provision is made for dues which are disputed.

d) ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit and Loss.

II. Financial Liability

Initial recognition and Measurement

All financial liabilities are recognized at fair value on initial recognition and in the case of liabilities subsequently measured at amortized cost, net of directly attributable transaction cost.

The Company's Financial Liabilities include trade and other payables, loans and borrowings. For trade and other payables liabilities are recognized for the amounts to be paid for the goods / services received whether billed by the supplier or not.

Subsequent Measurement

All financial liabilities of the Company are subsequently measured at amortized cost.

Derecognition

A financial liability (or where applicable a part of the financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet wherever there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

12. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs):

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company measures financial instruments, in its financial statements at fair value at each reporting date.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy

13. DEFERRED DEBTS

Unpaid installment payments under deferred payment terms for the cost of imported materials and tooling content of the equipment / products sold are accounted as deferred debts from the customer and are recovered as and when the installments are paid.



Material Accounting Policies for the financial year 2024-25

14. INVENTORIES

a) Inventories other than Saleable / Disposable scrap are valued at lower of Cost and Net Realisable Value. Saleable / Disposable scrap is valued at net realisable value.

b) The cost of raw material excluding Goods-in-Transit, components and stores are assigned by using the weighted average cost formula. Goods-in-Transit are valued at cost-to-date. In the case of Finished Goods, Stock-in-Trade and Work-In-Progress, cost includes costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes Taxes and duties (other than Taxes and duties for which input credit is available).

c) Provision for redundancy is assessed on ageing at a suitable percentage / level of the value of closing inventory of raw material and components, stores and spare parts and construction material. Besides, wherever necessary, adequate provision is made for the redundancy of such materials in respect of completed / specific projects and other surplus / redundant material pending transfer to salvage stores.

d) Stores declared surplus / unserviceable / redundant are charged to revenue in the year of such identification.

e) Consumables issued from stores and lying unused at the end of the year are not reckoned as inventory.

15. REVENUE RECOGNITION

I. Manufacturing of Aircraft/Helicopter/Spares/Repair Contracts

a) Revenue on Sale of Goods and Services is recognized at a point in time when the Company satisfies the performance obligation on transfer of control of the products to the customer in an amount that reflects the consideration the Company expects to receive in exchange for those products pursuant to the contract with customer. It is measured at transaction price. Revenue from service Warranty is recognized on straight line basis over the period of Warranty.

Transfer of Control happens on:

i. Acceptance by the buyer's Inspector, by way of Signaling Out Certificate (SOC)

or

Acceptance by the buyer's pilot, by way of Certificate of Conformity (COC), wherever, specifically required in the contract, in the case of Aircrafts/Helicopters,

ii. Acceptance by the buyer's inspection agency/SOC or as agreed to by the Buyer, in the case of Repair & Overhaul of Aircraft/Helicopter/Engine, Rotables, Site repairs, Cat 'B' repair servicing etc.,

iii. For other deliverables like Spares, Revenue is recognized based on the acceptance by the buyer's inspection agency or as agreed to by the buyer.

b) In case of Performance Based Logistic Contracts, Revenue is recognized over a period of time, based on Helicopter Availability Certificate, jointly signed by Seller and buyer.

c) Revenue is recognized based on the prices agreed with customers. Where the prices are yet to be agreed/ determined, the revenue is recognised at the most likely amount based on past experience. Differential revenue, if any, is recognised on receipt of approval / sanction.

II. Development Contracts

a) Revenue is recognized over a period of time on incurrence of expenditure identifiable to work orders:

i. where milestones have been defined, on achievement of milestone under the output method.

ii. where milestones have not been defined, on incurrence of expenditure under the input method.

b) Where the customer's sanction for revision is pending, the expenditure incurred is retained in work-in-progress/ intangible asset. Subsequent revenue is recognized on receipt of revised financial sanction from the customer.




Material Accounting Policies for the financial year 2024-25

III. Significant Financing Component

a) For the majority of the contracts, advance payments are received, prior to commencement of work and milestone payments are paid in accordance with the terms of the contract.

b) Payments received from customers in advance are not considered to be a significant financing component as they are given with the objective to protect the interest of the contracting parties.

IV. Contract Modification

A contract modification exists when the change in scope is agreed but the corresponding change in price is not determined. In such circumstances, revenue is recognized, based on the Company's assessment of the estimated change in the transaction price arising from the modification.

V. Other Income

Interest Income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the right to receive payment has been established.

VI. Receivables

Receivables represent the Company's unconditional right to consideration under the contract. The right to consideration is considered unconditional, if only passage of time is required before payment of that consideration is due.

VII. Contract Assets

Contract Assets represents the Company's right to receive the consideration in exchange for the Goods or Services that the Company has transferred to the customer, when that right is conditioned on something other than passage of time.

16. EMPLOYEE BENEFITS

I. Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the related service are classified as short-term employee benefits and they mainly include wages & salaries, incentives, performance related pay, non-monetary benefits such as medical care, etc. They are valued on undiscounted basis and recognized as an expense in the statement of profit and loss of the period in which the employee renders the related service.

II. Post-Employment Benefits:

a) The Company operates Defined Contribution Pension Scheme and Post Superannuation Group Health Insurance Scheme for employees which are considered as defined contribution plans. The schemes are managed by duly constituted trusts. The Company periodically contributes to the trust fund. The Company recognizes contribution payable to a defined contribution plan as an expense in the statement of profit and loss account. The Company's liability is limited to the extent of contribution made to these trusts.

b) Provident Fund Scheme

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. The Company makes specified monthly contributions towards Employee Provident Fund scheme to separate trusts established for the purpose based on a fixed percentage of the eligible employee's salary and the same is charged to the Statement of Profit and Loss.

The minimum rate at which annual interest is payable by the trust to the beneficiaries is being notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate. Such shortfall is determined at each Balance Sheet date based on actuarial valuation and charged to the Statement of Profit and Loss.





Material Accounting Policies for the financial year 2024-25

c) Gratuity Scheme

The Company provides for gratuity covering eligible employees. The same is considered as a defined benefit retirement plan. The Company contributes Gratuity liabilities to the Gratuity Trust.

Recognition and measurement of defined benefit plans:

The cost of providing defined benefits is determined on the basis of actuarial valuation using the Projected Unit Credit method with valuation being carried out at each Balance Sheet date.

The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. The net defined benefit obligations recognised in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss.

i. Service cost comprising current service costs, past service costs.

ii. Net interest on the defined benefit liability (asset). Net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Gains and losses through re-measurements of the net defined benefit liability/(asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in the subsequent period. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

III. Compensated Absences:

The Company has a policy on compensated absences like Vacation leave which are accumulating in nature. Vacation leave can either be availed or encashed subject to restrictions on the maximum number of accumulations of leave. The Company determines the liability for such accumulated leaves using the Project Unit Credit method with actuarial valuations being carried out at each Balance Sheet date. The obligation is funded through qualifying insurance policies made with insurance companies.

17. FOREIGN CURRENCY TRANSACTION/TRANSLATION

Initial Recognition:

On initial recognition, transaction in foreign currencies, entered into by the Company, are recorded in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Measurement of Foreign currency items at reporting date:

Foreign currency monetary items are translated at closing exchange rates. Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is measured.

Recognition of Exchange Difference:

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statement is recognized in statement of profit and loss in the period in which they arise.




Material Accounting Policies for the financial year 2024-25

18. INCOME TAXES

a) Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act,1961(the "Act").

b) Deferred Tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax Assets in excess of Deferred Tax Liability are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred Tax Assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

19. CLAIMS BY THE COMPANY

Claims on suppliers / underwriters / carriers towards loss / damages, claims for export subsidy, duty drawbacks, and claims on Customs department for refunds are accounted when claims are preferred.

20. PROVISION AND CONTINGENT LIABILITIES

a) A provision is recognised, when the Company has the present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made.

b) Where no reliable estimate can be made or when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources, disclosure is made as Contingent Liability. Expected reimbursement, if any, is disclosed under Notes to Accounts.

c) When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

I. PROVISION FOR WARRANTY

Provision for warranty is recognized on actuarial valuation for Manufacturing and Repair and Overhaul of Aircraft/ Helicopter/Engine/Rotables and Spares and development activities etc.

II. PROVISION FOR LIQUIDATED DAMAGES

Provision for Liquidated Damages is recognized when the expected date of delivery of Goods / rendering of Service in respect of Manufacturing and Repair and Overhaul of Aircraft/Helicopter/Engine/Rotables, Spares and Development activities etc is beyond the due date as per delivery schedule and at the rates specified in the Contract with the Customer.

III. PROVISION FOR ONEROUS CONTRACTS

A provision for onerous contract is recognized when the expected benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

21. BORROWING COSTS

Borrowing cost includes interest, and other costs incurred in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred.

22. ESTIMATES AND ERRORS

The Company revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively unless it is impracticable to apply.





Material Accounting Policies for the financial year 2024-25

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of profit and loss is applied prospectively in the period(s) of change.

When it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate, the change is treated as a change in an accounting estimate.

Discovery of material errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities, and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

23. EVENTS AFTER THE REPORTING PERIOD

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted.

24. EARNINGS PER SHARE

The Company presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is determined by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(DR. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064

Place: Bengaluru
Date: 14.05.2025



Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 1 - Property, Plant and Equipment

Note 1A - Gross Block - Property, Plant and Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2025 are as follows:

(₹ in Lakhs)

Particulars	Gross Block As at 1st April 2024	Additions	Reclassification / Adjustment	Disposals	Gross Block As at 31st March 2025
Own Assets:					
Land -					
- Leasehold	34	0	0	0	**34**
- Freehold	1948	0	0	0	**1948**
Buildings	161139	8145	-16	0	**169268**
Plant and Equipment	271144	24038	243	285	**295140**
Furniture and Fixtures	11156	1924	0	108	**12972**
Vehicles	10266	1223	0	268	**11221**
Office Equipment	20299	10544	0	127	**30716**
Others					
Assets used for CSR Activities	4525	0	0	0	**4525**
Roads and Drains	11981	132	15	0	**12128**
Water Supply	7560	439	0	0	**7999**
Runways	4112	0	0	0	**4112**
Aircraft/Helicopters	38713	0	-242	0	**38471**
Sub Total	**542877**	**46445**	**0**	**788**	**588534**
Special Tools	705138	45689	0	0	**750827**
Total Own Assets	**1248015**	**92134**	**0**	**788**	**1339361**
Right-of-Use Asset:					
Land	867	0	0	0	**867**
Buildings	8503	0	0	0	**8503**
Total Right-of-Use Asset	**9370**	**0**	**0**	**0**	**9370**
Total	**1257385**	**92134**	**0**	**788**	**1348731**

(i) The amount of contractual commitments for the accquisition of Property, Plant and Equipment is disclosed under Clause 4 (c) of Note 49

(ii) There is no charge or lein on Property, Plant and Equipment





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 1B - Accumulated Depreciation- Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Provision As at 1st April 2024	Additions	Reclassification / Adjustment	Disposals	Provisions As at 31st March 2025
Own Assets:					
Land -					
- Leasehold	5	1	0	0	**6**
- Freehold	0	0	0	0	**0**
Buildings	35643	5060	-1	0	**40702**
Plant and Equipment	160399	19334	243	261	**179715**
Furniture and Fixtures	9604	1542	0	110	**11036**
Vehicles	6758	904	0	160	**7502**
Office Equipment	14880	3741	0	110	**18511**
Others					
Assets used for CSR Activities	4525	0	0	0	**4525**
Roads and Drains	5875	869	0	0	**6744**
Water Supply	3460	628	0	0	**4088**
Runways	1753	314	0	0	**2067**
Aircraft/Helicopters	18728	1794	-242	0	**20280**
Subtotal	**261630**	**34187**	**0**	**641**	**295176**
Special Tools	366440	38741	0	0	**405181**
Total Own Assets	**628070**	**72928**	**0**	**641**	**700357**
Right-of-Use Asset:					
Land	114	16	0	0	**130**
Buildings	875	284	0	0	**1159**
Total Right-of-Use Asset	**989**	**300**	**0**	**0**	**1289**
Total	**629059**	**73228**	**0**	**641**	**701646**

Above Includes:	As at 31st March 2025
Gross Value of Assets with M/s. Midhani	**1195**
Cumulative Depreciation in respect of Assets with M/s. Midhani	**1195**
	0

	As at 31st March 2025
Gross Value of Assets retired from Active Use	**714**
Less : Cumulative Depreciated Value of Assets retired from Active Use.	**714**
WDV of Assets Retired from Active Use.	**0**



Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 1C - Impairment Loss - Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Impairment loss As at 1st April 2024	Additions	Reclassification / Adjustment	Disposals	Impairment Loss As at 31st March 2025	Net Block As at 31st March 2025	Net Block As at 31st March 2024
Own Assets:							
Land -							
- Leasehold					**0**	**28**	29
- Freehold					**0**	**1948**	1948
Buildings					**0**	**128566**	125496
Plant and Equipment					**0**	**115425**	110745
Furniture and Fixtures					**0**	**1936**	1552
Vehicles					**0**	**3719**	3508
Office Equipment					**0**	**12205**	5419
Others Assets used for CSR Activities					**0**	**0**	0
Roads and Drains					**0**	**5384**	6106
Water Supply					**0**	**3911**	4100
Runways					**0**	**2045**	2359
Aircraft/Helicopters					**0**	**18191**	19985
Subtotal	0	0	0	0	**0**	**293358**	281247
Special Tools	50303	0	0	244	**50059**	**295587**	288395
Total Own Assets	**50303**	**0**	**0**	**244**	**50059**	**588945**	569642
Right-of-Use Asset:							
Land					**0**	**737**	753
Buildings					**0**	**7344**	7628
Total Right-of-Use Asset	0	0	0	0	**0**	**8081**	8381
Total	**50303**	**0**	**0**	**244**	**50059**	**597026**	578023





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 1 - Property, Plant and Equipment

Note 1A - Gross Block-Property, Plant and Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31st March 2024 are as follows:

(₹ in Lakhs)

Particulars	Gross Block As at 1st April 2023	Additions	Reclassification /Adjustment	Disposals	Gross Block As at 31st March 2024
Own Assets:					
Land -					
- Leasehold	34	0	0	0	34
- Freehold	1948	0	0	0	1948
Buildings	164827	11720	-15357	51	161139
Plant and Equipment	249573	14984	7332	745	271144
Furniture and Fixtures	10256	1028	10	138	11156
Vehicles	9557	928	0	219	10266
Office Equipment	17519	2910	1	131	20299
Others					
Assets used for CSR Activities	4525	0	0	0	4525
Roads and Drains	6110	58	5813	0	11981
Water Supply	7143	237	180	0	7560
Runways	1776	315	2021	0	4112
Aircraft/Helicopters	38713	0	0	0	38713
Sub Total	**511981**	**32180**	**0**	**1284**	**542877**
Special Tools	657709	47429	0	0	705138
Total Own Assets:	**1169690**	**79609**	**0**	**1284**	**1248015**
Right-of-Use Asset:					
Land	867	0	0	0	867
Buildings	8474	29	0	0	8503
Total Right-of-Use Asset:	**9341**	**29**	**0**	**0**	**9370**
Total	**1179031**	**79638**	**0**	**1284**	**1257385**

(i) The amount of contractual commitments for the accquisition of Property, Plant and Equipment is disclosed under Clause 4 (c) of Note 49

(ii) There is no charge or lein on Property, Plant and Equipment




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 1B - Accumulated Depreciation- Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Provision As at 1st April 2023	Additions	Reclassification /Adjustment	Disposals	Provisions As at 31st March 2024
Own Assets:					
Land -					
- Leasehold	4	1	0	0	5
- Freehold	0	0	0	0	0
Buildings	30739	5031	-124	3	35643
Plant and Equipment	142153	18869	60	683	160399
Furniture and Fixtures	8759	965	0	120	9604
Vehicles	5929	973	0	144	6758
Office Equipment	13140	1866	1	127	14880
Others					
Assets used for CSR Activities	4525	0	0	0	4525
Roads and Drains	4768	1059	48	0	5875
Water Supply	2792	670	-2	0	3460
Runways	1410	326	17	0	1753
Aircraft/Helicopters	16934	1794	0	0	18728
Subtotal	**231153**	**31554**	**0**	**1077**	**261630**
Special Tools	317025	49415	0	0	366440
Total Own Assets	**548178**	**80969**	**0**	**1077**	**628070**
Right-of-Use Asset:					
Land	99	15	0	0	114
Buildings	589	286	0	0	875
Total Right-of-Use Asset	**688**	**301**	**0**	**0**	**989**
Total	**548866**	**81270**	**0**	**1077**	**629059**

Above Includes:	As at 31st March 2024
Gross Value of Assets with M/s. Midhani	**1195**
Cumulative Depreciation in respect of Assets with M/s. Midhani	**1195**
	0

	As at 31st March 2024
Gross Value of Assets retired from Active Use	**467**
Less : Cumulative Depreciated Value of Assets retired from Active Use.	**467**
WDV of Assets Retired from Active Use.	**0**





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 1C - Impairment Loss - Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Impairment loss As at 1st April 2023	Additions	Reclassification/ Adjustment	Disposals	Impairment Loss As at 31st March 2024	Net Block As at 31st March 2024	Net Block As at 31st March 2023
Own Assets:							
Land -							
- Leasehold					**0**	**29**	30
- Freehold					**0**	**1948**	1948
Buildings					**0**	**125496**	134088
Plant and Equipment					**0**	**110745**	107420
Furniture and Fixtures					**0**	**1552**	1497
Vehicles					**0**	**3508**	3628
Office Equipment					**0**	**5419**	4379
Others Assets used for CSR Activities					**0**	**0**	0
Roads and Drains					**0**	**6106**	1342
Water Supply					**0**	**4100**	4351
Runways					**0**	**2359**	366
Aircraft/Helicopters					**0**	**19985**	21779
Subtotal	0	0			**0**	**281247**	280828
Special Tools	50303	0			**50303**	**288395**	290381
Total Own Assets	**50303**	**0**			**50303**	**569642**	571209
Right-of-Use Asset:							
Land					**0**	**753**	768
Buildings					**0**	**7628**	7885
Total Right-of-Use Asset	0	0			**0**	**8381**	8653
Total	**50303**	**0**			**50303**	**578023**	579862




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 2 - Capital Work-in-Progress

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Buildings	**49704**	43845
Plant and Equipment	**38377**	35444
Furniture and Fixtures	**0**	9
Office Equipment	**819**	224
Water Supply	**47**	112
Roads and Drains	**122**	0
Plant and Equipment under Inspection and in Transit	**6303**	2443
Special Tools	**13736**	11611
TOTAL	**109108**	93688

(i) Refer Clause 9 of Note 49 for further disclosures on capital work-in-progress

(ii) The amount of contractual commitments for the accquisition of Property, Plant and Equipment is disclosed under Clause 4 (c) of Note 49

Note 3 - Investment Property

The changes in the carrying value of investment property for the year ended 31st March 2025 are as follows:

Note - 3A -Gross Block - Investment Property

(₹ in Lakhs)

Particulars	Gross Block As at 1st April 2024	Additions	Disposals	Gross Block As at 31st March 2025
Buildings	4	-	-	4
Total	**4**	**-**	**-**	**4**

Refer Clause 6 of Note 49

Note 3B - Accumulated Depreciation - Investment Property

(₹ in Lakhs)

Particulars	Provision As at 1st April 2024	Additions	Disposals	Provisions As at 31st March 2025	Net Block As at 31st March 2025	Net Block As at 31st March 2024
Buildings	2	-	-	2	2	2
Total	**2**	**-**	**-**	**2**	**2**	**2**





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 3 - Investment Property

The changes in the carrying value of investment property for the year ended 31st March 2024 are as follows:

Note 3A - Gross Block - Investment Property

(₹ in Lakhs)

Particulars	Gross Block As at 1st April 2023	Additions	Disposals	Gross Block As at 31st March 2024
Buildings	4	-	-	4
Total	**4**	**-**	**-**	**4**

Refer Clause 6 of Note 49

Note 3B - Accumulated Depreciation - Investment Property

(₹ in Lakhs)

Particulars	Provision As at 1st April 2023	Additions	Disposals	Provisions As at 31st March 2024	Net Block As at 31st March 2024	Net Block As at 31st March 2023
Buildings	1	1	0	2	2	3
Total	**1**	**1**	**0**	**2**	**2**	**3**

Note 5 - Other Intangible assets

The changes in the carrying value of other intangible assets for the year ended 31st March 2025 are as follows:

Note 5A - Gross Block - Other Intangible Assets

(₹ in Lakhs)

Particulars	As at 1st April 2024	Additions	Adjustment*	As at 31st March 2025
Licence Fees	144899	3281	0	**148180**
Computer Software	11320	3485	0	**14805**
Documentation	69239	2756	0	**71995**
Development Expenditure	233947	26970	-165	**260752**
Total	**459405**	**36492**	**-165**	**495732**

*The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 6A)

Note 5B - Accumulated Amortization - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1st April 2024	Amortisation	Adjustment	As at 31st March 2025
Licence Fees	84126	1060	0	**85186**
Computer Software	8489	2019	0	**10508**
Documentation	28174	31841	0	**60015**
Development Expenditure	179109	25889	0	**204998**
Total	**299898**	**60809**	**0**	**360707**



Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 5C - Impairment Loss - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1st April 2024	Impairment Loss	Adjustment	As at 31st March 2025
Licence Fees	18484	0	0	**18484**
Computer Software	0	0	0	**0**
Documentation	1081	0	0	**1081**
Development Expenditure	44278	1130	0	**45408**
Total	**63843**	**1130**	**0**	**64973**

Note 5 - Other Intangible assets

The changes in the carrying value of other intangible assets for the year ended 31st March 2024 are as follows:

Note 5A - Gross Block - Other Intangible Assets

(₹ in Lakhs)

Particulars	As at 1st April 2023	Additions	Adjustment*	As at 31st March 2024
Licence Fees	143349	1550	0	**144899**
Computer Software	9035	2285	0	**11320**
Documentation	68903	336	0	**69239**
Development Expenditure	185382	47809	756	**233947**
Total	**406669**	**51980**	**756**	**459405**

*The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 6A)

Note 5B - Accumulated Amortization - Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1st April 2023	Amortisation	Adjustment	As at 31st March 2024
Licence Fees	75937	8189	0	**84126**
Computer Software	7521	968	0	**8489**
Documentation	24955	3219	0	**28174**
Development Expenditure	132039	47070	0	**179109**
Total	**240452**	**59446**	**0**	**299898**

Note 5C - Impairment Loss -Other Intangible assets

(₹ in Lakhs)

Particulars	As at 1st April 2023	Impairment Loss	Adjustment	As at 31st March 2024
Licence Fees	18484	0	0	**18484**
Computer Software	0	0	0	**0**
Documentation	1081	0	0	**1081**
Development Expenditure	43077	1201	0	**44278**
Total	**62642**	**1201**	**0**	**63843**




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 6 - Intangible Assets under Development

The changes in the carrying value of intangible assets under development for the year ended 31st March 2025 are as follows:

Note 6A - Gross Carrying cost -Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2024	Additions	Adjustment*	As at 31st March 2025
Development Expenditure	219747	46191	165	**266103**
Total	**219747**	**46191**	**165**	**266103**

*(i) The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 5A)

(ii) The amount of contractual commitments for the accquisition of intangible assets is disclosed under Clause 4 (c) of Note 49.

(iii) Refer Clause 10 of Note 49 for further disclosures on Intangible assets under development

Note 6B - Accumulated Amortization - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2024	Amortisation	Adjustment	As at 31st March 2025
Development Expenditure	58518	0	0	**58518**
Total	**58518**	**0**	**0**	**58518**

Note 6C - Impairment Loss -Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2024	Impairment Loss	Adjustment	As at 31st March 2025
Development Expenditure	5574	1344	0	**6918**
Total	**5574**	**1344**	**0**	**6918**

Note 6 - Intangible Assets under Development

The changes in the carrying value of intangible assets under development for the year ended 31st March 2024 are as follows:

Note 6A - Gross Carrying cost -Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2023	Additions	Adjustment*	As at 31st March 2024
Development Expenditure	188608	31895	-756	**219747**
Total	**188608**	**31895**	**-756**	**219747**

* (i) The Intangible assets under development has been completed and transferred to other intangible assets (Refer Note 5A)

(ii) The amount of contractual commitments for the accquisition of intangible assets is disclosed under Clause 4 (c) of Note 49.

(iii) Refer Clause 10 of Note 49 for further disclosures on Intangible assets under development

Note 6B - Accumulated Amortization - Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2023	Amortisation	Adjustment	As at 31st March 2024
Development Expenditure	58518	0	0	**58518**
Total	**58518**	**0**	**0**	**58518**




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 6C - Impairment Loss -Intangible assets under Development

(₹ in Lakhs)

Particulars	As at 1st April 2023	Impairment Loss	Adjustment	As at 31st March 2024
Development Expenditure	5280	294	0	**5574**
Total	**5280**	**294**	**0**	**5574**

Note 7 - Investments accounted for using the equity method

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
INVESTMENTS AT COST LESS PROVISION (UN-QUOTED)		
Investment in Joint Ventures		
BAe-HAL Software Ltd-29,40,000 (29,40,000-P.Y) shares of ₹ 10 FV each fully paid	**294**	294
+/-Interest in Joint Venture	**407**	153
Less Provision for Impairment in value of Investment	**0**	61
Net -BAe-HAL Software Ltd	**701**	386
Safran HAL Aircraft Engines Private Ltd -11,40,000 (11,40,000-P.Y) Shares of ₹ 100 F.V. each fully paid	**1140**	1140
+/-Interest in Joint Venture	**5528**	4469
Net - Safran HAL Aircraft Engines Private Ltd	**6668**	5609
Indo Avia Services Ltd (Formerly Indo Russian Aviation Ltd) - 9,36,525 (9,36,525-P.Y) shares of ₹ 10 FV each fully paid	**94**	94
+/-Interest in Joint Venture	**7144**	6618
Net - Indo Avia Services Ltd.	**7238**	6712
HALBIT Avionics Pvt Ltd -3,82,500 (3,82,500-P.Y) Shares of ₹ 100 FV each fully paid	**383**	383
Less Provision for Impairment in value of Investment	**383**	383
Net - HALBIT Avionics Pvt. Ltd.	**0**	0
HAL Edgewood Technologies Pvt Ltd 3,00,000 (3,00,000-P.Y) Shares of ₹ 100 FV each fully paid	**300**	300
Less Provision for Impairment in value of Investment	**300**	300
Net- HAL Edgewood Technologies Pvt. Ltd.	**0**	0
SAMTEL HAL Display Systems Ltd-1,60,000 (1,60,000-P.Y) Shares of ₹ 100 FV each fully paid	**160**	160
Less Provision for Impairment in value of Investment	**160**	160
Net - SAMTEL HAL Display Systems Ltd	**0**	0
INFOTECH HAL Ltd - 20,00,000 (20,00,000-P.Y) Shares of ₹ 10 FV each fully paid	**200**	200
Less Provision for Impairment in value of Investment	**200**	200
Net- INFOTECH HAL Ltd.	**0**	0
HATSOFF Helicopter Training Pvt Ltd -3,84,04,205 (3,84,04,205 P.Y) Shares of ₹ 10 FV each fully paid	**3840**	3840
Less Provision for Impairment in value of Investment	**3840**	3840





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Net- HATSOFF Helicopter Training Pvt. Ltd.	**0**	0
International Aerospace Manufacturing Pvt Ltd - 42,50,000 (42,50,000 - P.Y) Shares of ₹ 100 FV each fully paid	**4250**	4250
+/-Interest in Joint Venture	**3529**	2332
Less Provision for Impairment in value of Investment	**0**	855
Net- International Aerospace Manufacturing Pvt Ltd	**7779**	5727
Multirole Transport Aircraft Ltd. - 1,13,46,564 (1,13,46,564 P.Y.) Shares of ₹ 100 FV each fully paid	**11347**	11347
+/-Interest in Joint Venture	**-4047**	-4669
Less Provision for Impairment in value of Investment	**6678**	6678
Net- Multirole Transport Aircraft Ltd.	**622**	0
Helicopter Engines MRO Pvt Ltd - 24,59,986 (24,59,986 P.Y.) Shares of ₹ 100 FV each fully paid	**2460**	2460
+/-Interest in Joint Venture	**-517**	-399
Less Provision for Impairment in value of Investment	**517**	415
Net- Helicopter Engines MRO Pvt Ltd	**1426**	1646
SAFHAL Helicopter Engines Private Limited - 10,00,000 (10,00,000 P.Y.) Shares of ₹ 10 FV each fully paid	**100**	100
+/-Interest in Joint Venture	**-31**	-16
Less Provision for Impairment in value of Investment	**31**	0
Net- SAFAL Helicopter Engines Private Ltd	**38**	84
Total In Equity of Joint Ventures	**24472**	20164
TOTAL	**24472**	20164
Disclosure		
(i) Aggregate amount of Quoted Investment and Market Value.		
(ii) Aggregate amount of Unquoted Investments. (net)	24472	20164
(iii) Aggregate amount of impairment in value of investments	12109	12892
(iv) Refer Clause 30 (c) of Note 49 for further details on Investment in Joint Ventures		

Note 7A - Financial Asset - Investments at Cost

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Investments in Structured Entities (UNQUOTED)		
a) HAE Co-operative Society of 25 (25 P.Y) Shares of ₹ 100 FV each fully paid*	**0**	0
b) Satnam Apartment Ltd - 41 (41 P.Y) Shares of ₹100 each at cost for acquisition of a Flat**	**0**	0
c) Aerospace & Aviation Sector Skill Council (AASSC) - 125 (125 P.Y.) Shares of ₹ 10000 FV each fully paid	**13**	13
d) Defence Innovation Organisation - 50 (P.Y 50) Shares of ₹ 1000 FV each fully paid***	**1**	1




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
e) Communication (Defence) Testing Foundation - 26131 (P.Y Nil) Shares of ₹ 1000 FV each fully paid***	**261**	0
f) Electronic Warfare (Defence) Testing Foundation - 23480 (P.Y Nil) Shares of ₹ 1000 FV each fully paid***	**235**	0
g) UAS Testing Foundation - 50000 (P.Y Nil) Shares of ₹ 1000 FV each fully paid***	**500**	0
h) Advance Material (Defence) Testing Foundation. - 27,320 (P.Y Nil) Shares of ₹ 1000 FV each fully paid***	**273**	0
i) Systyem Testing And Research For Advanced Materials Foundation - 20,000 (P.Y Nil) Shares of ₹ 100 FV each fully paid***	**20**	0
Total In Equity of Others (A)	**1303**	14
B. Other Investments (UNQUOTED)		
LIC of India (For Funding Vacation Leave)	**149645**	138955
Total In Other Investments (B)	**149645**	138955
TOTAL (A+B)	**150948**	138969
* Total ₹ 2500 (P.Y ₹ 2500) (absolute figure) are held by Kanpur division which is rounded off.		
** Total ₹ 7220 (P.Y ₹ 7220) (absolute figure) are held by Nasik division which is rounded off.		
*** Refer Clause 32(i) to 32(vi) of Note 49 for further details.		
(i) Aggregate amount of Quoted Investment and Market Value.	**0**	0
(ii) Aggregate amount of Unquoted Investments. (net)	**150948**	138969
(iii) Aggregate amount of impairment in value of investments	**0**	0

Note 8 - Financial Asset-Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Trade Receivables	**0**	0
TOTAL	**0**	0

Note 8A - Financial Asset-Contract Assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Contract Assets		
Unbilled Revenue	**0**	0
TOTAL	**0**	0





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 9 - Financial Asset - Loans

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Considered Good-Secured		
a) Loans to Related Parties	**0**	0
b) Others		
Loans and advances to employees	**10**	9
Sub-Total (A)	**10**	9
B. Considered Good-Unsecured		
a) Loans to Related Parties	**0**	0
b) Others		
Loans and advances to employees	**547**	552
Sub-Total (B)	**547**	552
C. Loans which have significant increase in credit risk		
Sub-Total (C)	**0**	0
D. Loans - Credit Impaired		
Sub-Total (D)	**0**	0
TOTAL (A+B+C+D)	**557**	561

Note 10 - Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Claims Receivable Unsecured		
Receivable - Credit Impaired	**8171**	9510
Sub-Total	**8171**	9510
Less: Provision for Doubtful Claims	**8171**	9510
Sub-Total (A)	**0**	0
B. Security Deposit		
Govt Departments for Customs Duty and for Supplies	**12**	12
Public Utility Concerns	**2702**	2701
Others	**1220**	1292
Sub-Total (B)	**3934**	4005
C. Balances with Bank		
Bank deposit with more than 12 Months maturity*	**725**	751
Sub-Total (C)	**725**	751
D. Others		
Deferred Debts	**34252**	34791
Sub-Total (D)	**34252**	34791
TOTAL (A+B+C+D)	**38911**	39547
(i) Above balances of Claims Receivable include balances with related parties (Refer Receivables of Clause No.3(i)(g) of Note 49)	**521**	522
(ii) Above balances of Provision for Doubtful Claims include balances with related parties (Refer Clause No.3(i)(p) of Note 49)	**521**	522
*(iii) Fully Earmarked for Committed Liabilities of more than 12 months	**0**	1




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 11 - Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
The tax effect of significant temporary differences that resulted in deferred tax assets:		
As per last Balance Sheet	**145433**	112571
Add / (Less): Current Year's Assets	**11366**	32862
TOTAL	**156799**	145433

Note 12 - Other Non - Current assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Capital Advances	**26429**	24266
Less: Provision for Bad and Doubtful	**240**	0
B. Advance Other than Capital Advances		
Advances against Goods and Services	**12623**	8371
Other Advances	**918**	841
	39730	33478
C. Others		
Balances with Revenue Authorities		
Income tax	**215623**	166494
Others-under dispute	**13310**	40064
Prepaid Expenses	**20**	27
TOTAL (A+B+C)	**268683**	240063

Note 13 - Inventories

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Inventories (At Lower of Cost and Net Realisable Value)#		
(i) Raw Materials and Components	**630878**	694869
Less: Provision for Redundancy	**207403**	243576
	423475	451293
(ii) Work-in-Progress	**1553975**	788829
Less: Provision for Redundancy	**26589**	26589
	1527386	762240
(iii) Finished Goods	**0**	0
(iv) Stock-in-Trade	**1494**	4149
(v) Stores and Spares	**23146**	33322
Less: Provision for Redundancy	**4980**	7334
	18166	25988
(vi) Loose Tools	**7022**	9317
Less: Provision for Redundancy	**1572**	2568
	5450	6749





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
(vii) Construction Materials	**42**	57
Less: Provision for Redundancy	**10**	10
	32	47
(viii) Disposable Scrap (at Net Realisable Value)	**830**	742
(ix) Goods under Inspection and in Transit		
Raw material and Components	**179536**	61022
Stores and Spares	**556**	972
Loose Tools	**686**	397
	180778	62391
(x) Inventory - Warranty	**12566**	9644
Less: Provision for Redundancy	**2607**	1489
	9959	8155
TOTAL	**2167570**	1321754
(#) (i) includes those issued to Sub-Contractors for Job Works	**36651**	14929

Note 14 - Financial Asset - Investments

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
INVESTMENTS AT COST LESS PROVISION (UN-QUOTED)		
TOTAL	**0**	0

Note 15 - Financial Asset-Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Trade Receivables		
Considered Good - Unsecured	**464779**	461685
Credit Impaired	**14261**	16601
	479040	478286
Less: Allowance for Doubtful Debts	**14261**	16601
TOTAL	**464779**	461685
(i) Above balances of trade receivables include balances with related parties (Refer Receivables of Clause No.3(i)(g) of Note 49)	**725**	669
(ii) Above balances of Allowance for Doubtful Debts include balances with related parties (Refer Clause No. 3(i)(p) of Note 49).	**0**	0
(iii) Refer Clause 11 of Note 49 for ageing schedule of Trade Receivables		



Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 15A - Financial Asset-Contract Assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Contract Assets		
Unbilled Revenue	**1610278**	1195788
Less: Allowance for Doubtful Debts	**21362**	6392
TOTAL	**1588916**	1189396

Refer Clause 12 of Note 49 for ageing schedule of Contract Assets

Note 16 - Financial Asset - Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Balances with Bank		
In Current Account	**134852**	124444
Term Deposits with original maturity upto 3 months	**320000**	301000
B. Cheques, Drafts on Hand	**0**	0
C. Cash on Hand	**0**	0
Sub Total	**454852**	425444
D. Others		
In Other Short Term Deposits with Financial Institutions	**3**	25
Sub-Total (D)	**3**	25
TOTAL (A+B+C+D)	**454855**	425469

Note 17 - Financial Asset - Bank Balances other than Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Term Deposits with original maturity for more than 3 months but less than 12 months	**3363271**	2217618
Earmarked balances with banks for Unpaid Dividend	**99**	74
TOTAL	**3363370**	2217692





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 18 - Financial Asset- Loans

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Considered Good-Secured		
a) Loans to Related Parties	**0**	0
b) Others		
Loans and advances to employees	**4**	6
Sub-Total (A)	**4**	6
B. Considered Good-Unsecured		
a) Loans to Related Parties	**0**	0
b) Others		
Loans and advances to employees	**739**	1071
Sub-Total (B)	**739**	1071
C. Loans which have Significant Increase in credit risk		
Sub-Total (C)	**0**	0
D. Loans - Credit Impaired		
Sub-Total (D)	**0**	0
TOTAL (A +B+C+D)	**743**	1077

Note 19 - Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Claims Receivable		
Unsecured Considered Good	**56475**	75716
Credit Impaired	**16746**	17835
	73221	93551
Less: Provision for Doubtful Claims	**16759**	17847
Sub-Total	**56462**	75704
Security Deposit		
Public Utility Concerns	**50**	45
Others	**184**	183
Interest Accrued and not Due on Term and Other Deposits	**67928**	65497
Current Maturities of Deferred Debt	**10028**	9990
Share Application Money Paid*	**41**	0
TOTAL	**134693**	151419
(i) Above balances of Claims Receivable include balances with related parties (Refer Receivables of Clause No.3(i)(g) of Note 49)	**12520**	15203
(ii) Above balances of Provision for Doubtful Claims include balances with related parties (Refer Clause No.3(i)(p) of Note 49)	**371**	262
*(iii) Refer Clause 32(vi) of Note 49		




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 20 - Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Current Tax (Net)	**0**	0
TOTAL	**0**	0

Note 21 - Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Advance Other than Capital Advances		
Advances against Goods and Services	**640862**	453605
Less: Provision for Bad and Doubtful	**398**	1034
Other Loans and Advances	**382**	395
Less: Provision for Bad and Doubtful	**2**	2
Advances to Related Parties	**1**	61
B. Others		
Prepaid Expenses	**2428**	2179
Balances with revenue Authorities		
Income tax	**29**	25
Others	**11**	3141
Balance with GST Electronic Ledger	**191220**	74883
Balances in Franking Machine	**1**	4
TOTAL	**834534**	533257

EQUITY

Note 22 - Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Authorised Capital 1,40,00,00,000 Equity Shares of ₹ 5 each (March 31, 2024: 1,20,00,00,000 Equity Shares of ₹ 5 each)	**70000**	60000
Issued, Subscribed and Fully Paid up Capital 66,87,75,000 Equity Shares of ₹ 5 each fully paid-up (March 31, 2024: 66,87,75,000 Equity Shares of ₹ 5 each fully paid-up)	**33439**	33439
Par Value per Share (₹)	**5**	5
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
Opening Equity Shares (Nos.) (face value of ₹ 5 each, PY: face value of ₹ 10 each)	**668775000**	334387500
Add: PY: Sub-division of 1 Equity Share of the face value of ₹ 10 each into 2 Equity Shares of ₹ 5 each (Nos.)		334387500
Closing Equity Shares (Nos.)	**668775000**	668775000
Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held		
President of India and Nominees	**479102424**	479102424





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
% of Shareholding of President of India and Nominees	**71.64%**	71.64%
Shares held by promoters at the end of the reporting period		
Promoters Name:		
President of India and Nominees		
No. of Shares	**479102424**	479102424
% of total Shares	**71.64%**	71.64%
% Change during the year	**0.00%**	-0.02%

Terms / Rights attached to Equity shares

The Company has one (1) Class of Shares i.e Equity Shares

The Equity Shares rank Pari Passu in all respects including right to Dividend, Issue of New Shares, Voting Rights and in the Assets of the Company in the event of Liquidation.

Refer Clause 18 of Note 49 for details regarding buy back of shares

Note 23 - Other Equity

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Research & Development Reserve		
Opening Balance	**299646**	211256
Add: Current Year Transfer	**92176**	92718
Less: Transfer to General Reserve on utilisation	**7477**	4328
Closing Balance (A)	**384345**	299646
B. Capital Redemption Reserve		
Opening Balance	**14761**	14761
Add: Current Year Transfer	**0**	0
Less: Written Back in Current Year	**0**	0
Closing Balance (B)	**14761**	14761
C. Indigenization Fund Reserve		
Opening Balance	**28885**	10776
Add: Current Year Transfer	**18435**	18544
Less: Transfer to General Reserve on utilisation	**10554**	435
Closing Balance (C)	**36766**	28885
D. General Reserve as per last Balance Sheet	**2537079**	2086947
(+/-) Surplus Transferred from statement of Profit and Loss	**473748**	445369
Add: Transfer from Research & Development Reserve	**7477**	4328
Add: Transfer from Indigenization Fund Reserve	**10554**	435
Closing Balance (D)	**3028858**	2537079




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
E. Retained earnings - Surplus in the statement of Profit & Loss		
Opening Balance	**0**	0
Add/(Less): Net Profit / (Net Loss) for the current financial year	**836413**	762105
Add/(Less): Remeasurement of the defined benefit plans	**2081**	-8185
Sub total (i)	**838494**	753920
Less: Appropriations / Allocations		
Transfer to Indigenization Fund Reserve	**18435**	18544
Transfer to Research & Development Reserve	**92176**	92718
Interim Dividend	**167194**	147131
Final Dividend	**86941**	50158
Sub total (ii)	**364746**	308551
Transfer To General Reserves (i)-(ii)	**473748**	445369
Closing Balance (E)	**0**	0
F. Other Components of Equity		
Fair Value through Other Comprehensive Income (FVOCI) ($)		
Opening Balance	**7**	36
Add/(Less): Additions made during the current financial year	**2066**	-8214
Add/(Less): Remeasurement of the defined benefit plans	**-2081**	8185
Closing Balance (F)	**-8**	7
Total attributable to Owners of the Company	**3464722**	2880378
G. Attributable to Non-controlling interest		
Opening balance	**364**	374
Profit/(Loss) for the year	**-8**	-10
Closing balance (G)	**356**	364
TOTAL (A+B+C+D+E+F+G)	**3465078**	2880742

$ Breakup is given separately in Statement of Changes in Equity

Nature and Purpose of each Reserve:

1. Research & Development Reserve:

Research and Development Reserve is created by transfer from Retained Earnings an annual contribution of 15% of Operating Profit After Tax. Research & Development Reserve is created to bring technological superiority to the products in order to cope with the future technological challenges. The amount of utilisation for Research and Development purposes during the year is transferred from Research and Development Research to General Reserve.

2. Captial Redemption Reserve:

Capital Redemption Reserve is created on redemption/buyback of equity shares.

3. Indigenization Fund Reserve:

Indigenization Fund Reserve is created by transfer from Retained Earnings an amount equal to 3 % of Operating Profit After Tax which will be utilised to encourage Indigenization of items which are being sourced from foreign sources at present.

4. General Reserve:

General Reserve is created out of the profits of the Company and out of Research & Development Reserve on utilization of Research & Development purposes. This is a free reserve.




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 24 - Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Secured		
a) Term Loans		
(i) From Banks	**0**	0
Sub-Total (A)	**0**	0
B. Unsecured		
Sub-Total (B)	**0**	0
TOTAL (A + B)	**0**	0

Note 24A - Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Lease Liabilities	**114**	108
TOTAL	**114**	108

Refer Clause 5 of Note 49 for further disclosures on lease

Note 25 - Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Trade Payables	**0**	0
TOTAL	**0**	0

Note 26 - Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Dues to Employees	**48**	47
Deposits	**0**	0
Deferred liabilities	**34387**	35156
Other Liabilities	**15230**	15383
TOTAL	**49665**	50586




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 27 - Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Provisions for Employee Benefits		
Gratuity	**785**	977
Earned Leave	**135767**	119139
Sub-Total (A)	**136552**	120116
B. Others*		
Replacement and Other Charges	**39937**	26211
Warranty	**270**	756
Liquidated Damages	**10047**	10751
Sub-Total (B)	**50254**	37718
TOTAL (A + B)	**186806**	157834

*Refer Clause 14 of Note 49 for movement of Provisions

Note 28 - Deferred tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
TOTAL	**0**	0

Note 29 - Other Non current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Advances from Customers (Contract Liability)		
Outstanding Advances from Customers		
Defence	**1651671**	455250
Sub-Total (A)	**1651671**	455250
B. Milestone Receipt (Contract Liability)		
Defence	**830315**	598892
Others	**72**	234
Sub-Total (B)	**830387**	599126
TOTAL (A+B)	**2482058**	1054376




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 30 - Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Secured Short Term Borrowings:		
a) Loans Repayable on Demand		
(i) From Banks	**0**	0
Working Capital Loan-Cash Credit		
Sub-Total (A)	**0**	0
B. Unsecured Short Term Borrowings:		
Sub-Total (B)	**0**	0
TOTAL (A + B)	**0**	0

(i) Refer Clause No. 15 & 16 of Note No.49 for further details on Borrowings

(ii) Working Capital Loan is secured by first charge on Current Assets (All kinds of Stocks and Receivables of the Company both present and future)

Note 30A - Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Lease Liabilities	**2**	2
TOTAL	**2**	2

Refer Clause 5 of Note 49 for further disclosures on lease

Note 31 - Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Trade Payables		
A) total outstanding dues of micro enterprises and small enterprises	**17709**	14605
B) total outstanding dues of creditors other than micro enterprises and small enterprises	**492858**	326682
TOTAL	**510567**	341287
(i) Above balances of Trade Payable include balances with related parties (Refer Payable of Clause No.3(i)(f) of Note 49).	**4123**	5161
(ii) Refer Clause 13 of Note 49 for ageing schedule of Trade Payables.		




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 32 - Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Liability for Outstanding Expenses	**46100**	43056
Deposits	**15007**	14002
Royalty	**7548**	6562
Dues to Employees	**74634**	63621
Current Maturities of Deferred Debts/Liabilities	**5028**	4902
Due to Capital Creditors - Micro enterprises and small enterprises	**3557**	1528
Due to Capital Creditors - other than micro enterprises and small enterprises	**55015**	40336
Unpaid Dividend Account	**99**	74
Other Liabilities	**75944**	71057
TOTAL	**282932**	245138
(i) Above balances of Other Liabilities include balances with related parties (Refer Payable of Clause No.3(i)(f) of Note 49).	**139**	4639
(ii) No amount is due and outstanding to be transferred to Investor Education and Protection Fund at the year end in respect of Unpaid Dividend.		

Note 33 - Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Advances from Customers (Contract Liability)		
Outstanding Advances from Customers		
Defence	**967362**	728283
Others	**11543**	7986
Sub-total (A)	**978905**	736269
B. Milestone Receipt (Contract Liability)		
Defence	**1679500**	1422456
Others	**81424**	48784
Sub-total (B)	**1760924**	1471240
Advances from Customers (A + B)	**2739829**	2207509
C. Other Payables		
Taxes (Other than Taxes on Income)	**8265**	7864
GST Payable	**1817**	2501
Others	**10416**	37094
TOTAL (A+B+C)	**2760327**	2254968




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 34 - Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
A. Provisions for Employee Benefits		
Gratuity	**8048**	9245
Earned Leave	**10998**	12457
Others (Performance Related Pay)	**41020**	35735
Sub-Total (A)	**60066**	57437
B. Others*		
Replacement and Other Charges	**492442**	442710
Warranty	**134169**	125344
Liquidated Damages	**155059**	135580
Sub-Total (B)	**781670**	703634
TOTAL (A+B)	**841736**	**761071**

*Refer Clause 14 of Note 49 for movement of Provisions

Note 35 - Current tax liability (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Current tax liability (Net)	**13961**	29967
TOTAL	**13961**	29967

Note 36 - Revenue from Operations

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
A. Sale of Products		
(i) Inland Sales		
Finished Goods	**705636**	544528
Spares	**562234**	584982
Development	**109241**	152648
Miscellaneous	**53320**	77246
Total Inland Sale of Products	**1430431**	1359404
(ii) Export Sales		
Finished Goods	**19302**	22021
Spares	**10818**	6516
Development	**103**	0
Total Export Sale of Products	**30223**	28537
Total Sale of Products (A)	**1460654**	1387941




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
B. Sale of Services		
(i) Inland Sale of Services		
Repair & Overhaul	**1534645**	1421802
Other Services	**5401**	3925
Total Inland Sale of Services	**1540046**	1425727
(ii) Export Sale of Services		
Repair & Overhaul	**9644**	1564
Other Services	**125**	958
Total Export Sale of Services	**9769**	2522
Total Sale of Services (B)	**1549815**	1428249
Total Sales (A + B)	**3010469**	2816190
C. Other Operating Revenues		
(i) Disposal of Scrap and Surplus / Unserviceable Stores	**2164**	1218
(ii) Provisions no Longer Required*	**83499**	208512
(iii) Income from Overseas	**0**	10489
(iv) Others	**1963**	1699
Total Operating Revenues (C)	**87626**	221918
Revenue from Operations (A+B+C)	**3098095**	3038108

*Refer Clause 14 of Note 49 for movement of Provisions

Note 37 - Other Income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Interest Income		
Short term Deposits / Loans / Others	**198067**	153182
Sundry Advances - Employees	**43**	42
Other Deposits	**11085**	10219
Sub-total	**209195**	163443
Other Non-Operating Income		
Gain on Foreign Currency Transaction and Translation	**0**	1856
Gain on Sale of Property, Plant & Equipment (Net)	**188**	590
Gain on Fair Value Adjustment	**3117**	3027
Interest on Income Tax Refund	**19549**	0
Miscellaneous	**24120**	20744
TOTAL	**256169**	189660




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 38 - Cost of materials consumed

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Consumption of Raw Material, Components, Stores And Spare Parts		
Opening Stock	**737892**	774494
Add: Purchases	**1876273**	1223377
Add: Subcontracting, Fabrication and Machining Charges.	**32467**	29884
Less: Closing stock	**666632**	737892
	1980000	1289863
Less: Transfer to		
Special Tools and Equipment	**43905**	44700
Capital Works	**588**	127
Development Expenditure	**2304**	1176
Expense Accounts and Others	**9757**	9227
	56554	55230
TOTAL	**1923446**	1234633

Note 38A - Purchase of Stock-in-Trade

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Purchase of Stock-in-Trade	**67937**	67140

Note 39 - Changes in Inventories of Finished Goods, Stock-in-Trade, Work-In-Progress and Scrap

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-progress		
Opening Balance		
(i) Finished Goods	**0**	0
(ii) Work-in-progress	**788829**	595145
(iii) Stock-in-Trade	**4149**	2241
	792978	597386
Closing Balance		
(i) Finished Goods	**0**	0
(ii) Work-in-progress	**1553975**	788829
(iii) Stock-in-Trade	**1494**	4149
	1555469	792978
Accretion / (Decretion) - A	**762491**	195592
Change in Disposables Scrap		
Opening Balance	**742**	470
Closing Balance	**830**	742
Accretion / (Decretion) - B	**88**	272
TOTAL (A+B)	**762579**	195864




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 40 - Employee benefits expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Salaries and Wages	**463794**	418014
Contribution to Provident Fund and Others	**79334**	87237
Contribution to Gratuity	**12704**	10783
Others	**18**	19
Staff Welfare Expenses(Net)	**17110**	12965
Rent for Hiring Accommodation for Officers	**77**	51
TOTAL	**573037**	529069

Note 41 - Finance costs

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Interest on Cash Credit	**0**	2
Interest on Lease Liabilities	**8**	8
Interest on Income Tax	**277**	3131
Interest on micro and small enterprises	**0**	6
Interest - Others	**583**	64
TOTAL	**868**	3211

Note 42 - Depreciation and Amortization expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
A. Depreciation on Property, Plant and Equipment	**34487**	31856
B. Amortisation		
Intangible assets- Development Expenditure	**25889**	47070
Other Intangible assets		
Licence Fees	**1060**	8189
Computer Software	**2019**	968
Documentation	**31841**	3219
Special Tools	**38741**	49415
Sub-Total (B)	**99550**	108861
TOTAL (A+B)	**134037**	140717

Note 42A - Impairment Loss

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Impairment Loss on Intangible Asset	**2474**	1495
TOTAL	**2474**	1495

Refer Clause No.8 of Note 49




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 43 - Other expenses

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Shop Supplies	**10282**	10627
Power and Fuel	**19019**	19397
Less: Savings in energy charges from Company owned wind & solar power plant	**3314**	3620
Net Power and Fuel	**15705**	15777
Water Charges	**5493**	5271
Rent for Office Premises etc.	**84**	72
Travelling (includes Foreign Travel)	**8829**	8980
Training (includes Foreign Training)	**1505**	736
Repairs:		
Buildings	**11228**	8969
Plant, Machinery and Equipment	**20022**	19763
Others	**5012**	5993
Expenses on Tools and Equipment	**5528**	3267
Insurance	**4842**	4505
Rates and Taxes	**3848**	2640
Postage and Telephones	**812**	819
Printing and Stationery	**1204**	1168
Publicity	**3271**	1376
Advertisement	**462**	211
Bank Charges	**1294**	1052
Loss on Foreign Currency Transaction and Translation	**2479**	0
Legal Expenses	**468**	298
Auditors' Remuneration:		
For Audit Fee	**64**	64
For Tax Audit Fee	**6**	7
For Other Services-Interim Audit & Other Certification fees	**82**	78
Selling Agents Commission	**18**	16
Handling Charges	**256**	207
Write Off:		
Fixed Assets	**0**	0
Stores	**3097**	1028
Shortages / Rejections	**5**	196
Others	**4318**	55
Freight and Insurance	**2233**	1649
Corporate Social Responsibility	**15838**	11106
Loss on Fair Value Adjustment	**2949**	3248
Miscellaneous Operating Expenses	**47228**	43875
TOTAL	**178462**	153053
Miscellaneous Operating Expenses includes Director's Sitting Fees, excluding GST for the current financial year is ₹ 18 Lakh (For the year ended 31st March 2024 is ₹ 18 Lakh)	**18**	18



Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 44 - Direct Input to Work in Progress / Expenses Capitalised

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
A) DIRECT INPUT TO WIP		
Project related Travel	**1075**	453
Project related Training	**160**	66
Project related other Expenditure	**1397**	725
Royalty	**1369**	592
Foreign Technician Fee	**1673**	516
Ground Risk Insurance	**2958**	2146
Quality Audit Expenses	**12**	2
Design and Development	**19067**	29725
Sundry Direct Charges - Others	**0**	4203
Sub-Total (A)	**27711**	38428
B) EXPENSES CAPITALISED TO INTANGIBLE ASSET		
Licence Fees	**3281**	1550
Computer software	**3485**	2285
Documentation	**2756**	336
Sub-Total (B)	**9522**	4171
TOTAL (A+B)	**37233**	42599

Note 45 - Provisions

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Replacement and Other Charges	**126373**	116611
Warranty	**37015**	32425
Redundancy provision - Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials, Inventory - Warranty and Work-in-Progress	**7678**	100164
Liquidated Damages	**65843**	70271
Doubtful Debts	**83**	3534
Doubtful Claims	**409**	3898
Impairment of Investments	**133**	0
Doubtful Advances	**240**	1015
Doubtful Contract Assets	**15010**	2386
TOTAL	**252784**	**330304**

Refer Clause 14 of Note 49 for movement of Provisions





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 46 - Expenses relating to Capital and Other Accounts

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Expenses allocated to:		
Other Intangible assets	**9522**	4171
Special Tools	**1784**	2729
Capital Works	**0**	353
Development Expenditure	**70857**	78528
Others	**53344**	12646
TOTAL	**135507**	**98427**

Other Comprehensive Income

Note 47 - Items that will not be reclassified to Profit or Loss

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Remeasurements of the defined benefit plans	**2786**	-10940
Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	**-15**	-29
TOTAL	**2771**	**-10969**

Note 48 - Items that will be reclassified to profit or loss

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Exchange differences in translating the financial statements of a foreign operation	**0**	0
TOTAL	**0**	**0**




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

1. Earnings per Share (EPS)

(₹ unless otherwise stated is in lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profit before tax (₹ in Lakhs)	**1086726**	1022488
Provision for taxation (₹ in Lakhs)	**250321**	260393
Profit after tax as per Statement of Profit & Loss (₹ in Lakhs)	**836405**	762095
Weighted Average Number of Equity Shares	**668775000**	668775000
Basic Earnings per Share in Rupees (Face Value of ₹ 5/- each fully paid up)	**125.07**	113.95
Diluted Earnings per Share in Rupees (Face Value of ₹ 5/- each fully paid up)	**125.07**	113.95

2. Principles of Consolidation:

Sl. No.	Particulars
i	The Consolidated Financial Statements (CFS) of Hindustan Aeronautics Limited (HAL) ,Joint Ventures and its Subsidiaries are prepared in accordance with Ind AS 28 (Investments in Associates & Joint Ventures), Ind AS 110 (Consolidated Financial Statements), Ind AS 111 (Joint Arrangements) and are presented to the extent possible in the same manner as the Company's Standalone Financial Statement.
ii	Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date when control ceases.
iii	The Group combines the financial statements of the parents and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of Subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.
iv	Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from Joint Ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in Joint Ventures equals or exceeds the Group's interest in the entity, including any other long-term unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. In accordance with Equity method of consolidation of Joint Venture, where investment is fully impaired and impairment loss is recognised, further share of lossess is not considered in CFS Similarly, contingent liabilities in respect of those Joint Ventures are also not disclosed as there is no further liabilty/ lossess to the parent. Unrealised gains on transactions between the Group and its Joint Ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of Joint Ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The carrying amount of equity accounted investments are tested for impairment.





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

2. Principles of Consolidation:

Sl. No.	Particulars
v	Interests in Joint Ventures are accounted for using the equity method after initially being recognised at cost in the Consolidated Balance Sheet.
vi	As per the Shareholders' Agreements entered by the Company relating to all the Joint Ventures which clearly specifies the intent of the Company to subscribe and hold the specified percentage of the equity from the beginning, no pre-acquisition profits/losses arose on consolidation.
vii	In respect of contingent liabilities and commitments proportionate share of the Company's and others entire amount as shown by Joint Ventures has been considered for disclosure.
viii	The figures of previous year have been considered based on audited financial statements of the Subsidiary / Joint Ventures.

Note 49 - Consolidated Notes to Financial Statements

3 Related Party Transactions

(i) Details of Transactions with and balances outstanding of related parties

₹ in Lakhs

	The name of the transacting related party	Indo Avia Services Limited	BAe HAL Software Limited	Safran HAL Aircraft Engines Private Ltd	SAMTEL HAL Display Systems Limited	HAL-Edgewood Technologies Private Limited	HALBIT Avionics Private Limited	Infotech HAL Limited	HATSOFF Helicopter Training Private Ltd.	International Aerospace Manufacturing Pvt. Ltd.	Multirole Transport Aircraft Ltd.	Aerospace & Aviation Sector Skill Council	Helicopter MRO Engines Pvt. Ltd	Defence Innovation Organisation	SAFHAL Aircraft Engines Private Limited	Electronic Warfare (Defence) Testing Foundation	Communication (Defence) Testing Foundation	UAS Testing Foundation	Advanced Materials (Defence) Testing Foundation	Systems Testing and Research for Advanced Materials Foundation
(a)	Country of incorporation Proportion of Ownership Interest	India 48%	India 49%	India 50%	India 40%	India 50%	India 50%	India 50%	India 50%	India 50%	India 50%	India 50%	India 50%	India 50%	India 50%	India 20%	India 25%	India 33.33%	India 20%	India 20%
(b)	Description of the relationship between the parties	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
(c)	Description of the nature of the transactions	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services	Purchase and sale of goods and services
(d)	Amount for Purchase of Goods and Services and other expenses	4,168	618	-	2,073	-	50	-	34	-	-	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	(2,397)	(568)	-	(3,375)	-	(24)	-	(44)	-	-	-	-	-	-	-	-	-	-	-
(e)	Amount for Sale of Goods and Services	-	-	-	-	-	-	-	19	2,984	-	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	-	-	-	-	-	-	-	(11)	(1,748)	-	-	-	-	-	-	-	-	-	-
(f)	Amount outstanding for Purchase of Goods and Services and other expenses	3,482	90	-	348	-	329	-	1	12	-	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	(4,153)	(98)	-	(708)	-	(326)	-	(3)	(12)	-	-	-	-	-	-	-	-	-	-
(g)	Amount outstanding for Sale of Goods and Services and other income	8	41	-	-	457	321	-	114	908	1	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	(7)	(419)	-	-	(457)	(252)	-	(75)	(880)	(1)	-	-	-	-	-	-	-	-	-
(h)	Income on Rent, Water and Electricity	5	117	-	-	-	134	-	221	295	10	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	(8)	(137)	-	-	-	(56)	-	(221)	(276)	(10)	-	-	-	-	-	-	-	-	-
(i)	Advances Outstanding on Purchases of Goods and Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	-	-	-	(60)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(j)	Advances Outstanding on Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note 49 - Consolidated Notes to Financial Statements

₹ in Lakhs

	The name of the transacting related party	Indo Avia Services Limited	BAe HAL Software Limited	Safran HAL Aircraft Engines Private Ltd	SAMTEL HAL Display Systems Limited	HAL-Edgewood Technologies Private Limited	HALBIT Avionics Private Limited	Infotech HAL Limited	HATSOFF Helicopter Training Private Ltd.	International Aerospace Manufacturing Pvt. Ltd.	Multi-role Transport Aircraft Ltd.	Aerospace & Aviation Sector Skill Council	Helicopter MRO Engines Pvt. Ltd	Defence Innovation Organisation	SAFHAL Aircraft Engines Private Limited	Electronic Warfare (Defence) Testing Foundation	Communication (Defence) Testing Foundation	UAS Testing Foundation	Advanced Materials (Defence) Testing Foundation	Systems Testing and Research for Advanced Materials Foundation
(k)	Amount paid towards investment in shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	235	261	500	273	61
	Previous year 31st March 2024	-	-	-	-	-	-	-	-	-	-	-	(950)	-	(100)	-	-	-	-	-
(l)	Dividend on Investments	332	-	-	-	-	-	-	-	159	-	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	(187)	-	-	-	-	-	-	-	(108)	-	-	-	-	-	-	-	-	-	-
(m)	Re-imbursement Salaries including KMP Salaries	86	71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	(98)	(61)	-	-	-	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-
(n)	Allowances recognised in respect of Doubtful debts during the year	-	-	-	-	-	69	-	39	-	-	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	-	43	-	-	-	(9)	-	(10)	-	-	-	-	-	-	-	-	-	-	-
(o)	Provision for doubtful debts related to the amount of outstanding balances	-	-	-	-	457	321	-	114	-	-	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	-	-	-	-	(457)	(252)	-	(75)	-	-	-	-	-	-	-	-	-	-	-
(p)	Grant outstanding as on balance sheet date	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year 31st March 2024	-	-	-	-	-	-	-	-	-	-	-	-	(4,500)	-	-	-	-	-	-

Figures in brackets relate to previous year 31.03.2024

The differences in the amount disclosed by the Company and JV's are due to reconciliation items.

Generally transaction with related parties are at arm's length basis. Wherever transactions are not at arm's length basis, like in single tender / nomination basis, the same will be approved by the Board of Directors.

Key Management Personnel of the Company in Joint Ventures are as

Dr. D.K. Sunil - Chairman & Managing Director additional charge as Director(Engineering and R&D)

Shri Barenya Senapati - Director(Finance) & CFO

Shri Ravi K - Director(Operations)

The total salaries including perquisites drawn by the above key Management Personnel from Joint Ventures is Nil.




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

(ii) Details of Transactions with Key Management Personnel

₹ in Lakhs

Sl. No.	Particulars	Designation	For the year ended 31 March 2025			For the year ended 31 March 2024		
			Salary	**Company Contribution to PF / Gratuity**	**Total**	Salary	Company Contribution to PF / Gratuity	Total
1	Shri Dr. Sunil D.K	Chairman and Managing Director with effect from 9th September 2024 with Addl. charge of Director (Engineering and R &D)	**74**	**6**	**80**	68	5	73
2	Shri Barenya Senapti	Director (Finance) & CFO with effect from 22nd October 2024	**31**	**2**	**33**	0	0	0
3	Shri K Ravi	Director (Operations) with effect from 26th November 2024	**25**	**2**	**27**	0	0	0
4	Shri A B Pradhan	Director (Human Resources) up to 28th February 2025	**66**	**5**	**71**	48	4	52
5	Shri C.B. Ananthakrishnan	Director (Finance) & CFO up to 31st August 2024	**35**	**3**	**38**	80	6	86
6	Shri Jayadeva E P	Director (Operations) up to 31st August 2024	**33**	**2**	**35**	76	5	81
7	Shri Shailesh Bhansal	Company Secretary with effect from 28th March 2023	**48**	**4**	**52**	43	4	47

(iii) Sitting Fees paid to Independent Directors (Non-Executive)

₹ in Lakhs

		For the year ended 31 March 2025	**For the year ended 31 March 2024**
1	Dr. Divya Gupta	**9**	10
2	Shri Deepak Abasaheb Shinde	**9**	8

(iv) The Company makes monthly contributions to provident fund managed by "The Provident Fund of HAL" for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company contributed to PF Trust during the year is given below.

₹ in Lakhs

Name of PF Trust	**31 March 2025**	**31 March 2024**
1. HAL - Bangalore Complex	**15422**	14697
2. HAL - Nasik	**4323**	4140
3. HAL - Koraput	**2823**	2729
4. HAL - Hyderabad	**1805**	1861
5. HAL - Lucknow	**1566**	1552
6. HAL - Korwa	**724**	703
7. HAL - Kanpur	**1386**	1343
8. HAL - Corporate Office	**675**	587
Total	**28724**	**27613**





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

(v) The Company maintains gratuity trust for the purpose of administering the gratuity payment to its employees (HAL Employees Gratuity scheme). Transaction /outstanding balance with gratuity Trust during the year is given below:

	31 March 2025	31 March 2024
Fund transfer during the year	**14328**	16661
Amount payable	**8038**	9230
Amount receivable	**11916**	14303

(vi) Apart from transactions reported above, the Group has transactions with other Government related entities, which includes but not limited to the following:

Name of Government:	Government of India
Nature of Transactions:	Sale of Products and Services

These transactions are conducted in the ordinary course of the Group's business

4 (a) Claims / Demands against the Group contested and are not acknowledged as debts (Gross)- as reimbursements are available from the customers as per contract*.

₹ in Lakhs

Particulars	As at 31 March 2025	As at 31 March 2024
In respect of the Group		
(i) Sales Tax/ Entry Tax#	**85440**	1089770
(ii) Goods & Service Tax	**2389**	5275
(iii) Service Tax	**23156**	42008
(iv) Customs Duty	**64720**	47515
* In terms of Pricing Policy agreed with Indian Defence Services, prices approved are exclusive of taxes and duties i.e. Sales Tax, Entry Tax, Goods and Service Tax, Service Tax, Customs Duty etc. In case, the customer do not submit an exemption certificate, taxes would be levied and the same would be re-imbursed by the customer. # Sales Tax disputes for the year 1986-87 to 2017-18 was pending in various authority/Tribunal /courts in the state of Maharashtra. During the year 2024-25, an out of court settlement was reached between the Company, Government of Maharashtra and the Customer. As per the settlement the disputed tax demand of ₹ 1001841 lakhs have been reduced to ₹ 273724 lakhs. In view of the above, the Company paid an amount of ₹ 247097 lakhs in March 2025 after adjusting an amount of ₹ 26627 lakhs deposited in earlier years with the revenue authority. The amount so paid has been claimed by the Company and reimbursed by IAF in the month of March 2025.		
Total	**175705**	1184568




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

(b) Contingent Liability not acknowledged as debts (Gross)

₹ in Lakhs

Particulars	As at 31 March 2025	As at 31 March 2024
In respect of the Group		
(i) Income Tax	**47392**	26890
(ii) Others**	**6970**	11882
** ₹ 6970 lakhs does not include ₹ 1686 lakhs (P.Y. ₹ 1686 lakhs) of contingent liability to M/s Halbit Avionics Private Limited.		
Total	**54363**	38772

(c) Commitments

₹ in Lakhs

Particulars	As at 31 March 2025	As at 31 March 2024
In respect of the Group	**215016**	227891
Estimated amount of contracts remaining to be executed and not provided for on Capital Account		

In view of the nature of business, being long term contracts there may be other commitments for purchase of material etc., which has been considered as normal business process, hence not been disclosed.

5 Pursuant to Ind AS-116-Leases, the following information is disclosed:

a) Group as a Lessee:

₹ in Lakhs

Sl. No.	Particulars	31st March 2025	31st March 2024
1	depreciation on right-of-use assets for the year ended (Refer Note 1 B)	**300**	301
2	interest expense on lease liabilities for the year ended (Refer Note 41)	**8**	8
3	total cash outflow for leases for the year ended	**2**	31
4	additions to right-of-use assets (Refer Note 1 A)	**0**	29
5	carrying amount of right-of-use assets as at (Refer Note 1 C)	**8081**	8381

One Avro Aircraft (BH 572) is on lease from Indian Air Force for a period of 1 year for an amount of ₹ 295 lakhs. The charges for the same has been accounted as expenditure of ₹ 295 lakhs for the year ended 31st March 2025. The Company has an option to renew the lease subject to increase of 9% over previous year.

b) Group as a Lessor:

The Group leases out its Investment property and Property, Plant and Equipment . The Group has classified these lease as operating leases, as there is no transfer substantially all the risks and rewards incidental to the ownership of the assets. Clause 6 of Note 49 gives information about the operating leases of Investment Property.

₹ in Lakhs

Operating Lease	For the year ended 31 March 2025	For the year ended 31 March 2024
Lease income	**1581**	1836





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

The Property, Plant and Equipment disclosed under Note 1A includes the following assets given on Operating Lease

₹ in Lakhs

Particulars	As at 31 March 2025				As at 31 March 2024			
	Gross Block	Accumulated Depreciation	Net Block	Depreciation for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation for the year
Land - Freehold	**85**	**0**	**85**	**0**	94	0	94	0
Buildings	**14**	**12**	**2**	**0**	14	12	2	0
Aircraft/Helicopters	**6173**	**2271**	**3902**	**356**	13106	5542	7564	646
Total	**6272**	**2283**	**3989**	**356**	13214	5554	7660	646

The maturity analysis of lease payments (including payments from Investment Property) showing the undiscounted minimum lease payments to be received over the remaining non-cancellable term on an annual basis are as follows:

₹ in Lakhs

Term	As at 31 March 2025	As at 31 March 2024
Less than one year	**1035**	1099
One to Two years	**345**	330
Two to Three years	**332**	208
Three to Four years	**218**	199
Four to Five years	**226**	207
More than Five years	**4381**	3868
Total undiscounted lease payments	**6537**	5911

Credit Risk

The Group has leased out its properties to joint ventures and other agencies. Lease payments are structured with periodic escalations consistent with the prevailing market conditions. Based on the Credit Risk in lease payments, suitable provision has been made in the books of accounts.

6 Information regarding income and expenditure of Investment property as per Ind AS 40 - Investment property:

₹ in Lakhs

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Rental income derived from investment properties	**783**	679
Direct operating expenses (including repairs and maintenance) generating rental income	**0**	0
Direct operating expenses (including repairs and maintenance) that did not generate rental income	**0**	0
Profit arising from investment properties before depreciation and indirect expenses	**783**	679
Less – Depreciation	**0**	0
Profit arising from investment properties before indirect expenses	**783**	679




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

Fair value of investment property

Fair value of the investment properties is ₹ 43481 lakhs as valued by a Registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

7 Segment Reporting

The Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23rd February 2018 has exempted the Government companies engaged in defence production to the extent of application of Ind AS 108 on "Operating Segment".

₹ in Lakhs

8	As required by Ind AS 36,the Group has accounted impairment losses based on the assement of impairment assets committee carried out during the period and based on such assessment 'impairment loss' in the Statement of Profit and Loss has been recognised.	For the year ended 31 March 2025	For the year ended 31 March 2024
	Impairment Loss	**2474**	1495

9 Capital work-in-progress (CWIP) (Refer Note-2)

(a) Movement in Capital work-in-progress

₹ in Lakhs

Capital Work-in-progress	As at 31st March 2025	As at 31st March 2024
Opening Balance	**93688**	63690
Additions	**84964**	83967
Deletions	**69544**	53969
Closing Balance (refer clause No.9(b) and 9(c)	**109108**	93688

(b) Ageing of Capital work-in-progress

₹ in Lakhs

CWIP		As at 31 March 2025					As at 31 March 2024				
		Amount in CWIP for a period of				Total	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Projects in progress	**39319**	**44591**	**14701**	**10497**	**109108**	56686	20135	5532	11335	93688
(ii)	Projects temporarily suspended	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0
Total		**39319**	**44591**	**14701**	**10497**	**109108**	56686	20135	5532	11335	93688





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

(c) CWIP assets where completion is overdue and/or cost has exceeded its original plan

₹ in Lakhs

CWIP	As at 31 March 2025				As at 31 March 2024			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress								
(i) SU-30	**0**	**0**	**0**	**0**	942	0	0	0
(ii) LCA	**0**	**0**	**0**	**0**	2895	2174	0	0
(iii) General purpose CWIP	**794**	**0**	**0**	**0**	4524	0	0	0
(iv) Project pertaining to Subsidiary Company	**0**	**0**	**0**	**0**	0	0	0	109
Projects where activity has been suspended	**0**	**0**	**0**	**0**	0	0	0	0
Total	**794**	**0**	**0**	**0**	8361	2174	0	109

10 Intangible assets under development (Refer Note-6A)

(a) Ageing of Intangible assets under development

₹ in Lakhs

Intangible assets under development	As at 31 March 2025					As at 31 March 2024				
	Amount in intangible assets under development for a period of				Total	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Projects in progress	**46880**	**32869**	**29319**	**157035**	**266103**	31139	31491	28342	128775	219747
(ii) Projects temporarily suspended	**0**	**0**	**0**	**0**	**0**	0	0	0	0	0
Total	**46880**	**32869**	**29319**	**157035**	**266103**	31139	31491	28342	128775	219747

(b) Intangibe assets under development where completion is overdue and/or cost has exceeded its original plan

₹ in Lakhs

Intangible assets under development	As at 31 March 2025				As at 31 March 2024			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress								
(i) VHF and DAMS	**0**	**0**	**0**	**0**	988	0	0	0
Projects where activity has been suspended	**0**	**0**	**0**	**0**	0	0	0	0
Total	**0**	**0**	**0**	**0**	988	0	0	0



Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

11 Trade Receivable ageing schedule is as given below:

Current Trade Receivables (Refer Note-15)

₹ in Lakhs

Particulars	As at 31 March 2025							
	Outstanding for following periods from due date of payment					Un billed	Not due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
Undisputed Trade receivables - considered good	**269035**	**82251**	**62716**	**44359**	**6418**	**0**	**0**	**464779**
Undisputed Trade receivables - credit impaired	**0**	**0**	**0**	**170**	**14091**	**0**	**0**	**14261**
Less : Allowance for Doubtful Debts	**0**	**0**	**0**	**170**	**14091**	**0**	**0**	**14261**
Total	**269035**	**82251**	**62716**	**44359**	**6418**	**0**	**0**	**464779**

₹ in Lakhs

Particulars	As at 31 March 2024							
	Outstanding for following periods from due date of payment					Un billed	Not due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years			
Undisputed Trade receivables - considered good	264940	54913	94995	39616	7221	0	0	461685
Undisputed Trade receivables - credit impaired	0	0	14	174	16413	0	0	16601
Less : Allowance for Doubtful Debts	0	0	14	174	16413	0	0	16601
Total	**264940**	**54913**	**94995**	**39616**	**7221**	**0**	**0**	**461685**

12 Contract Asset ageing schedule is as given below:

Current Contract Assets (Refer Note-15A)

₹ in Lakhs

Particulars	As at 31 March 2025						
	Outstanding for following periods from due date of payment					Not due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Contract Assets - considered good	**799583**	**152395**	**334365**	**193396**	**130540**	**0**	**1610278**
Less : Allowance for Doubtful Debts	**0**	**0**	**0**	**0**	**21362**	**0**	**21362**
Total	**799583**	**152395**	**334365**	**193396**	**109178**	**0**	**1588916**





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

₹ in Lakhs

Particulars	As at 31 March 2024						
	Outstanding for following periods from due date of payment					Not due	Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Contract Assets - considered good	662259	129074	227056	132207	45192	0	1195788
Less : Allowance for Doubtful Debts	1237	0	0	0	5155	0	6392
Total	**661022**	**129074**	**227056**	**132207**	**40037**	**0**	**1189396**

13 Trade Payable ageing schedule is as given below:

Current Trade Payables Ageing schedule (Refer Note-31)

₹ in Lakhs

Particulars	As at 31 March 2025						
	Outstanding for following periods from due date of payment				Un billed	Not due	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
(i) Micro enterprises and Small enterprises	**10737**	**3**	**54**	**365**	**943**	**5607**	**17709**
(ii) Other than Micro enterprises and Small enterprises	**442882**	**17229**	**2429**	**14692**	**3385**	**12241**	**492858**
Total	**453619**	**17232**	**2483**	**15057**	**4328**	**17848**	**510567**

₹ in Lakhs

Particulars	As at 31 March 2024						
	Outstanding for following periods from due date of payment				Un billed	Not due	Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years			
(i) Micro enterprises and Small enterprises	14170	68	141	225	0	0	14604
(ii) Other than Micro enterprises and Small enterprises	283310	13315	10179	19879	0	0	326683
Total	**297480**	**13383**	**10320**	**20104**	**0**	**0**	**341287**




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

14 (a) Movement in provisions for the year as required by Ind AS 37-Provisions, Contingent Liabilities and Contingent Asset is as follows:

₹ in Lakhs

Nature of Provision	Opening Balance as at 1 April 2024	Provision made during the year	Utilisation during the year	Reversal during the year	Closing Balance as at 31 March 2025
Provision for Warranty	126100	37015	26561	2115	**134439**
(Previous Year-31.03.2024)	(121,887)	(32,425)	(21,939)	(6,273)	**(126,100)**
Provision for Replacement and Other Charges	468921	126373	34350	28565	**532379**
(Previous Year-31.03.2024)	(417,546)	(116,611)	(3,303)	(61,933)	**(468,921)**
Provision for Redundancy in Raw Material and Components, Work in progress, Stores and Spares, Construction Material and Loose Tools	281566	7678	0	46083	**243161**
(Previous Year-31.03.2024)	(207,220)	(100,164)	(5)	(25,813)	**(281,566)**
Provision for Doubtful Debts	16601	83	-1	2424	**14261**
(Previous Year-31.03.2024)	(15,259)	(3,534)	(5)	(2,187)	**(16,601)**
Provision for Contract Assets	6,392	15,010	0	40	**21362**
(Previous Year-31.03.2024)	(113,084)	(2,386)	0	(109,078)	**(6,392)**
Provision for Claims	27357	409	116	2720	**24930**
(Previous Year-31.03.2024)	(24,296)	(3,896)	(185)	(650)	**(27,357)**
Provision for Liquidated Damages	146331	65843	47068		**165106**
(Previous Year-31.03.2024)	(123,468)	(70,271)	(44,830)	(2,578)	**(146,331)**
Provision for Impairment of Investments	12892	133	0	916	**12109**
(Previous Year-31.03.2024)	(12,892)	0	0	0	**(12,892)**
Provision for Advances	1,036	240	0	636	**640**
(Previous Year-31.03.2024)	(19.00)	(1017.00)	0	0	**(1,036)**

** Figures in brackets relate to previous year.*

Nature of Provision	As at 31 March 2025			As at 31 March 2024		
	Non-current	Current	Total Provision	Non-current	Current	Total Provision
Provision for Warranty Charges	**270**	**134169**	**134439**	756	125344	126100
Provision for Replacement and Other Charges	**39937**	**492442**	**532379**	26211	442710	468921
Provision for Redundancy in Raw Material and Components, Work in progress, Stores and Spares, Construction Material and Loose Tools	**0**	**243161**	**243161**	0	281566	281566
Provision for Doubtful Debts	**0**	**14261**	**14261**	0	16601	16601
Provision for Contract Assets	**0**	**21362**	**21362**	0	6392	6392
Provision for Claims	**8171**	**16759**	**24930**	9510	17847	27357
Provision for Liquidated Damages	**10047**	**155059**	**165106**	10751	135580	146331
Provision for Impairment of Investments	**12109**	**0**	**12109**	12892	0	12892
Provision for Advances	**242**	**398**	**640**	0	1036	1036





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

(b) Sensitivity of estimates on provisions:

The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Group to compute the possible effect of assumptions and estimates made in recognizing these provisions.

Provision for replacement and other charges represents, amounts towards expenditure incurred from the date of Signalling Out Certificate (SOC) to date of ferry out, loan items taken from the customer which needs to be replaced etc.,

Warranty represents Performance Warranty for manufacture, repair and overhaul of Aircraft / Helicopters/ Engines / Rotables, supply of spares and development activities etc.

Provision for Redundancy in Raw Material and Components,Work in progress, Stores and Spares, Construction Material and Loose Tools represents provision on redundancy of such materials, completed / specific projects and other surplus / redundant materials pending transfer to salvage stores etc.

Provision for Liquidated Damages represents amounts provided for the period of delay between the due date of supply of the goods / rendering of services as per delivery schedule and the expected date of delivery of said goods / rendering of service in respect of manufacture / repair and overhaul of Aircraft / Helicopters/ Engines / Rotables, supply of spares and development activities etc.

Provision for doubtful debts is being assessed on a case to case basis in respect of dues outstanding for a significant period of time. Debts from the Government departments are generally treated as fully recoverable and hence the Company does not recognize credit risk of such financial assets.

Provision for doubtful claims represents provision on expected credit losses.

Impairment in value of investment represents reduction in the share of net worth below investment.

Provision for Onerous contract has been recognised as the cost of meeting obligations is over and above the economic benefits expected to be received under it.

15 Borrowing Cash Credit (Refer Note-30)

Details of lender	A Consortium of 7 banks comprising of State Bank of India (lead bank), Bank of Baroda, Indian Bank, Canara Bank, Punjab National Bank, Union Bank of India and Indian Overseas Bank.
Limit	₹ 400000 lakhs as Cash Credit (including ₹ 240000 Lakh of Commercial Paper)
Purpose	Working Capital Requirements
Security	Paripassu first charge on stocks and receivables of the Company with other consortium banks
Interest Rate	Interest rates ranging between TBLR to MCLR based at monthly rests.
Credit Rating (other than Commercial Paper)	[ICRA]AAA/Stable/ICRA A1+ by ICRA & CARE AAA/Stable/ CARE A1+ by CARE

16 Working Capital Facilities

The total Cash Credit limits ₹ 400000 lakhs including ₹ 240000 lakhs of Commercial Paper (previous year: ₹ 400000 lakhs including ₹ 240000 lakhs of Commercial Paper) and Corporate Loan of ₹ NIL lakhs and Non-Fund based limits ₹ 205000 lakhs (previous year: ₹ 205000 lakhs) sanctioned by consortium of bankers. The said limits are secured by hypothecation of inventories and receivables.




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

17	Where the Company has borrowings from banks or financial institutions on the basis of security of current assets	As at 31st March 2025	As at 31st March 2024
	Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.	The Company has been sanctioned working capital limits of ₹ 400000 lakhs, non fund based limit of ₹ 205000 lakhs and Corporate loan of ₹ Nil lakhs by the consortium bankers. As at 31.03.2025, no fund based limit were utilised and non fund based limits of ₹ 124035 lakhs were utilised by the Company against the sanctioned limits. The quarterly stock statement filed by the Company and the books of Accounts are in agreement.	The Company has been sanctioned working capital limits of ₹ 400000 lakhs, non fund based limit of ₹ 205000 lakhs and Corporate loan of ₹ Nil lakhs by the consortium bankers. As at 31.03.2024, no fund based limit were utilised and non fund based limit of ₹ 103395 lakhs were utilised by the Company against the sanctioned limits. The quarterly stock statement filed by the Company and the books of Accounts are in agreement.

18 Buyback of Shares:

In accordance with the approval of Board of Directors at its 408th meeting held on 28th November, 2017 and approval of shareholders, the Company has bought back 2,71,12,500 fully paid equity shares of ₹ 10/- each equivalent to 7.5% of the paid -up share capital and free reserves of the Company, for an aggregate amount of ₹ 92150 lakhs (excluding tax of ₹ 20636 lakhs) at ₹ 339.88 per equity share from the President of India. The consideration amount for back buy of shares was paid to the Government of India on 19th December, 2017 and the shares so bought back were extinguished on 22nd December, 2017.

19 To achieve the mandatory threshold of 25% minimum public shareholding in the Company, Government of India (GoI) had offered 3.5% (1,17,03,563) equity shares of the Company to non-retail investors, retail investors and employees during March and April 2023, out of its shareholding of 75.15% in the Company, through Offer for Sale (OFS) by Stock Exchange Mechanism. Consequent to the OFS, the Government of India shareholding stands at 71.64%.

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

On an interpretation on pay refixation and pursuant to the directives of the Administrative Ministry, the pay fixation to be revised and the excess amount paid is to be recovered from the employees. Based on the directives Company issued a Circular dated 24.07.2021 and the communication dated 26.07.2021 for recovery of the excess amount.

While so, the Employees Union and Officers Association have filed writ petition with Hon'ble High Court of Karnataka to stay recovery of excess amount of salary paid by the Company. The H'ble High Court given verdict in favour of Officers Associations by setting aside the Circular dated 24.07.2021 and the communication dated 26.07.2021 issued by the Management. The order of the Hon'ble High Court in favour of officers was put up to the Board in its 490th Meeting held on 12.02.2025. Board has noted the judgement of the Hon'ble High Court and accorded approval to abide by the Court order. Accordingly, the differential amount withheld by the Management in respect of ex-officers has to be released / refunded to the concerned ex-officers/nominees along with applicable interest.

As per the Board approval, one increment impact amount of ₹ 2712 lakhs recovered from the retired/deceased/resigned employees has been paid during 2024-25. Further, in respect of officers an amount of ₹ 18565 lakhs credited to salaries and wages in the earlier years and kept under claims receivable has been reversed during 2024-25. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

In respect of workmen, the order is awaited. Hence, reduction of salaries and wages in respect of workmen continued for the year ended 31st March 2025 and ₹ 2444 lakhs effect given in the books towards this. Excess amount credited to salaries and wages in respect of workmen has been shown under claims receivable (Gross) of ₹ 16390 lakhs as at 31st March 2025 (previous year: ₹ 14282 lakhs).

Based on the final verdict, decision in respect of workmen will be taken and suitable effect will be carried out in the accounts.

21 Ministry vide OM dated 12.07.2023 has conveyed the approval for increasing the Company's contribution to the Pension Scheme of Executives from existing 7% to 10% of Basic Pay + DA w.e.f. 01.01.2017. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2017 has been made in respect of executives who are on the rolls of the Company as on the date of implementation of the revised ceiling i.e. 01.01.2017. In respect of new incumbents who joined the Company post 01.01.2017, it will be effective from the date of appointment.

The additional liability accruing to the Company due to the increased ceiling, is ₹ 21776 lakhs pertaining to the period from 1 January, 2017 to 31 March, 2024 (₹ 3719 lakhs for the year ended 31 March, 2025). The total additional financial impact on revision of Pension contribution up to 31st March 2024 has been given effect in the books of accounts during the year ended 31 March, 2024. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.

In respect of workmen, Company issued Circular dated 24.04.2025 has conveyed the approval for increasing the Company's contribution to the Pension Scheme from existing 7% to 10% of Basic Pay + DA w.e.f. 01.01.2025. Revision of Pension contribution from 7% to 10% of Basic Pay + DA w.e.f 01.01.2025 has been made in respect of workmen who were on the rolls of the Company as on the date of implementation of the revised ceiling.

The additional liability accruing to the Company due to the increased ceiling is ₹ 1051 lakhs pertaining to the period from 1 January, 2025 to 31 March, 2025. The total additional financial impact on revision of Pension contribution has been given effect in the books of accounts during the year ended 31 March, 2025. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.

₹ in Lakhs

22.1	Value of Imports calculated on CIF basis:	For the year ended 31 March 2025	For the year ended 31 March 2024
(i)	Raw Materials	**513258**	553468
(ii)	Components and Spares	**1043215**	449276
(iii)	Capital Goods	**3202**	1402
(iv)	Special Tools	**11927**	5995
Total		**1571602**	1010140

₹ in Lakhs

22.2	Raw Materials, Spare Parts and Components consumed :	For the year ended 31 March 2025	For the year ended 31 March 2024
(i)	Imported (including Customs Duty)	**1527110**	1029917
	(% to total)	**77**	80
(ii)	Indigenous	**452890**	259946
	(% to total)	**23**	20
	Total (Gross)	**1980000**	1289863
(Total %)		**100**	100




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

23 The aggregate amount of Research and Development Expenditure recognised as expenses during the year is as below:

₹ in Lakhs

Expenditure on R&D included in :	For the year ended 31 March 2025	For the year ended 31 March 2024
Raw Material Consumption	**54101**	44065
Direct Expenses	**21456**	31755
Salaries and Wages	**86028**	80171
Other Expenses	**86648**	126633
Total R & D Expenditure	**248233**	282624

₹ in Lakhs

24 The Property, Plant and Equipment does not include assets funded by the customer for use of their jobs but held by the Company on their behalf.	As at 31 March 2025	As at 31 March 2024
Opening Balance	**215344**	198771
Additions	**3085**	16573
Closing Balance	**218429**	215344

₹ in Lakhs

25.1 Joint Ventures	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Capital Expenditure of Joint Venture	Share of the Company	Capital Expenditure of Joint Venture	Share of the Company
BAeHAL Software Limited	**329**	**161**	4	1
Safran HAL Aircraft Engines Private Limited	**1245**	**622**	1907	954
Indo Avia Services Limited	**3**	**1**	0	0
HATSOFF Helicopter Training Private Limited	**11**	**5**	12	6
International Aerospace Manufacturing Private	**10929**	**5465**	8997	4499
Helicopter Engines MRO Private Ltd	**1700**	**850**	1224	612
SAFHAL Helicopter Engines Private Limited	**3**	**2**	76	38
Total	**14220**	**7106**	12220	6110




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

₹ in Lakhs

25.2 Joint Ventures	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Revenue from Export Sales Joint Venture	Share of the Company	Revenue from Export Sales Joint Venture	Share of the Company
BAeHAL Software Limited	**291**	**143**	221	108
Safran HAL Aircraft Engines Private Limited	**21559**	**10780**	16913	8456
Indo Avia Services Limited	**0**	**0**	45	21
HATSOFF Helicopter Training Private Limited	**2**	**1**	10	5
International Aerospace Manufacturing Private	**35219**	**17610**	24859	12429
Helicopter Engines MRO Private Ltd	**4**	**2**	0	0
Total	**57075**	**28536**	42048	21019

26 Financial instruments by category

(a) The carrying value and fair value of financial instruments by each category as at 31st March, 2025 were as follows:

₹ in Lakhs

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total Carrying Value	Total Fair Value
Assets:					
(i) Investments	150948			150948	150948
(ii) Loans	1300			1300	1300
(iii) Other financial assets	173604			173604	173604
(iv) Trade receivables	464779			464779	464779
(v) Contract Asset	1588916			1588916	1588916
(vi) Cash and Cash equivalents	454855			454855	454855
(vii) Bank balance other than Cash & Cash equivalents	3363370			3363370	3363370
Liabilities:					
(i) Trade payables	510567			510567	510567
(ii) Other financial liabilities	332597			332597	332597
(iii) Borrowings	0			0	0
(iv) Lease Liabilities	116			116	116

Note 49 - Consolidated Notes to Financial Statements

(b) The carrying value and fair value of financial instruments by each category as at 31 March, 2024 were as follows:

₹ in Lakhs

Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total Carrying Value	Total Fair Value
Assets:					
(i) Investments	138969			138969	138969
(ii) Loans	1638			1638	1638
(iii) Other financial assets	190966			190966	190966
(iv) Trade receivables	461685			461685	461685
(v) Contract Asset	1189396			1189396	1189396
(vi) Cash and Cash equivalents	425469			425469	425469
(vii) Bank balance other than Cash & Cash equivalents	2217692			2217692	2217692
Liabilities:					
(i) Trade payables	341287			341287	341287
(ii) Other financial liabilities	295724			295724	295724
(iii) Borrowings	0			0	0
(iv) Lease Liabilities	110			110	110

(c) Interest income/expenses, gain/loss recognised on financial assets and liabilities in the Consolidated Statement of Profit & Loss are as follows:

₹ in Lakhs

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
(i) Financial assets at amortised cost		
- Interest income from bank deposits	**198067**	153182
- Interest income from other financial assets	**11128**	10261
- Gain/(Loss) on amortisation of financial assets	**3117**	3027
(ii) Financial liabilities at amortised cost		
- (Gain)/Loss on amortisation of financial liabilities	**2949**	3248

27 Financial Risk Management

The Group is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The Group based on its business operation evaluated the following risks:

a) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's imports for which the payment has to be done in currencies other than the functional currency of the Group. The fluctuation in exchange rates in respect to the Indian rupee may have very restricted impact on Group as any fluctuations in foreign exchange are in general reimbursed by the customers of the Group in terms of the contractual obligations which the Group has with its customers.





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, loans & advances, advances given to suppliers (for procurement of goods, services and capital goods), cash & cash equivalents and deposits with banks and financial institutions. The Group for the Financial Year (FY) derived 97% (Previous year - 95%) of its total sales from sales to the Indian Defence Services. The Group expects to continue to derive most of its sales from the Indian Defence Services under the contracts of the Ministry of Defence (MoD), Government of India (GoI) –the Group's principal shareholder and administrative ministry.

Ageing Analysis of the Trade Receivables ₹ in Lakhs

Ageing	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	more than 181 days past due	Total
Net carrying amount as at 31.03.2025	149047	30774	38811	31576	18826	195744	464779
Net carrying amount as at 31.03.2024	115752	29481	17256	73558	28892	196745	461685

c) Provision for expected credit losses:

As the Group's debtors are predominantly the Government of India (Indian Defence Services, Ministry of External Affairs), Central Public Sector Undertakings where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is NIL/negligible. Accordingly, impairment on account of expected credit losses is being assessed on a case to case basis in respect of dues outstanding for significant period of time as per the accounting policy of the Group. Further, Management believes that the unimpaired amounts that are due is collectable in full, based on historical payment behaviour and extensive analysis of customer credit risk.

d) Liquidity risk:

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. The Group's standard contract terms provide that, the Group receives advance payments from customers pursuant to the applicable contracts, including the Government of India and the Indian Defence Services at the time of signing of any contract and milestone payments on achievement of physical milestones. These payments are utilized to meet the Group's working capital needs (for the Group required to maintain a high level of working capital because the Group's activities are characterized by long product development periods and production cycles). A majority of the Group's research, design and development costs are funded by the Indian Defence services. Services and supply of spares are governed by the Fixed Price Quotation (FPQ) policy for fixation of the prices wherein the prices are fixed for the base year with escalation parameters for a pricing period of 5-7 years. The process of fixation of prices and approvals takes a minimum period of two years after the expiry of previous pricing period. In the interim, the approved prices of the previous pricing period are continued and payments are accordingly realised and on finalisation of the revised prices, the differential prices are paid to the Group. Further, certain costs not forming part of selling price are reimbursed by customer on incurrence of expenditure. The reimbursement is based on verification and issuance of audit certificate by the payees. There are delays in the above process due to unanticipated variations/adjustments in the scope and schedule of the Group's obligations due to subsequent modifications by the customers and delays in receipt of approvals from the customer. Further, payments to the Group by the Indian Defence Services are reliant on the continuing availability of budgetary appropriations by Government of India and any disruptions to the availability of such appropriations could adversely affect the Group's cash flows.

e) Market risk:

The Ministry of Defence (MoD) and the Government of India (GoI) have continued efforts to reform Defence related policies such as the Defence Acquisition Procedure 2020 ("DAP 2020") to promote private participation, a level playing field and the domestic Defence manufacturing Industry and eco-system. While the MoD has given the highest priority to Indigenously Designed, Developed and Manufactured ("IDDM") products for capital procurement, the Group faces

Note 49 - Consolidated Notes to Financial Statements

competition to be selected as the Indian production agency for such contracts. These policies have raised the level of market competition in the areas in which the Group operates.

f) Risk Mitigation Process:

As a step of institutionalizing the risk management in the Group, an elaborate framework has been developed and the Group's top management has overall responsibility for the establishment and oversight of the Group's risk management framework. An important purpose of the framework is to have a structured and comprehensive risk management system across the Group which ensures that the risks are being properly identified and effectively managed. The Group has a risk management policy to manage & mitigate these risks. The risk management process includes risk identification, risk assessment, risk evaluation, risk mitigation and regular review and monitoring of risks. The Group's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Group's business plan along with reasonable participation in market movement.

28 Capital Management:

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent . The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital by using debt equity ratio, which is borrowings divided by Equity.

₹ in Lakhs

Particulars	As at 31st March 2025	As at 31st March 2024
Debt	**0**	0
Equity	**3498517**	2914181
No of times	**0.00:1**	0.00:1

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2025 and 31st March 2024.

29 UN-HEDGED FOREIGN CURRENCY EXPOSURE

RECEIVABLES	As at 31 March 2025		As at 31 March 2024	
	Foreign Currency	Amount in INR (in Lakhs)	Foreign Currency	Amount in INR (in Lakhs)
GBP	**14019**	**15**	9389	10
EURO	**1388955**	**1260**	508531	450
USD	**24633256**	**20877**	37309961	30818
RBL	**0**	**0**	569413	5
PAYABLES				
GBP	**25864609**	**29108**	41514600	44347
EURO	**60950747**	**57197**	51542220	47149
USD	**244265765**	**210679**	205843331	173115
CHF	**290220**	**287**	132506	125
NOK	**1543750**	**127**	0	0
CAD	**826458**	**501**	157350	98





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

30. In Compliance with Ind AS 112 - Disclosure of Interest in Other Entities, the required information is as follows:-

a) Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of the Subsidiary*	Nature of Business	Equity Interest (in %)	
		As at 31st March 2025	As at 31st March 2024
Naini Aerospace Limited	Manufacture of Looms for Helicopter and Aircrafts and support for second line manufacture of Helicopter at TAD, Kanpur	**100%**	100%
Indo-Russian Helicopters Limited	Production, maintenance, operation, repairs modernize and upgrade the Ka-226 T Helicopters. The Company will also do marketing for third countries export and provide technical support for these Helicopters	**50.5%**	50.5%

* All Subsidiaries have been incorporated in India and the principal place of business is in India.

Proportion of equity interest held by non-controlling interests:

Name of the Subsidiary	**As at 31st March 2025**	As at 31st March 2024
Indo-Russian Helicopters Limited	49.5%	49.5%

b) Summarised financial information of Subsidiary

The summarised financial information of the subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised Balance Sheet:

₹ in Lakhs

Particulars	Naini Aerospace Limited		Indo-Russian Helicopters Limited	
	As at 31st March 2025	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024
Current assets	**1734**	1376	**67**	60
Current liabilities	**2399**	2210	**70**	72
Net Current assets	**-665**	**-834**	**-3**	**-12**
Non-current assets	**1788**	2116	**725**	750
Non-current liabilities	**1216**	1496	**2**	2
Net Non-current assets	**572**	**620**	**723**	**748**
Net assets	**-93**	**-214**	**720**	**736**
Accumulated Non-Controlling Interests	**-**	**-**	**356**	**364**




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

Summarised Statement of Profit & Loss:

₹ in Lakhs

Particulars	Naini Aerospace Limited		Indo-Russian Helicopters Limited	
	For the year ended 31st March 2025	For the year ended 31st March 2024	**For the year ended 31st March 2025**	For the year ended 31st March 2024
Revenue	**1886**	1478	**52**	51
Profit for the year	**138**	-307	**-16**	-20
Other Comprehensive Income	**-17**	5	**0**	**0**
Total Comprehensive Income	**121**	**-302**	**-16**	**-20**
Profit/(Loss) allocated to Non-Controlling Interests	**0**	**0**	**-8**	**-10**
Dividends paid to Non-Controlling Interests	**0**	**0**	**0**	**0**

Summarised Cash Flow:

₹ in Lakhs

Particulars	Naini Aerospace Limited		Indo-Russian Helicopters Limited	
	For the year ended 31st March 2025	For the year ended 31st March 2024	**For the year ended 31st March 2025**	For the year ended 31st March 2024
Cash flow from operating activities	**-2**	-117	**-51**	-115
Cash flow from investing activities	**110**	57	**52**	51
Cash flow from financing activities	**0**	0	**0**	0
Net increase/(decrease) in cash and cash equivalents	**108**	**-60**	**1**	**-64**

c) Details of interest in Joint Venture is as under:

Name of the Joint Ventures*	Nature of Business	Proportion of Ownership Interest (in %)	
		As at 31st March 2025	As at 31st March 2024
International Aerospace Manufacturing Private Limited (IAMPL)	Manufacturing of compressed rings, turbine blades.	**50%**	50%
BAeHAL Software Limited (BAeHAL)	Develop, Improve, Market, Sell, Lease or Loaning of Computer Softwares	**49%**	49%
Safran HAL Aircraft Engines Private Limited (Formerly known as Snecma HAL Aerospace Private Limited)	Produce Engine Parts & Components	**50%**	50%
Samtel HAL Display Systems Limited (SAMTEL)	Design, Develop & Manufacture of various types of display systems for airborne, military & Ground Applications.	**40%**	40%





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

Name of the Joint Ventures*	Nature of Business	Proportion of Ownership Interest (in %)	
		As at 31st March 2025	As at 31st March 2024
Infotech HAL Limited (INFOTECH)	Engineering Services work in aero engines field, Technical Publications, Works from OEM.	**50%**	50%
HAL Edgewood Technologies Private Limited (HAL-EDGEWOOD)	Hi-tech aerospace & Defence Product Design, Development, manufacturing & Technology Transfer.	**50%**	50%
Halbit Avionics Private Limited (HALBIT)	Design, Develop, Market & Support (Operations & Maintenance) Products. Provide support and maintenance services	**50%**	50%
Indo Avia Services Limited (Formerly known as Indo Russian Aviation Limited))	Overhaul & Repair of Aircraft, Engines	**48%**	48%
HATSOFF Helicopter Training Private Limited (HATSOFF)	Military & Civil Helicopter Pilot Training Services, Marketing about Training Services	**50%**	50%
Multirole Transport Aircraft Limited (MTAL)	Preliminary & Detail Design of MTA MTA Prototypes Prod. Factory Testing of MTA Flight Aircraft Tests of MTA	**50%**	50%
Helicopter Engines MRO Private Ltd	To provide support, maintenance, repair and overhaul of Helicopter engines	**50%**	50%
SAFHAL Helicopter Engines Private Limited	To carry out business of design, development, certification, production, sale and support of helicopter engines.	**50%**	50%

** All Joint Ventures have been incorporated in India and the principal place of business is in India.*

i Hindustan Aeronautics Limited has invested in seven companies i.e. Aerospace and Aviation Sector Skill Council, Defence Innovation Organisation, Communication (Defence) Testing Foundation, Electronic Warfare (Defence) Testing Foundation, UAS Testing Foundation, Advance Material (Defence) Testing Foundation and Systyem Testing And Research For Advanced Materials Foundation . The companies are incorporated under Sec 8 of the Companies Act 2013. As per Ind AS 110, the Company does not exercise any control over these companies. Hence they have not been considered for consolidation in Consolidated Financial Statements

ii The Board in its 406th meeting held on 22nd September 2017, accorded in principle approval for voluntary winding up / closure of the three Joint Ventures i.e. M/s. HAL-Edgewood Technologies Private Limited, M/s. Tata HAL Technologies Ltd and M/s. Multirole Transport Aircraft Ltd. enabling the Company to take further action in the matter.

Further, the Board authorized the Company to seek approval of Ministry of Defence (MoD), for short closure of the Contracts associated with the M/s Multirole Transport Aircraft (MTA) project and requested MoD, to initiate necessary action for closure of IGA, as it is a prerequisite for winding up of the MTA - Joint Venture Company. Further, MOD vide its letter dated 14th October 2021 notified the termination of the agreement between the Govt. of the Republic of India and Govt. of Russian Federation. In this respect the Russian Federation vide its letter dated 20th April 2022 intimated that the decision of the Indian side has been taken into consideration.

Further in 435th meeting held on 16th March 2020, the Board has directed the Company to expedite the closure of M/s. Multirole Transport Aircraft Ltd at the earliest after taking clearance from Russian partners from their Board.




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

The Board in its 440th meeting held on 9th December 2020, accorded in principle approval for voluntary winding up / closure of Joint Venture M/s. Infotech HAL Limited (IHL) enabling the Company to take further action in the matter.

iii The name of the Joint venture company Indo Russian Aviation Limited has been changed to Indo Avia Services Limited with effect from 08.05.2023.

iv The Company had signed an agreement with Safran Helicopter Engines SAS for setting up a joint venture to carry out business of design, development, certification, production, sale and support of helicopter engines. Pursuant to the same a Joint Venture Company with Safran Helicopter Engines SAS by name SAFHAL Helicopter Engines Private Limited has been incorporated on 09 November 2023. Each JV partner has subscribed for 1000000 equity shares of ₹ 10 each amounting to ₹ 100 lakh.

v The Company had paid ₹ 950 lakhs towards subscription of 950000 equity shares of the face value of ₹ 100 each to its Joint Venture Company, Helicopter Engines MRO Private Limited, on 8 January, 2024 towards equity participation in Rights issue of the Joint Venture Company. Pursuant to the same, the investment of the Company in the Joint Venture has increased from ₹ 1510 lakhs to ₹ 2460 lakhs during the FY 2023-24.

Note 49 - Consolidated Notes to Financial Statements

d) Summarised Financial information in respect of each of Group's Joint Ventures is set out below:

The summarised financial information below represents amount shown in the Joint Venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purpose.

Summarised Balance Sheet

₹ in Lakhs

Particulars	BAe-HAL Software Ltd		Safran HAL Aircraft Engines Private Ltd		SAMTEL HAL Display Systems Ltd	
	As at 31 March 2025	As at 31 March 2024	**As at 31 March 2025**	As at 31 March 2024	**As at 31 March 2025**	As at 31 March 2024
Current assets						
- Cash & Cash equivalents	**161**	58	**366**	415	**7**	4
- Other assets	**2868**	1908	**10705**	10164	**4053**	1622
Total current assets	**3029**	**1966**	**11071**	**10579**	**4060**	**1626**
Total non-current assets	**465**	**224**	**7644**	**7296**	**44**	**59**
Current liabilities						
- Financial liabilities (excluding trade payables)			**1499**	1579		
- Other liabilities	**1699**	1173	**3638**	4892	**4862**	2466
Total current liabilities	**1699**	**1173**	**5137**	**6471**	**4862**	**2466**
Non-Current liabilities						
- Financial liabilities (excluding trade payables)	**255**		**16**	16		
- Other liabilities	**103**	106	**226**	170	**34**	26
Total non-current liabilities	**358**	**106**	**242**	**186**	**34**	**26**
Net assets	**1437**	**911**	**13336**	**11218**	**-792**	**-807**



Note 49 - Consolidated Notes to Financial Statements

Summarised Balance Sheet

₹ in Lakhs

Particulars	HALBIT Avionics Pvt Ltd		Indo Avia Services Ltd		HATSOFF Helicopter Training Pvt Ltd	
	As at 31st March 2025	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024
Current assets						
- Cash & Cash equivalents	**1571**	1595	**12956**	11622	**1760**	603
- Other assets	**2701**	2578	**5746**	6195	**4129**	4316
Total current assets	**4272**	**4173**	**18702**	**17817**	**5889**	**4919**
Total non-current assets	**91**	**85**	**70**	**72**	**13348**	**13667**
Current liabilities						
- Financial liabilities (excluding trade payables)					**18128**	18177
- Other liabilities	**5360**	5267	**2141**	1713	**375**	340
Total current liabilities	**5360**	**5267**	**2141**	**1713**	**18503**	**18517**
Non-Current liabilities						
- Financial liabilities (excluding trade payables)						1404
- Other liabilities	**18**	13	**453**	450	**397**	230
Total non-current liabilities	**18**	**13**	**453**	**450**	**397**	**1634**
Net assets	**-1015**	**-1022**	**16178**	**15726**	**337**	**-1565**





Note 49 - Consolidated Notes to Financial Statements

Summarised Balance Sheet

₹ in Lakhs

Particulars	International Aerospace Manufacturing Pvt Ltd		Multirole Transport Aircraft Ltd.		Helicopter Engines MRO Pvt Ltd		SAFHAL Helicopter Engines Private Limited	
	As at 31st March 2025	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024
Current assets								
- Cash & Cash equivalents	**299**	172	**3096**	2559	**114**	1674	132	200
- Other assets	**18653**	13409	**10358**	9648	**42**	31	13	14
Total current assets	**18952**	**13581**	**13454**	**12207**	**156**	**1705**	**145**	**214**
Total non-current assets	**23292**	**14875**			**3920**	**2504**	**52**	**69**
Current liabilities								
- Financial liabilities (excluding trade payables)	**8013**	5495					19	17
- Other liabilities	**9440**	8341	**8**	6	**104**	5	5	44
Total current liabilities	**17453**	**13836**	**8**	**6**	**104**	**5**	**24**	**61**
Non-Current liabilities								
- Financial liabilities (excluding trade payables)	**8510**	938			**79**	79	34	54
- Other liabilities	**515**	380	**2**	1	**7**	2		
Total non-current liabilities	**9025**	**1318**	**2**	**1**	**86**	**81**	**34**	**54**
Net assets	**15766**	**13302**	**13444**	**12200**	**3886**	**4123**	**139**	**168**





Note 49 - Consolidated Notes to Financial Statements

Summarised Statement of Profit & loss

₹ in Lakhs

Particulars	BAe-HAL Software Ltd		Safran HAL Aircraft Engines Private Ltd		SAMTEL HAL Display Systems Ltd		HALBIT Avionics Pvt Ltd		Indo Avia Services Ltd	
	For the year ended 31st March 2025	For the year ended 31st March 2024	**For the year ended 31st March 2025**	For the year ended 31st March 2024	**For the year ended 31st March 2025**	For the year ended 31st March 2024	**For the year ended 31st March 2025**	For the year ended 31st March 2024	**For the year ended 31st March 2025**	For the year ended 31st March 2024
Revenue	**3239**	**2226**	**21648**	16988	**2194**	3220	**358**	365	**5186**	2701
Interest Income	**36**	**14**			**2**	1	**79**	78	**976**	743
Depreciation & amortisation	**114**	**18**	**897**	617	**5**	7	**1**	1	**6**	5
Interest expense	**50**	**27**	**152**	51	**20**	9				
Income tax expense	**138**	**8**	**689**	556			**4**	17	**393**	238
Other Expenditure	**2457**	**1949**	**17785**	14167	**2156**	3108	**424**	293	**4621**	2494
Profit from continuing operations	**516**	**238**	**2125**	**1597**	**15**	**97**	**8**	**132**	**1142**	**707**
Profit from discontinued operations										
Profit for the year	**516**	**238**	**2125**	**1597**	**15**	**97**	**8**	**132**	**1142**	**707**
Other comprehensive income	**1**	**-12**	**-7**	-11			**-1**			
Total comprehensive income	**517**	**226**	**2118**	**1586**	**15**	**97**	**7**	**132**	**1142**	**707**
Dividends Received (HAL share)									**331**	187

Note 49 - Consolidated Notes to Financial Statements

Reconciliation of the summarised financial information to the carrying amount of interest in Joint venture

₹ in Lakhs

Particulars	BAe-HAL Software Ltd		Safran HAL Aircraft Engines Private Ltd		SAMTEL HAL Display Systems Ltd		HALBIT Avionics Pvt Ltd		Indo Avia Services Ltd	
	As at 31st March 2025	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024
Opening net assets	**911**	685	**11218**	9632	**-807**	-904	**-1022**	-1154	**15726**	15409
Restatement of financial statement by JV										
Profit for the year	**516**	238	**2125**	1597	**15**	97	**8**	132	**1142**	707
Other comprehensive income	**1**	-12	**-7**	-11			**-1**			
Dividends paid									**-690**	-390
Appropriation	**9**									
Share Capital issued										
Closing net assets	**1437**	**911**	**13336**	**11218**	**-792**	**-807**	**-1015**	**-1022**	**16178**	**15726**
Group's share in %	**49%**	49%	**50%**	50%	**40%**	40%	**50%**	50%	**48%**	48%
Group's share in INR	**704**	447	**6668**	5609	**-317**	-323	**-508**	-511	**7767**	7550
Unrealised Gain/ Loss									**-529**	-838
Unrecognised Losses (Net of subsequent profits)					**477**	483	**891**	894		
Provision for Diminution		61			**160**	160	**383**	383		
Goodwill										
Carrying amount	**704**	**386**	**6668**	**5609**	**0**	**0**	**0**	**0**	**7238**	**6712**





Note 49 - Consolidated Notes to Financial Statements

Summarised Statement of Profit & loss

₹ in Lakhs

Particulars	HATSOFF Helicopter Training Pvt Ltd		SAFHAL Helicopter Engines Private Limited		International Aerospace Manufacturing Pvt Ltd		Multirole Transport Aircraft Ltd.		Helicopter Engines MRO Pvt Ltd	
	For the year ended 31st March 2025	For the year ended 31st March 2024	**For the year ended 31st March 2025**	For the year ended 31st March 2024	**For the year ended 31st March 2025**	For the year ended 31st March 2024	**For the year ended 31st March 2025**	For the year ended 31st March 2024	**For the year ended 31st March 2025**	For the year ended 31st March 2024
Revenue	**6768**	6652			**35626**	26073	**371**	7	**4**	
Interest Income	**130**	75	**8**		**5**	3	**1061**	813	**40**	45
Depreciation & amortisation	**1040**	1041	**21**	**7**	**1933**	1063			**40**	33
Interest expense	**1649**	1915	**4**	**2**	**990**	191			**7**	7
Income tax expense	**220**				**1333**	1200	**80**	34	**4**	7
Other Expenditure	**2080**	1871	**12**	**23**	**28568**	21491	**108**	547	**229**	27
Profit from continuing operations	**1909**	**1900**	**-29**	**-32**	**2807**	**2131**	**1244**	**239**	**-236**	**-29**
Profit from discontinued operations										
Profit for the year	**1909**	**1900**	**-29**	**-32**	**2807**	**2131**	**1244**	**239**	**-236**	**-29**
Other comprehensive income	**-7**	-3			**-24**	-34				
Total comprehensive income	**1902**	**1897**	**-29**	**-32**	**2783**	**2097**	**1244**	**239**	**-236**	**-29**
Dividends Received (HAL share)					**160**	108				

Note 49 - Consolidated Notes to Financial Statements

Reconciliation of the summarised financial information to the carrying amount of interest in Joint venture

₹ in Lakhs

Particulars	HATSOFF Helicopter Training Pvt Ltd		SAFHAL Helicopter Engines Private Limited		International Aerospace Manufacturing Pvt Ltd		Multirole Transport Aircraft Ltd.		Helicopter Engines MRO Pvt Ltd	
	As at 31st March 2025	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024	**As at 31st March 2025**	As at 31st March 2024
Opening net assets	**-1565**	-3462	**168**		**13302**	11421	**12199**	11960	**4123**	2252
Restatement of financial statement by JV										
Profit for the year	**1909**	1900	**-29**	-32	**2807**	2131	**1244**	239	**-236**	-29
Other comprehensive income	**-7**	-3			**-24**	-34				
Dividends paid					**-319**	-216				
Appropriation										
Share Capital issued				200						1900
Closing net assets	**337**	**-1565**	**139**	**168**	**15766**	**13302**	**13443**	**12199**	**3887**	**4123**
Group's share in %	**50%**	50%	**50%**	50%	**50%**	50%	**50%**	50%	**50%**	50%
Group's share in INR	**169**	-783	**70**	84	**7882**	6650	**6722**	6100	**1943**	2061
Unrealised Gain/ Loss					**-102**	-68				
Unrecognised Losses (Net of subsequent profits)	**3672**	4623					**578**	578		
Provision for Diminution	**3840**	3840	**31**			855	**6678**	6678	**517**	415
Goodwill										
Carrying amount	**0**	**0**	**39**	**84**	**7780**	**5727**	**622**		**1426**	**1646**








Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

e) Commitments and Contingent Liabilities in respect of Joint Ventures

₹ in Lakhs

Particulars	As at 31st March 2025	As at 31st March 2024
In respect of Joint Ventures (Group Share)		
(i) VAT / GST	**161**	161
(ii) Income Tax	**211**	41
Total	**372**	202
In respect of Joint Ventures (Group Share)		
Estimated amount of contracts remaining to be executed and not provided for on Capital Account	**3270**	5537

Note 49 - Consolidated Notes to Financial Statements

f) Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

₹ in Lakhs

Name of the Entity in the Group	Net Assets, i.e. Total Assets minus Total Liabilities		Share in Net Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	2024-25		2024-25		2024-25		2024-25	
	As % of consolidated net assets	Net Asset	As % of consolidated profit or loss	Profit/-Loss	As % of consolidated other comprehensive income	Other Comprehensive Income	As % of consolidated total comprehensive income	Total Comprehensive Income
Parent								
Hindustan Aeronautics Limited	99.48	3480423	99.50	832218	101.55	2098	99.50	834316
Subsidiaries								
Naini Aerospace Limited	-0.19	-6593	0.02	138	-0.82	-17	0.01	121
Indo-Russian Helicopters Ltd	0.00	-141	0.00	-8			0.00	-8
Non Controlling Interest in Subsidiaries	0.01	356	0.00	-8			0.00	-8
Joint Ventures (Investment as per the equity method)								
BAe-HAL Software Ltd	0.02	701	0.03	253	0.05	1	0.03	254
Safran HAL Aircraft Engines Private Ltd	0.19	6668	0.13	1063	-0.19	-4	0.13	1059
Indo Avia Services Ltd	0.21	7238	0.10	857			0.10	857
International Aerospace Manufacturing Pvt Ltd	0.22	7779	0.17	1403	-0.58	-12	0.17	1391
Multirole Transport Aircraft Ltd	0.02	622	0.07	622			0.07	622
Helicopter Engines MRO Pvt Ltd	0.04	1426	-0.01	-118			-0.01	-118
SAFHAL Helicopter Engines Private Limited	0.00	38	0.00	-15			0.00	-15
Total	**100**	**3498517**	**100**	**836405**	**100**	**2066**	**100**	**838471**

Note: The above figures are after eliminating intra-group transactions and intra-group balances as at 31st March 2025.



Note 49 - Consolidated Notes to Financial Statements

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

₹ in Lakhs

Name of the Entity in the Group	Net Assets, i.e. Total Assets minus Total Liabilities		Share in Net Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	2023-24		2023-24		2023-24		2023-24	
	As % of consolidated net assets	Net Asset	As % of consolidated profit or loss	Profit/-Loss	As % of consolidated other comprehensive income	Other Comprehensive Income	As % of consolidated total comprehensive income	Total Comprehensive Income
Parent								
Hindustan Aeronautics Limited	99.53	2900500	99.70	759772	99.71	-8190	99.70	751582
Subsidiaries								
Naini Aerospace Limited	-0.23	-6714	-0.04	-307	-0.06	5	-0.04	-302
Indo-Russian Helicopters Ltd	0.00	-133	0.00	-10			0.00	-10
Non Controlling Interest in Subsidiaries	0.01	364	0.00	-10			0.00	-10
Joint Ventures (Investment as per the equity method)								
BAe-HAL Software Ltd	0.01	386	0.02	117	0.07	-6	0.01	111
Safran HAL Aircraft Engines Private Ltd	0.19	5609	0.10	799	0.07	-6	0.11	793
Indo Avia Services Ltd	0.23	6712	0.09	700			0.09	700
International Aerospace Manufacturing Pvt Ltd	0.20	5727	0.14	1065	0.21	-17	0.14	1048
Multirole Transport Aircraft Ltd								
Helicopter Engines MRO Pvt Ltd	0.06	1646	0.00	-15			0.00	-15
SAFHAL Helicopter Engines Private Limited	0.00	84	0.00	-16			0.00	-16
Total	**100**	**2914181**	**100**	**762095**	**100**	**-8214**	**100**	**753881**

Note: The above figures are after eliminating intra-group transactions and intra-group balances as at 31st March 2024.









Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

31 Notes Specific to Joint Ventures

(i) In respect of HATSOFF Helicopter Training Private Limited

Going Concern

The Company has made a net profit of ₹ 1909.27 lakh for the year ended 31 March, 2025 and, as of that date, the Company's current liabilities exceeded its current assets by ₹ 12613.59 lakh. In addition to this, as at the balance sheet date, the Company has significant accumulated losses which have resulted in erosion of the net worth. The networth of the Company as at 31 March, 2025 is ₹ 337.10 lakh (as at 31 March, 2024 negative by ₹ 1564.98 lakh).

The Company has incurred a cost of ₹ 4332.42 lakh in connection with the Military Dhruv Cockpit development. The supply contract with CAE Inc, Canada, wherein the Company exported the cockpit purchased from Hindustan Aeronautics Limited to CAE Inc. for further fittings and is currently awaiting the delivery of the completed Military Dhruv Cockpit. The agreed price in 2008 was USD 6,892,777 and an amount of USD 4,892,777 (₹ 2090.73 lakh) was paid. The revised estimated price , as quoted by CAE Inc, in June 2019 and valid until March 2020 is USD 13,692,777 reflecting cost escalations. The Company is currently negotiating for the final quote and delivery schedules from CAE Inc. The management expects to reach an agreement with CAE Inc, to finalize the price and delivery schedule. Consequently, no impairment is deemed necessary for the amount shown under CWIP and capital advances.

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 obligations.

2) The Company has been able to get the multi-year contracts from Defence 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 principal of ₹ 3600 lakh (US$ 4,217,066) during the current year and previous year ₹ 4518.05 lakh (US$ 5,445,471) against ECB overdue installments at various dates and serviced interest up to 4 September 2023.

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

Material Uncertainity related to Going Concern

The Company, as on 31 March 2025, has a net liability of ₹ 1015.30 lakh (March 31st 2024:₹ 1022.06 lakh) and a net current liability of ₹ 1088.45 lakh (March 31st 2024:₹ 1093.93 lakh) indicating existence of an uncertainty that may cast doubt upon the Company's ability to continue as a going concern. However, the bulk of its current liability is subject to the satisfactory completion of the performance obligations by the supplier, who is also a shareholder of this joint venture Company. Besides this, the Company continues to generate positive cash flows from its operations and plans to liquidate the liability in a phased manner. The Company expects to fund its operating and capital expenditure and continue business operations. Accordingly, the management has determined that these actions are sufficient to mitigate the uncertainty and has prepared the financial statements on a going concern basis.

(iii) In respect of Multirole Transport Aircraft Limited

Board in its 47th Meeting held on 09th February, 2023, approved the following resolution: "Subject to the necessary approval being obtained from the Government of India, in principle approval of the Board was accorded for the




Note 49 - Consolidated Notes to Financial Statements

Voluntary Liquidation of the Company in accordance with its Articles of Association, Shareholders Agreement and other relevant contracts, provisions of Section 59 and other applicable provisions of the Insolvency and Bankruptcy Code 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 and other provisions of the Companies Act 2013 and relevant rules and any other law as may be applicable. Hence, on fulfillment of the following steps, the Going Concern assumption will become inappropriate-

i. Receipt of Government of India approval for closure of the Company,

ii. Adopting unanimous resolution with affirmative vote by all the directors as per Para 9.4(h) of the Shareholders Agreement read with Para 147(2)(h) of the Articles of Association, recommending liquidation of the Company to the General Meeting.

iii. Adopting necessary resolutions for Voluntary Liquidation of the Company in the Members General Meeting as per the provisions of Insolvency and Bankruptcy Code, 2016.

iv. Adherence of procedures for closure of MTAL Moscow Branch in compliance with rules and regulations of Russian Federation.

v. Compliance of all other necessary steps as per internal rules and regulations of the Company, as well as applicable statutory provisions of the respective country (i.e. India and Russian Federation) for closure of the company.

(iv) In respect of Infotech HAL Ltd

The audited/reviewed financial statements of Infotech HAL Ltd, joint venture of Hindustan Aeronautics Limited are not made 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.

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

The Joint Venture Company has not prepared the financial statements for the year ended 31 March 2025, and accordingly not considered for consolidation.

The impact of non-consolidation, however, is not material. The Board in its 406th meeting held on 22nd September 2017, accorded in principle approval for voluntary winding up / closure of M/s. HAL-Edgewood Technologies Private Limited enabling the Company to take further action in the matter.

32 Defence Innovation Organisation ("DIO"):

(i) A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Defence Innovation Organisation" with M/s Bharat Electronics Limited (BEL) with an authorised Capital of ₹ 100 lakhs (Paid up capital as on 31.03.2025 is ₹ 1 Lakh (HAL 50% Share and BEL 50% Share). The registered office of DIO is situated at Centre for Learning and Development, Bharat Electronics Limited, Jalhalli, Bengaluru – 560013, Karnataka, India. DIO was incorporated to implement the scheme of defence innovation fund initiative by creation of an ecosystem to foster innovation and technology development in defence.

HAL Board in its 417th meeting held on 30th July 2018 had accorded approval for release of ₹ 5000 lakhs to DIO towards initial corpus fund in form of Grant in Aid in a staggered manner. Accordingly ₹ 500 lakhs has been paid to DIO in the month of August 2018 and the balance amount of ₹ 4500 lakhs has been released to DIO during August 2024.

(ii) A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Electronic Warfare (Defence) Testing Foundation". The total project cost ₹ 46.96 Crs comprising of Govt. Grant-in-Aid of ₹ 35.22 Crs and SPV partners contribution ₹ 11.74 Crs. Wherein M/s BEL will be the lead with equity contribution of 40%, HAL-20%, IOL-20%, BDL-10% & TIDCO-10%. Electronic Warfare (Defence) Testing Foundation was incorporated for Development, Operation and Management of Defence Testing Infrastructure for Electronic Warfare. Electronic Warfare (Defence) Testing Foundation was incorporated on 21st May 2024. HAL has made an investment of ₹ 235 lakhs (20% stake) towards subscription of 23480 Equity shares of ₹ 1000 each on 27th June 2024.

(iii) A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Communication (Defence) Testing Foundation". The total project cost ₹ 41.81 Crs comprising of Govt. Grant-in-Aid of ₹ 31.36 Crs and SPV partners contribution ₹ 10.45 Crs. Wherein M/s BEL will be the lead with equity contribution of 40%, HAL-25%, BEML-





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

25%, & AWEIL-10%. Communication (Defence) Testing Foundation was incorporated for Development, Operation and Management of Defence Testing Infrastructure for Communication domain. Communication (Defence) Testing Foundation was incorporated on 31st May 2024. HAL has made an investment of ₹ 261 lakhs (25% stake) towards subscription of 26131 Equity shares of ₹ 1000 each on 27th June 2024.

(iv) A Section 8 Company has been formed (Under Companies Act 2013) in the name of "UAS Testing Foundation". The total project cost ₹ 60 Crs comprising of Govt. Grant-in-Aid of ₹ 45 Crs and SPV partners contribution ₹ 15 Crs. Wherein M/s HAL will be the lead with equity contribution of 33.33%, BEL-20%, BEML-20%, YIL-10%, GIL-10% & Endure Air Systems Pvt Ltd.-6.67%. UAS Testing Foundation was incorporated for Development, Operation and Management of Defence Testing Infrastructure for Unmanned Aerial Systems. UAS Testing Foundation was incorporated on 21st June 2024. HAL has made an investment of ₹ 500 lakhs (33.40% stake) towards subscription of 50000 Equity shares of ₹ 1000 each on 18th July 2024.

(v) A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Advanced Materials (Defence) Testing Foundation". The total project cost ₹ 54.36 Crs comprising of Govt. Grant-in-Aid of ₹ 40.70 Crs and SPV partners contribution ₹ 13.66 Crs. Wherein M/s MIDHANI will be the lead with equity contribution of 20%, HAL-20%, BDL-20%, YIL-20% & PTC-20%. Advanced Materials (Defence) Testing Foundation was incorporated for Development, Operation and Management of Defence Testing Infrastructure for Mechanical & Material Testing. Advanced Materials (Defence) Testing Foundation was incorporated on 4th June 2024. HAL has made an investment of ₹ 273.20 lakhs (20% stake) towards subscription of 27320 Equity shares of ₹ 1000 each on 8th July 2024.

(vi) A Section 8 Company has been formed (Under Companies Act 2013) in the name of "Systems Testing and Research for Advanced Materials Foundation". The total project cost ₹ 49.68 Crs comprising of Govt. Grant-in-Aid of ₹ 36.864 Crs and SPV partners contribution ₹ 12.816 Crs. Wherein M/s Microlab will be the lead with equity contribution of 20%, BEML-20%, HAL-20%, Vaidheswaran Industries-10%, & TIDCO-30%. Systems Testing and Research for Advanced Materials Foundation was incorporated with a vision of creating easy access and adressing the testing needs of domestic defence industry. Systems Testing and Research for Advanced Materials Foundation was incorporated on 18th September 2024. HAL has made an investment of ₹ 20 lakhs (20% stake) towards subscription of 20000 Equity shares of ₹ 100 each on 18th November 2024. Further HAL made an investment of ₹ 41.25 lakhs towards subscripion of 41250 Equity Shares of ₹ 100 each. Pending allotment, the amount of investment is shown under share application money under current financial assets.

33 The Board in its 434th meeting was informed that Government approval is not required for transfer of lease hold land to M/S Helicopter Engines MRO Private Limited (HE-MRO), as it is neither defence land nor it is a land owned by HAL. Board reconsidered the decision taken in its 431st meeting and approved transfer of land without Government approval to M/s HE-MRO.

In line with the Board Approval in its 431st and 434th meetings, Tripartite Deed of Lease was executed on the 18th May 2023 between Goa Industrial Development Corporation (GIDC), M/s Helicopter Engines MRO Private Limited (HE MRO) and HAL MRO Division for transfer of Lease hold rights of industrial plot admeasuring 7.41 acres to HE MRO.

Further, the Sale of Deed was executed between HAL-MRO Division and HE -MRO on 8th June 2023 for sale of Building and Plant & Machinery and Other Assets for a total consideration of ₹ 1029 lakhs.

Accordingly necessary accounting treatment has been made in the Books of Accounts.

34 Additional Regulatory Information

(a) The Group has not given any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies, Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

(b) The Group does not have any Benami Property, where any proceedings has been initiated or pending against the Group for holding any Benami property.




Note 49 - Consolidated Notes to Financial Statements

(c) **Wilful Defaulter**

No entity in the Group has been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act,2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of india.

(d) The Group has following outstanding balances with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956) .

Name of struck off Company	Nature of transactions with struck-off Company (ex: Investment in securities, Receivables, Payables, shares held by struck off company, Other outstnding balances(to be sepcified)	As at 31st March 2025		As at 31st March 2024	
		Balance outstanding in INR	Relationship with the struck off company, if any, to be disclosed	Balance outstanding in INR	Relationship with the struck off company, if any, to be disclosed
Close Links Security Services Pvt. Ltd.	Payables	**367961**	**Vendor**	367961	Vendor
Empire Aviation Private Limited	Payables	**84163**	**Customer Airlines**	84163	Customer Airlines
Caliban Software Solutions Pvt. Ltd.	Payables	**188252**	**Vendor**	188252	Vendor
Hunting Hawks security & facility Services Pvt. Ltd.	Payables	**2363725**	**Vendor**	752073	Vendor
Formula one solution Pvt. Ltd.	Payables	**54005**	**Vendor**	54005	Vendor

(e) Compliance with number of layers of companies — Not Applicable

(f) Compliance with approved Scheme(s) of Arrangements — Not Applicable

(g) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (RoC) beyond the statutory period.

(h) **Utilisation of borrowed funds and share Premium through intermediaries or for benefit of third party beneficiaries:**

The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(i) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall :

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.





Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

(j) **Undisclosed Income**

No entity in the Group has any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and previously unrecorded income and related assets that have been properly recorded in the books of accounts during the year.

(k) **Details of Crypto Currency or Virtual Currency**

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

35 Exceptional item represents ₹ 589 Lakhs received on 12th September 2024 for compensation received from the Office of Special Land Acquisition Officer, Bangalore under KIADB Act, on compulsory acquisition of 315 Sq. Mtrs (0.078 Acres) of HAL land at Beninganahalli Village, Bangalore by M/s Bangalore Metro Rail Corporation Ltd.

36 Changes have been made to make Accounting Policies more elaborate and bring better clarity to the accounting practices that are followed by the Company. Proposed changes in the Accounting Policies were placed before the Board it its 489th meeting Dated 23rd January 2025 and the same was approved by the Board. There is no financial impact of these changes in the Company Accounts.

37 One overhauled Su-30 Aircraft having tail no. SB-182 got crashed during a flight near Ozar, Nashik on 04th June 2024. HAL has taken an insurance policy for efforts and material used in overhaul, and preferred the claim with the Insurance Company for ₹ 14435 lakhs. An amount of ₹ 14071 lakhs have been advised for payment by Insurance Company after deducting policy Administration charges. The disbursement has been received by HAL Nasik on 17th January 2025.

Further, Brought on Charge (BOC) action of SB-182 was not completed and Aircraft was under custody & control of HAL. Board of Investigation (BOI) has been setup for finding the exact reason for the accident of aircraft. Customer is also demanding for the replacement of equivalent Aircraft. As there is no replacement aircraft (Cat-B) available, out of prudence, provision of ₹ 84336 lakhs for new aircraft have been created during 2024-25.

38 An incidence of cyber fraud in the division was noticed by the management where the advance payment of ₹ 55 lakhs (USD 63,405.44) was transferred to a different bank account due to compromised email received from different domain other than the original source (vendor) and the matter was referred to Cybercrime cell and was also taken up with NIC for further investigation of any breach of NIC server. An amount of Rs 55 lakhs has been transferred to Claims Receivable-Credit Impaired (Note-19) and provision for same has been made in the books of accounts during the financial year 2024-25. Further accounting treatment will be made based on the outcome of investigation in this regard.

39 Inventory were damaged due to floods caused by rains during September 2022. Based on the internal technical assessment, the loss of Inventory was estimated as ₹ 7856 lakhs. Subsequently, based on the findings as part of the exercise to submit an insurance claim, the actual loss towards HAL owned items reassessed as ₹ 1001 lakhs and towards Customer owned and sister division owned items as ₹ 5590 lakhs. For the same, the provision was created in the books as Redundancy charges of ₹ 1001 lakhs and as replacement charges of ₹ 5590 lakhs during 2023-24. Based on the insurance claims submitted by the division for HAL owned items, the Insurance Surveyor has assessed loss of ₹ 688 Lakhs, for which an advance amount of ₹ 250 Lakhs is received as interim settlement and for the balance receivable from insurer of ₹ 438 Lakhs is shown under claims receivable as at 31st March 2025. Further, during the year, based on the feedback received from OEMs on retraival of the items, the Company has re assessed the loss of inventory as ₹ 3664 Lakhs against ₹ 5590 lakhs assessed during 2023-24. Hence, ₹ 3664 lakhs has been retained under Provision for Replacement and Future Charges and the balance provision of ₹ 1926 lakhs towards inventory retrieved back has been reversed during 2024-25. Insurance claims of ₹ 688 lakhs admitted by the Insurer, hence redundancy charges for the same amount has been reversed during 2024-25.




Notes to the Consolidated Financial Statements for the year ended March 31, 2025

Note 49 - Consolidated Notes to Financial Statements

40 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 7th May, 2025, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below. The amendment will be effective from 01st April, 2025. Ind AS 21, Effects of change in foreign exchange rates - This amendment has defined the exchangeability of a currency. The Company has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

41 During the current financial year, the Company has reversed the impairment provided in earlier years on its investment in the Joint Ventures for ₹ 855 lakhs for International Aerospace Manufacturing Pvt Limited (IAMPL) and ₹ 61 lakh for BAe-HAL Software Limited(BAeHAL). For this purpose, the investments made in IAMPL and BAeHAL were evaluated taking into account certain key financial parameters of the Joint Ventures. Based on the evaluation, it was assessed that there has been an overall improvement in the financial health of both the companies due to which the impairment was reversed. The total financial effect of the reversal is ₹ 916 lakhs.

42 The financial statements were approved for issue by the Board of Directors at their meeting held on 14.05.2025

These financial statements are presented in Indian rupees (rounded off to lakhs).

Material accounting policies and accompanying Notes No. 1 to 49 form an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064



Form AOC-1

Statement containing salient features of the financial statement of subsidiaries/Associate companies/ joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A" : Subsidiaries

Sl. No.	Particulars	₹ in Lakhs	
1	Name of the Subsidiary	Naini Aerospace Limited	Indo-Russian Helicopters Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA
4	Share capital	6500	1000
5	Reserves & surplus	-6593	-280
6	Total assets	3522	792
7	Total Liabilities	3615	72
8	Investments	1034	0
9	Turnover	1825	0
10	Profit/loss before taxation	138	-16
11	Provision for taxation	0	0
12	Profit/loss after taxation	138	-16
13	Proposed Dividend	0	0
14	% of shareholding	100%	50.5%

1 Names of subsidiaries which are yet to commence operations – Indo Russian Helicopters Limited

2 Names of subsidiaries which have been liquidated or sold during the year- NIL

As per our report of even date attached

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

For and on behalf of the Board of Directors

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064

Form AOC-1

Part "B" : Associates and Joint Ventures

₹ in Lakhs

Sl. No.	Name of Joint Venture	M/s BAe-HAL Software Ltd	Safran HAL Aircraft Engines Private Ltd	M/s SAMTEL HAL Display Systems Ltd	M/s HALBIT Avionics Pvt Ltd	M/s Indo Avia Services Ltd	M/s HATSOFF Helicopter Training Pvt Ltd	M/s International Aerospace Manufacturing Pvt Ltd	M/s Multirole Transport Aircraft Ltd.	M/s Helicopter Engines MRO Pvt Ltd	SAFHAL Helicopter Engines Private Limited
1	Latest audited Balance Sheet Date	31.03.2025	31.03.2025	31.03.2025	31.03.2025	31.03.2025	31.03.2025	31.03.2025	31.03.2025	31.03.2025	31.03.2025
2	Date on which the Associates or joint venture was associated or acquired	Feb-93	Oct-05	Jan-07	May-07	Sep-94	Jan-08	Jul-10	Dec-10	Aug-16	Nov-23
3	Shares of Associate/Joint Ventures held by the company on the year end										
	a) No.	2,940,000	1,140,000	160,000	382,500	936,525	38,404,205	4,250,000	11,346,564	2,459,986	1,000,000
	b) Amount of Investment in Associates/Joint Venture	294	1140	160	383	94	3840	4250	11347	2460	100
	c) Extent of Holding %	49%	50%	40%	50%	48%	50%	50%	50%	50%	50%
4	Description of how there is significant influence	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Reason why the associate/joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Networth attributable to Shareholding as per latest audited Balance Sheet	704	6668	-317	-508	7767	169	7882	6722	1943	70
7	Profit / Loss for the year	517	2118	15	7	1142	1902	2783	1244	-236	-29
	i) Considered in Consolidation	254	1059	0	0	548	0	1391	622	-118	-15
	ii) Not Considered in Consolidation	263	1059	15	7	594	1902	1392	622	-118	-14

1 Name(s) of joint venture(s) which is/are yet to commence operations:-
   a) Helicopter Engines MRO Pvt Ltd
   b) SAFHAL Helicopter Engines Private Limited
2 Names of associates or joint ventures which have been liquidated or sold during the year: NIL

As per our report of even date attached

For GUPTA NAYAR & CO
Chartered Accountants,
Firm Registration No: 008376N

CA NANDLAL AGARWAL
Partner
Membership No: 091272
Place: Bengaluru
Date: 14.05.2025

For and on behalf of the Board of Directors

(BARENYA SENAPATI)
Director (Finance) & CFO
DIN: 08525943

(Dr. D.K. SUNIL)
Chairman & Managing Director
DIN: 09639264

(SHAILESH BANSAL)
Company Secretary
FCS No. 5064





-A Maharatna CPSE-





NOTES

NOTES

Glimpses of Aero India 2025



The Chief of Air Staff Air Chief Marshal AP Singh flew the Light Utility Helicopter on February 11, 2025 during Aero India 2025.



Hon'ble Union Minister of Civil Aviation, Shri Kinjarapu Ram Mohan Naidu took to the skies to get a hands-on feel of HAL's Light Utility Helicopter on February 12, 2025 during Aero India 2025.



HAL's upgraded Hindustan Jet Trainer, HJT-36 'YASHAS' was unveiled on February 11, 2025. Shri Sanjeev Kumar, Secretary (DP) unveiled the new name in the presence of Dr D K Sunil, CMD, HAL and senior officers during Aero India 2025.



Shri Sanjeev Kumar, Secretary (DP) visited HAL Pavilion during Aero India 2025 in Bengaluru.



Shri Yaduveer Krishnadatta Chamaraja Wadiyar, MP and Custodian of Royal House of Mysore visited HAL pavilion during Aero India 2025 in Bengaluru.



Dr. Narayanan, Chairman, ISRO visited HAL pavilion during Aero India 2025 in Bengaluru.

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