



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

CO/SEC/4(7)/2024-25/ BSE & NSE Filing/10

16<sup>th</sup> May, 2024

ಬಿಇಸಿ ಲಿಮಿಟೆಡ್ BSE Limited ಲಿಸ್ಟಿಂಗ್ ವಿಭಾಗ Listing Department ಫಿರೋಜ್ ಜಿಜಿಭಯ್ ಟೌವರ್ಸ್ Phiroze Jeejeebhoy Towers, ದಲಾಲ ಸ್ಟ್ರೀಟ್ Dalal Street, ಮುಂಬೈ Mumbai – 400 001	ನೇಷನಲ್ ಸ್ಟಾಕ್ ಏಕ್ಸ್‌ಚೇಂಜ್ ಆಫ್ ಇಂಡಿಯಾ ಲಿಮಿಟೆಡ್ National Stock Exchange of India Ltd ಲಿಸ್ಟಿಂಗ್ ವಿಭಾಗ Listing Department ಏಕ್ಸ್‌ಚೇಂಜ್ ಪ್ಲಾಜಾ, 5 ವಾಕ್ ತಲ, ಪ್ಲಾಟ್ ನಂ. ಸಿ/1 Exchange Plaza, 5 <sup>th</sup> Floor, Plot No C/1, ಜಿ ಬ್ಲಾಕ್, ಬಾಂದ್ರಾ-ಕುರ್ಲಾ ಕಾಂಪ್ಲೆಕ್ಸ್, ಬಾಂದ್ರಾ (ಪೂರ್ವ) G Block, Bandra-Kurla Complex, Bandra (E), ಮುಂಬೈ Mumbai – 400051
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ಪ್ರಿಯ ಮಹೋದಯ/ ಮಹೋದಯಾ Dear Sir/ Madam,

ವಿಷಯ: ದಿನಾಂಕ 31 ಮಾರ್ಚ್, 2024 ಕೋ ಸಮಾಪ್ತ ತಿಮಾಹಿ ಏವ್ ವರ್ಷ ಹೇತು  
ಲೇಖಾಪರೀಕ್ಷಿತ ವಿಕೀಯ ಪರಿಣಾಮ (ಸ್ಟೇಂಡ್‌ಅಲೊನ್ ಏವ್ ಸಮೇಕಿತ)

Sub: Audited Financial Results (Standalone and Consolidated) for the quarter and year  
ended 31<sup>st</sup> March, 2024

ಸಂದರ್ಭ: ಬಿಇಸಿ ಸ್ಕ್ರಿಪ್ ಕೋಡ್: 541154, ಏನ್‌ಏಸಿ ಸಿಂಬಾಲ್: ಏಚಏಏಲ್  
Ref: BSE Scrip Code: 541154, NSE Symbol: HAL

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ಕಂಪನಿ ಕೇ ನಿರ್ದೇಶಕ ಮಂಡಲ ನೇ ಆಜ್ ಹುಡ್ ಅಪನಿ ಬೆಡಕ ಮೇ ದಿನಾಂಕ 31 ಮಾರ್ಚ್, 2024 ಕೋ ಸಮಾಪ್ತ ತಿಮಾಹಿ ಏವ್ ವರ್ಷ ಹೇತು, ಅನ್ಯ ಬಾರ್ತೊ ಕೇ ಸಾಥ್-ಸಾಥ್, ಲೇಖಾಪರೀಕ್ಷಿತ ವಿಕೀಯ ಪರಿಣಾಮೊ (ಸ್ಟೇಂಡ್‌ಅಲೊನ್ ಏವ್ ಸಮೇಕಿತ) ಕೇ ಸಂಬಂಧ ಮೇ ಅನುಮೋದನ ಪ್ರದಾನ ಕಿಯಾ |

The Board of Directors of the Company at its meeting held today has, *inter-alia*, approved the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31<sup>st</sup> March, 2024.

2. ಲಿಸ್ಟಿಂಗ್ ವಿನಿಯಮ ಕೇ ವಿನಿಯಮ 33 ಕೇ ಅನುಸರಣ ಮೇ, ಹಮ ನಿಮ್ನಲಿಖಿತ ಸೂಚನಾಂ ಕೋ ಸಂಲಗ್ನ ಕರ ರಹೇ ಹೇ:  
Pursuant to Regulation 33 of the Listing Regulations, we are enclosing herewith the following:

a) ದಿನಾಂಕ 31 ಮಾರ್ಚ್, 2024 ಕೋ ಸಮಾಪ್ತ ತಿಮಾಹಿ ಏವ್ ವರ್ಷ ಹೇತು ಲೇಖಾಪರೀಕ್ಷಿತ ವಿಕೀಯ ಪರಿಣಾಮೊ (ಸ್ಟೇಂಡ್‌ಅಲೊನ್ ಏವ್ ಸಮೇಕಿತ) ಸೇ ಸಂಬಂಧಿತ ವಿವರಣ (ಅನುಬಂಧ-1)

Statement showing the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31<sup>st</sup> March, 2024. (Annexure-I);

15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, ಕರ್ನಾಟಕ, ಭಾರತ, 15/1, ಕಬ್ಬನ್ ರೋಡ್, ಬೆಂಗಳೂರು - 560 001, ಕರ್ನಾಟಕ, ಭಾರತ  
15/1, Cubbon Road, Bangalore - 560 001, Karnataka, India

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

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

CIN: L35301KA1963GOI001622

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

3. सूचित किया जाता है कि लिस्टिंग विनियमों के विनियम 33 (3) के संदर्भ में, सांविधिक लेखापरीक्षक, मेसर्स ए जॉन मोरिस एंड कंपनी, शासपत्रित लेखाकार (फर्म पंजीकरण सं. 007220S) ने दिनांक 31 मार्च, 2024 को समाप्त तिमाही एवं वर्ष हेतु लेखापरीक्षित वित्तीय परिणामों (स्टैंडअलोन एवं समेकित) के संबंध में असंशोधित राय के साथ लेखापरीक्षा रिपोर्ट जारी की है।

This is to inform that the Statutory Auditors, M/s. A John Moris & Co., Chartered Accountants (Firm Registration No. 007220S) have issued an Audit Report with unmodified opinion on the Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31<sup>st</sup> March, 2024 in terms of Regulation 33(3) of the Listing Regulations.

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

We are also enclosing an extract of the aforementioned results, which would be published in the newspapers in accordance with Regulation 47 of the Listing Regulations (Annexure-IV).

5. कंपनी के निदेशक मंडल की बैठक 11:15 बजे प्रारंभ हुई तथा 13:50 बजे समाप्त हुई।  
The meeting of the Board of Directors of the Company commenced at 1115 hours and concluded at 1350 hours.

6. कृपया पावती भेजें। Kindly acknowledge the receipt.

धन्यवाद Thanking you,

भवदीय Yours Faithfully  
कृते हिन्दुस्तान एरोनॉटिक्स लिमिटेड  
For Hindustan Aeronautics Ltd

(शैलेश बंसल Shailesh Bansal)  
संयुक्त कंपनी सचिव एवं अनुपालन अधिकारी  
Company Secretary & Compliance Officer

संलग्नक Encl: उपरोक्त As stated above.

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

Annex-I 3

CIN : L35301KA1963GOI001622 , TEL : 080 22320001, email : investors@hal-india.co.in website : www.hal-india.co.in  
STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31<sup>ST</sup> MARCH, 2024

Rs in Lakhs

Sl.No	Particulars	Standalone				
		Quarter ended			Year ended	
		31-Mar-24 (Audited)	31-Dec-23 (Audited)	31-Mar-23 (Audited)	31-Mar-24 (Audited)	31-Mar-23 (Audited)
<b>1</b>	<b>Income from Operations</b>					
	(a) Revenue from operations	14,76,878	6,06,091	12,49,458	30,38,084	26,92,785
	(b) Other Income	55,708	45,969	72,196	1,89,854	1,67,180
	<b>Total Income</b>	<b>15,32,586</b>	<b>6,52,060</b>	<b>13,21,654</b>	<b>32,27,938</b>	<b>28,59,965</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	6,49,752	2,81,047	4,97,134	12,36,344	10,01,026
	(b) Purchase of stock-in-trade	28,668	13,971	46,631	67,140	79,915
	(c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap	-1,92,744	-11,125	-67,477	-1,95,889	-69,145
	(d) Employee benefits expense	1,38,700	1,29,736	1,61,136	5,27,624	4,89,589
	(e) Finance Costs	3,139	35	5,528	3,205	5,791
	(f) Depreciation and Amortisation Expense	64,376	21,200	1,05,535	1,40,645	1,78,391
	(g) Impairment Loss	492	8	57,516	1,495	59,743
	(h) Other expenses	41,833	38,062	41,609	1,52,767	1,55,796
	(i) Direct Input to WIP/Expenses Capitalised	27,620	3,368	5,809	42,599	51,603
	(j) Provisions	2,30,505	24,255	2,11,376	3,30,538	3,74,264
	<b>Total Gross Expenses</b>	<b>9,92,341</b>	<b>5,00,557</b>	<b>10,64,797</b>	<b>23,06,468</b>	<b>23,26,973</b>
	Less: Expenses relating to Capital and Other Accounts	37,591	16,640	28,520	98,427	1,16,302
	<b>Total Expenses</b>	<b>9,54,750</b>	<b>4,83,917</b>	<b>10,36,277</b>	<b>22,08,041</b>	<b>22,10,671</b>
<b>3</b>	<b>Profit/(Loss) before Exceptional items and Tax (1-2)</b>	<b>5,77,836</b>	<b>1,68,143</b>	<b>2,85,377</b>	<b>10,19,897</b>	<b>6,49,294</b>
<b>4</b>	<b>Exceptional item</b>	-	-	-	-	-
<b>5</b>	<b>Profit/(Loss) before tax (3+4)</b>	<b>5,77,836</b>	<b>1,68,143</b>	<b>2,85,377</b>	<b>10,19,897</b>	<b>6,49,294</b>
<b>6</b>	<b>Tax expense</b>					
	(i) Current Tax	1,49,515	53,625	1,21,705	2,90,500	2,25,000
	(ii) Earlier Tax (Refund)/Liability	-	-	-72,294	-	-97,346
	(iii) Deferred Tax	-883	-10,833	-48,164	-30,107	-59,477
		<b>1,48,632</b>	<b>42,792</b>	<b>1,247</b>	<b>2,60,393</b>	<b>68,177</b>
<b>7</b>	<b>Net Profit / (Loss) for the period (5-6)</b>	<b>4,29,204</b>	<b>1,25,351</b>	<b>2,84,130</b>	<b>7,59,504</b>	<b>5,81,117</b>
<b>8</b>	<b>Other Comprehensive Income (OCI)</b>					
	<b>A. Items that will not be reclassified to statement of Profit and Loss</b>					
	(i) Remeasurements of defined benefit plans	-11,931	-3,440	1,484	-10,945	13,778
	(ii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss	3,003	866	-374	2,755	-3,468
	<b>B. Items that will be reclassified to statement of Profit and Loss</b>					
	(i) Exchange differences in translating financial statements of foreign operations	-	-	-21	-	-21
	(ii) Income Tax relating to items that will be reclassified to statement of Profit and Loss	-	-	5	-	5
	<b>Total Other Comprehensive Income (A+B)</b>	<b>-8,928</b>	<b>-2,574</b>	<b>1,094</b>	<b>-8,190</b>	<b>10,294</b>
<b>9</b>	<b>Total Comprehensive Income for the period (7 + 8)</b>	<b>4,20,276</b>	<b>1,22,777</b>	<b>2,85,224</b>	<b>7,51,314</b>	<b>5,91,411</b>
<b>10</b>	<b>Paid-up Equity Share Capital (Face Value Rs.5 each)</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>
<b>11</b>	<b>Other Equity excluding Revaluation Reserves</b>				<b>28,71,203</b>	<b>23,17,178</b>
<b>12</b>	<b>Capital Redemption Reserve</b>				<b>14,761</b>	<b>14,761</b>
<b>13</b>	<b>Earnings per share (in Rupees) (EPS for the quarters are not annualised)</b>					
	(a) Basic	64.18	18.74	42.49	113.57	86.89
	(b) Diluted	64.18	18.74	42.49	113.57	86.89
<b>14</b>	<b>Net Worth (including Retained Earning)</b>				<b>29,04,642</b>	<b>23,50,617</b>

## Audited Balance Sheet:

Rs. in lakhs

Particulars	Standalone	
	As at 31-Mar-24	As at 31-Mar-23
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	5,77,336	5,79,156
(b) Capital work - in progress	93,579	63,581
(c) Investment Property	2	3
(d) Goodwill	-	-
(e) Other Intangible assets	95,664	1,03,574
(f) Intangible assets under development	1,55,655	1,24,810
(g) Financial Assets		
(i) Invesments in Joint Venture amd Subsidiary	12,039	11,021
(ii) Investments	1,37,667	1,27,518
(iii) Trade receivables	-	-
(iv) Contract Assets	-	-
(v) Loans	561	621
(vi) Other Financial Assets	38,797	40,598
(h) Deferred tax assets (Net)	1,45,433	1,12,571
(i) Other non-current assets	2,40,063	3,59,654
<b>Total Non-current Assets</b>	<b>14,96,796</b>	<b>15,23,107</b>
<b>Current assets</b>		
(a) Inventories	13,22,592	12,16,067
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	4,61,667	4,71,918
(iii) Contract Assets	11,89,396	9,37,640
(iv) Cash and Cash Equivalents	4,25,416	4,43,900
(v) Bank balances other than cash and cash equivalents	22,16,768	15,86,715
(vi) Loans	1,067	762
(vii) Other Financial Assets	1,51,406	1,11,887
(c) Current Tax Assets (Net)	-	-
(d) Other Current Assets	5,33,263	4,18,931
<b>Total Current Assets</b>	<b>63,01,575</b>	<b>51,87,820</b>
Assets held for sale	-	811
<b>TOTAL ASSETS</b>	<b>77,98,371</b>	<b>67,11,738</b>

## Audited Balance Sheet:

5  
Rs. in lakhs

Particulars	Standalone	
	As at 31-Mar-24	As at 31-Mar-23
	(Audited)	(Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
(a) Equity Share capital	33,439	33,439
(b) Other Equity	28,71,203	23,17,178
<b>Total Equity</b>	<b>29,04,642</b>	<b>23,50,617</b>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ia) Lease Liabilities	33	182
(ii) Trade Payables	-	-
(iii) Other financial liabilities	50,584	52,503
(b) Provisions	1,56,413	1,33,294
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Current Liabilities	10,54,376	10,92,600
<b>Total Non-Current Liabilities</b>	<b>12,61,406</b>	<b>12,78,579</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ia) Lease Liabilities	2	14
(ii) Trade Payables		
Total outstanding dues of micro enterprises and small Enterprises	14,605	6,407
Total outstanding dues of creditors other than micro enterprises and Small Enterprises	3,26,862	3,07,327
(iii) Other Financial liabilities	2,44,921	2,10,734
(b) Other Current Liabilities	22,54,925	18,53,667
(c) Provisions	7,61,041	6,77,665
(d) Current Tax Liabilities (Net)	29,967	26,728
<b>Total Current Liabilities</b>	<b>36,32,323</b>	<b>30,82,542</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>77,98,371</b>	<b>67,11,738</b>

## Standalone Statement of Cash Flows

(Rs in Lakhs)

Sl. No.	Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
A	<b>Cash flow from Operating activities</b>		
	Profit After Tax	759504	581117
	<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>		
	Income Tax expense	260393	68177
	(Gain)/Loss on sale of Property, Plant & Equipment	-590	-318
	Finance cost	3135	2576
	Interest Income	-163338	-149836
	Dividend Income	-295	-240
	Net (Gain)/Loss on Fair Value Adjustment	221	-291
	Other Adjustments		-21
	Depreciation, amortization and impairment expense	142140	238134
	Provision for Impairment in Value of Investments	32	1491
	Provision for Doubtful Debts	3534	1418
	Provision for Doubtful Contract Assets	2386	8998
	Provision for Doubtful Claims	4100	2974
	Provision for Doubtful Advances	1015	
	Provision for Replacement and Other charges	116611	245052
	Provision for Warranty	32425	43901
	Provision for Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials, Work-in-progress and Inventory - Warranty	100164	28140
	Provision for Liquidated Damages	70271	42290
	<b>Operating Profit Before Working Capital Changes</b>	<b>1331708</b>	<b>1113562</b>
	<b>Adjustments for:</b>		
	(Increase)/decrease in Trade Receivables	-247425	-174954
	(Increase)/decrease in Loans, Financial Assets and Other Assets	-136348	-162636
	(Increase)/decrease in Inventories	-206689	192151
	Increase/(decrease) in Trade Payables	27733	57757
	Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities	250528	133240
	<b>Cash generated from Operations</b>	<b>1019507</b>	<b>1159120</b>
	Income Taxes Paid	-196933	-275570
	<b>Net Cash (used in)/generated from Operating Activities (A)</b>	<b>822574</b>	<b>883550</b>
B	<b>Cash flow from Investing activities</b>		
	Purchase of Property, Plant & Equipment	-91615	-78234
	Purchase of Intangible Assets	-83875	-99879
	Proceeds from sale of Property, Plant & Equipment	797	506
	Investment in Joint Ventures	-1050	
	Investment in Subsidiary		-1500
	Purchase of other non current Investments	-10149	-9116
	Investment in short term deposits	-630053	-459268
	Interest Received	174477	73817
	Dividend Received from Joint Ventures	295	240
	<b>Net Cash (used in)/generated from Investing Activities (B)</b>	<b>-641173</b>	<b>-573434</b>
C	<b>Cash flow from Financing Activities</b>		
	Repayment of Borrowings-Current (Net)		
	Payment of Lease Liabilities	-31	-368
	Interest paid	-2565	-5568
	Dividend Paid	-197289	-167194
	<b>Net Cash (used in)/generated from Financing Activities (C)</b>	<b>-199885</b>	<b>-173130</b>
	<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>-18484</b>	<b>136986</b>
	Add: Cash and Cash Equivalents at the beginning of the year	443900	306914
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>425416</b>	<b>443900</b>

## 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. Previous year figures are rearranged or regrouped wherever necessary

4. Cash and Cash Equivalents are available fully for use

- 1) The above results have been reviewed and recommended by the Audit Committee in its meeting held on 16.05.2024 and approved by the Board of Directors in the meeting held on the same date.
- 2) The Financial Results have been audited by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have issued an unmodified opinion for the quarter and year ended 31 March, 2024.

- 3) The Company was actively pursuing with the Ministry of Defence, Government of India for the approval of amendment of LCA (IOC) contract including price variation (LCA Change Order 3). Approval for the Change Order 3 in respect of LCA (IOC) contract was accorded. The Company has recognized differential revenue of Rs.54894 lakh during the quarter/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 and out of prudence, the Company had subsequently recognized the same as doubtful debt pending approval. Consequent to the approval of the Change Order 3, the Company has reversed the provision of Rs.103367 lakh made in earlier years during the quarter/year ended 31 March, 2024.

- 4) 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 were 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 their appointment.

The additional liability accruing to the Company due to the increased ceiling, is Rs.21736 lakh pertaining to the period from 1 January, 2017 to 31 March, 2024 (Rs.3513 lakh for the year ended 31 March, 2024 and Rs.1014 lakh for the quarter ended 31 March 2024). 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, 2024. Accordingly, employees cost for the current quarter and current year is not comparable with the corresponding quarter and corresponding previous year.

- 5) Revision of pay scales of executives and workmen, with effect from 01.01.2017 was implemented in accordance with the guidance issued by DPE vide OM dated 03.08.2017 for Executives and in accordance with the Wage Agreement entered 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.

This has resulted in reduction of salaries and wages for the quarter/year ended 31 March 2024 by Rs.1446 lakh and Rs.5573 lakh respectively (quarter/year ended 31 March, 2023 by Rs.1406 lakh and Rs.5155 lakh respectively).

While so, the Employees Union and Officers Association have filed Writ Petition with Honorable High Court of Karnataka to stay recovery of excess amount of salary paid by the Company. The Honorable High Court has granted interim stay on recoveries. Pending disposal of the writ petitions by the High Court, the excess amount is shown under claims recoverable (Gross) for Rs.35218 lakh as on 31.03.2024 (Previous year 31.03.2023: Rs.29645 lakh) and

an equal amount of provision has been made in the books of accounts. The amount withheld from employees who retired after 30 June 2021 is kept under other liabilities Rs.4445 lakh (Previous Year: Rs.3026 lakh).

- 6) The Company has paid Rs.950 lakhs towards subscription of 950000 equity shares of the face value of Rs.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 Rs.1510 lakh to Rs.2460 lakh during the FY 2023-24.
- 7) 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 Rs.10 each amounting to Rs.100 lakh.
- 8) The Shareholders of the Company, at the 60<sup>th</sup> Annual General Meeting held on 31 August 2023, had approved the sub-division of one equity share of the face value of Rs.10 each into two equity shares of face value of Rs.5 each. The record date for the said sub-division was set at 29 September 2023.  
The basic and diluted EPS and the number of shares for the prior periods have been restated considering the face value of Rs.5 each in accordance with Ind AS 33- "Earnings per Share" on account of the abovementioned sub-division of equity shares.
- 9) The Board of Directors of the Company, at its meeting held on 12 February, 2024, declared first interim dividend for the financial year 2023-24, of Rs.22 per equity share. (440% of the face value of Rs.5 per equity share).
- 10) Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23<sup>rd</sup> February 2018 has exempted the Government companies engaged in defence production to the extent of application of Ind AS 108 on "Operating Segment".
- 11) The financial results include the results for the quarter ended 31st March 2024 being the balancing figures between the audited figures with respect to the full financial year and the published audited year-to-date figures up to the third quarter of the current financial year.

12) Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, wherever necessary.

**For**

**A JOHN MORIS & CO**

Chartered Accountants

Firm Registration No. 007220S

**RATHAN RAJ A**

Partner

Membership No. 228538

**Place:** New Delhi

**Date:** 16.05.2024

**CB ANANTHAKRISHNAN**

Director (Finance) & CFO

Chairman & Managing Director

(Additional Charge)

**DIN: 06761339**

**SHAILESH BANSAL**

Company Secretary

FCS No.5064

Rs in Lakhs

Sl.No	Particulars	Consolidated				
		Quarter ended			Year ended	
		31-Mar-24 (Audited)	31-Dec-23 (Audited)	31-Mar-23 (Audited)	31-Mar-24 (Audited)	31-Mar-23 (Audited)
1	<b>Income from Operations</b>					
	(a) Revenue from operations	14,76,875	6,06,128	12,49,467	30,38,108	26,92,746
	(b) Other Income	55,731	45,998	72,223	1,89,660	1,67,012
	<b>Total Income</b>	<b>15,32,606</b>	<b>6,52,126</b>	<b>13,21,690</b>	<b>32,27,768</b>	<b>28,59,758</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	6,48,883	2,80,602	4,96,391	12,34,633	9,99,368
	(b) Purchase of stock-in-trade	28,668	13,971	46,631	67,140	79,915
	(c) Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Scrap	-1,92,733	-11,086	-67,409	-1,95,864	-69,072
	(d) Employee benefits expense	1,39,062	1,30,047	1,61,504	5,29,069	4,91,037
	(e) Finance Costs	3,141	36	5,530	3,211	5,797
	(f) Depreciation and Amortisation Expense	64,397	21,217	1,05,561	1,40,717	1,78,467
	(g) Impairment Loss	492	8	57,516	1,495	59,743
	(h) Other expenses	41,904	38,127	41,675	1,53,053	1,56,059
	(i) Direct Input to WIP: Expenses Capitalised	27,620	3,368	5,809	42,599	51,603
	(j) Provisions	2,30,444	24,198	2,11,291	3,30,304	3,72,480
	<b>Total Gross Expenses</b>	<b>9,91,878</b>	<b>5,00,488</b>	<b>10,64,499</b>	<b>23,06,357</b>	<b>23,25,397</b>
	Less: Expenses relating to Capital and Other Accounts	37,591	16,640	28,520	98,427	1,16,302
	<b>Total Expenses</b>	<b>9,54,287</b>	<b>4,83,848</b>	<b>10,35,979</b>	<b>22,07,930</b>	<b>22,09,095</b>
3	<b>Profit/(Loss) before Share of Profit/(Loss) of Joint Ventures, Exceptional items and Tax (1-2)</b>	<b>5,78,319</b>	<b>1,68,278</b>	<b>2,85,711</b>	<b>10,19,838</b>	<b>6,50,663</b>
4	Share of Profit/(Loss) of Joint Ventures (JV) accounted using Equity Method	1,181	665	-1,345	2,650	287
5	<b>Profit/(Loss) before Exceptional items and Tax (3+4)</b>	<b>5,79,500</b>	<b>1,68,943</b>	<b>2,84,366</b>	<b>10,22,488</b>	<b>6,50,950</b>
6	Exceptional item	-	-	-	-	-
7	<b>Profit/(Loss) before tax (5+6)</b>	<b>5,79,500</b>	<b>1,68,943</b>	<b>2,84,366</b>	<b>10,22,488</b>	<b>6,50,950</b>
8	<b>Tax expense</b>					
	(i) Current Tax	1,49,515	53,625	1,21,705	2,90,500	2,25,000
	(ii) Earlier Tax (Refund) Liability	-	-	-72,294	-	-97,346
	(iii) Deferred Tax	-883	-10,833	-48,164	-30,107	-59,477
		<b>1,48,632</b>	<b>42,792</b>	<b>1,247</b>	<b>2,60,393</b>	<b>68,177</b>
9	<b>Net Profit / (Loss) for the period (7-8)</b>	<b>4,30,868</b>	<b>1,26,151</b>	<b>2,83,119</b>	<b>7,62,095</b>	<b>5,82,773</b>
10	<b>Other Comprehensive Income (OCI)</b>					
	<b>A. Items that will not be reclassified to statement of Profit and Loss</b>					
	(i) Remeasurements of defined benefit plans	-11,977	-3,424	1,428	-10,940	13,800
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method	-35	-1	9	-29	6
	(iii) Income Tax relating to items that will not be reclassified to statement of Profit and Loss	3,003	866	-374	2,755	-3,468
	<b>B. Items that will be reclassified to statement of Profit and Loss</b>					
	(i) Exchange differences in translating financial statements of foreign operations	-	-	-21	-	-21
	(ii) Share of Other Comprehensive Income of JV's accounted using Equity Method	-	-	-	-	-
	(iii) Income Tax relating to items that will be reclassified to statement of Profit and Loss	-	-	5	-	5
	<b>Total Other Comprehensive Income (A+B)</b>	<b>-9,009</b>	<b>-2,559</b>	<b>1,047</b>	<b>-8,214</b>	<b>10,322</b>
11	<b>Total Comprehensive Income for the period (9 + 10)</b>	<b>4,21,859</b>	<b>1,23,592</b>	<b>2,84,166</b>	<b>7,53,881</b>	<b>5,93,095</b>
12	<b>Profit/(Loss) for the period attributable to-</b>					
	Owners of the Company	4,30,871	1,26,140	2,83,118	7,62,105	5,82,774
	Non Controlling interest	-3	11	1	-10	-1
13	<b>Other Comprehensive Income for the period attributable to-</b>					
	Owners of the Company	-9,009	-2,559	1,047	-8,214	10,322
	Non Controlling interest	-	-	-	-	-
14	<b>Total Comprehensive Income for the period attributable to-</b>					
	Owners of the Company	<b>4,21,862</b>	<b>1,23,581</b>	<b>2,84,165</b>	<b>7,53,891</b>	<b>5,93,096</b>
	Non Controlling interest	<b>-3</b>	<b>11</b>	<b>1</b>	<b>-10</b>	<b>-1</b>
15	<b>Paid-up Equity Share Capital (Face Value Rs.5 each)</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>	<b>33,439</b>
16	<b>Other Equity excluding Revaluation Reserves</b>				<b>28,80,378</b>	<b>23,23,776</b>
17	<b>Capital Redemption Reserve</b>				<b>14,761</b>	<b>14,761</b>
18	<b>Earnings per share (in Rupees) (EPS for the quarters are not annualised)</b>					
	(a) Basic	<b>64.43</b>	<b>18.86</b>	<b>42.33</b>	<b>113.95</b>	<b>87.14</b>
	(b) Diluted	<b>64.43</b>	<b>18.86</b>	<b>42.33</b>	<b>113.95</b>	<b>87.14</b>
19	<b>Net Worth (including Retained Earning)</b>				<b>29,14,181</b>	<b>23,57,589</b>

## Audited Balance Sheet:

Rs. in lakhs

Particulars	Consolidated	
	As at 31-Mar-24	As at 31-Mar-23
	(Audited)	(Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	5,78,023	5,79,862
(b) Capital work - in progress	93,688	63,690
(c) Investment Property	2	3
(d) Goodwill	-	-
(e) Other Intangible assets	95,664	1,03,575
(f) Intangible assets under development	1,55,655	1,24,810
(g) Investments accounted for using the equity method	20,164	16,833
(h) Financial Assets		
(i) Investments	1,38,969	1,28,959
(ii) Trade receivable	-	-
(iii) Contract Assets	-	-
(iv) Loans	561	621
(v) Other Financial Assets	39,547	41,298
(i) Deferred tax assets (Net)	1,45,433	1,12,571
(j) Other non-current assets	2,40,063	3,59,654
<b>Total Non-current Assets</b>	<b>15,07,769</b>	<b>15,31,876</b>
<b>Current assets</b>		
(a) Inventories	13,21,754	12,14,869
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade receivables	4,61,685	4,71,918
(iii) Contract Assets	11,89,396	9,37,640
(iv) Cash and Cash Equivalents	4,25,469	4,44,077
(v) Bank balances other than cash and cash equivalents	22,17,692	15,87,584
(vi) Loans	1,077	776
(vii) Other Financial Assets	1,51,419	1,11,916
(c) Current Tax Assets (Net)	-	-
(d) Other Current Assets	5,33,257	4,18,913
<b>Total Current Assets</b>	<b>63,01,749</b>	<b>51,87,693</b>
Assets held for sale	-	811
<b>TOTAL ASSETS</b>	<b>78,09,518</b>	<b>67,20,380</b>

## Audited Balance Sheet:

Rs. in lakhs

Particulars	Consolidated	
	As at 31-Mar-24	As at 31-Mar-23
	(Audited)	(Audited)
<b><u>EQUITY AND LIABILITIES</u></b>		
<b><u>EQUITY</u></b>		
(a) Equity Share capital	33,439	33,439
(b) Other Equity	28,80,378	23,23,776
(c) Non-Controlling Interest	364	374
<b>Total Equity</b>	<b>29,14,181</b>	<b>23,57,589</b>
<b><u>LIABILITIES</u></b>		
<b><u>Non-current Liabilities</u></b>		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ia) Lease Liabilities	108	251
(ii) Trade Payables	-	-
(iii) Other financial liabilities	50,586	52,503
(b) Provisions	1,57,834	1,34,710
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Current Liabilities	10,54,376	10,92,600
<b>Total Non-Current Liabilities</b>	<b>12,62,904</b>	<b>12,80,064</b>
<b><u>Current Liabilities</u></b>		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ia) Lease Liabilities	2	14
(ii) Trade Payables		
Total outstanding dues of micro enterprises and small Enterprises	14,605	6,407
Total outstanding dues of creditors other than micro enterprises and Small Enterprises	3,26,682	3,07,090
(iii) Other Financial liabilities	2,45,138	2,10,943
(b) Other Current Liabilities	22,54,968	18,53,714
(c) Provisions	7,61,071	6,77,831
(d) Current Tax Liabilities (Net)	29,967	26,728
<b>Total Current Liabilities</b>	<b>36,32,433</b>	<b>30,82,727</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>78,09,518</b>	<b>67,20,380</b>

Consolidated Statement of Cash Flows

(Rs in Lakhs)

SI. No.	Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
A	<b>Cash flow from Operating activities</b>		
	Profit After Tax	762095	582773
	<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>		
	Income Tax expense	260393	68177
	(Gain)/Loss on sale of Property, Plant & Equipment	-590	-318
	Finance cost	3141	2582
	Interest Income	-163443	-149913
	Share of Profit or Loss of Joint Venture	-2650	-287
	Other Adjustments	45	-25
	Net (Gain)/Loss on Fair Value Adjustment	221	-291
	Depreciation, amortization and impairment expense	142212	238210
	Provision for Impairment in Value of Investments		3
	Provision for Doubtful Debts	3534	1418
	Provision for Doubtful Contract Assets	2386	8998
	Provision for Doubtful Claims	3898	2678
	Provision for Doubtful Advances	1015	
	Provision for Replacement and Other charges	116611	245052
	Provision for Warranty	32425	43901
	Provision for Raw Materials and Components, Stores and Spare parts, Loose Tools and Equipment, Construction Materials, Work-in-progress and Inventory - Warranty	100164	28140
	Provision for Liquidated Damages	70271	42290
	<b>Operating Profit Before Working Capital Changes</b>	<b>1331728</b>	<b>1113388</b>
	<b>Adjustments for:</b>		
	(Increase)/decrease in Trade Receivables	-247443	-174956
	(Increase)/decrease in Loans, Financial Assets and Other Assets	-136194	-162481
	(Increase)/decrease in Inventories	-207049	191719
	Increase/(decrease) in Trade Payables	27790	57736
	Increase/(decrease) in Financial Liabilities, Provisions and Other Liabilities	250383	133136
	<b>Cash generated from Operations</b>	<b>1019215</b>	<b>1158542</b>
	Income Taxes Paid	-196933	-275570
	<b>Net Cash (used in)/generated from Operating Activities (A)</b>	<b>822282</b>	<b>882972</b>
B	<b>Cash flow from Investing activities</b>		
	Purchase of Property, Plant & Equipment	-91642	-78242
	Purchase of Intangible Assets	-83875	-99880
	Proceeds from sale of Property, Plant & Equipment	797	506
	Investment in Joint Ventures	-1050	
	Purchase of other non current Investments	-10010	-9468
	Investment in short term deposits	-630108	-459849
	Interest Received	174588	73891
	Dividend Received from Joint Ventures	295	240
	<b>Net Cash (used in)/generated from Investing Activities (B)</b>	<b>-641005</b>	<b>-572802</b>
C	<b>Cash flow from Financing Activities</b>		
	Repayment of Borrowings-Current (Net)		
	Payment of Lease Liabilities	-31	-368
	Interest paid	-2565	-5568
	Dividend Paid	-197289	-167194
	<b>Net Cash (used in)/generated from Financing Activities (C)</b>	<b>-199885</b>	<b>-173130</b>
	<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>-18608</b>	<b>137040</b>
	Add: Cash and Cash Equivalents at the beginning of the year	444077	307037
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>425469</b>	<b>444077</b>

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. Previous year figures are rearranged or regrouped wherever necessary
4. Cash and Cash Equivalents are available fully for use

**Consolidated Notes:**

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1) The above results have been reviewed and recommended by the Audit Committee in its meeting held on 16.05.2024 and approved by the Board of Directors in the meeting held on the same date.

2) The Financial Results have been audited by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have issued an unmodified opinion for the quarter and year ended 31 March, 2024.

3) The Company was actively pursuing with the Ministry of Defence, Government of India for the approval of amendment of LCA (IOC) contract including price variation (LCA Change Order 3). Approval for the Change Order 3 in respect of LCA (IOC) contract was accorded. The Company has recognized differential revenue of Rs.54894 lakh during the quarter/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 and out of prudence, the Company had subsequently recognized the same as doubtful debt pending approval. Consequent to the approval of the Change Order 3, the Company has reversed the provision of Rs.103367 lakh made in earlier years during the quarter/year ended 31 March, 2024.

4) 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 were 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 their appointment.

The additional liability accruing to the Company due to the increased ceiling, is Rs.21736 lakh pertaining to the period from 1 January, 2017 to 31 March, 2024 (Rs.3513 lakh for the year ended 31 March, 2024 and Rs.1014 lakh for the quarter ended 31 March 2024). 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, 2024. Accordingly, employees cost for the current quarter and current year is not comparable with the corresponding quarter and corresponding previous year.

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

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- 6) The Company has paid Rs.950 lakhs towards subscription of 950000 equity shares of the face value of Rs.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 Rs.1510 lakh to Rs.2460 lakh during the FY 2023-24.
- 7) 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 Rs.10 each amounting to Rs.100 lakh.
- 8) The Shareholders of the Company, at the 60<sup>th</sup> Annual General Meeting held on 31 August 2023, had approved the sub-division of one equity share of the face value of Rs.10 each into two equity shares of face value of Rs.5 each. The record date for the said sub-division was set at 29 September 2023.  
The basic and diluted EPS and the number of shares for the prior periods have been restated considering the face value of Rs.5 each in accordance with Ind AS 33- "Earnings per Share" on account of the abovementioned sub-division of equity shares.
- 9) The Board of Directors of the Company, at its meeting held on 12 February, 2024, declared first interim dividend for the financial year 2023-24, of Rs.22 per equity share. (440% of the face value of Rs.5 per equity share).
- 10) Ministry of Corporate Affairs vide notification no 1/2/2014-CL-V dated 23<sup>rd</sup> February 2018 has exempted the Government companies engaged in defence production to the extent of application of Ind AS 108 on "Operating Segment".

#### 11) Notes specific to Joint Ventures

##### (i) In respect of HATSOFF Helicopter Training Private Limited

###### Going Concern

The Company has made a net profit of Rs.1897.07 lakh for the year ended 31 March, 2024 and, as of that date, the Company's current liabilities exceeded its current assets by Rs.12960.71 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, 2024 is negative by Rs.1564.98 lakh (as at 31 March, 2023 negative by Rs.3462.05 lakh).

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The Company has incurred a cost of Rs.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 (Rs.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 escalation. 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 Rs.4518.05 lakh (US\$ 5,445,471) against ECB overdue installments during the reporting period 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 2024, has a net liability of Rs.1022.06 lakh (March 31st 2023:Rs.1154.21 lakh) and a net current liability of Rs.1093.97 lakh (March 31st 2023:Rs.1238.70 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 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."

- 12) 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.
- 13) The Joint Venture Company, HAL-Edgewood Technologies Private Limited, has not prepared the financial statements for the year ended 31 March, 2024, 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.
- 14) The financial results include the results for the quarter ended 31st March 2024 being the balancing figures between the audited figures with respect to the full financial year and the published audited year-to-date figures up to the third quarter of the current financial year.
- 15) Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, wherever necessary.

**For A JOHN MORIS & CO**

Chartered Accountants

Firm Registration No. 007220S

**RATHAN RAJ A**

Partner

Membership No. 228538

**Place:** New Delhi

**Date:** 16.05.2024

**CB ANANTHAKRISHNAN**

Director (Finance) & CFO

Chairman & Managing Director

(Additional Charge)

**DIN: 06761339**

**SHAILESH BANSAL**

Company Secretary

FCS No.5064



## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF HINDUSTAN AERONAUTICS LIMITED

#### Report on the Audit of Standalone Financial Results

#### Opinion

We have audited the accompanying standalone annual financial results of Hindustan Aeronautics Limited for the year ended 31<sup>st</sup> March 2024, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone annual financial results:

- a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b) Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31<sup>st</sup> March 2024.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies act, 2013 ("The Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 obtained by us, is sufficient and appropriate to provide an Opinion on the standalone annual financial results.

**Emphasis of Matter**

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

**Note No :5**

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. This has resulted in reduction of salaries and wages for the quarter/year ended 31<sup>st</sup> Mar 2024 by Rs.1446 Lakhs and Rs. 5573 lakhs respectively (quarter/year ended 31 March 2023 by Rs.1406 Lakhs and Rs. 5155 lakhs respectively).

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 Honourable High Court has granted interim stay on recoveries, pending disposal of the writ petitions by the High court, the excess amount is shown under claims receivable (Gross) for Rs.35218 lakhs (Previous year 31-03-2023: Rs.29645 lakhs) and an equal amount of provision has been made in the books of accounts.

In respect of employees who retired prior to 30 June, 2021, provision is made for the amount recoverable in the books of accounts. The amount withheld from employees who retired after 30th June 2021 is kept under other liabilities Rs. 4445 lakhs (Previous year: Rs.3026 Lakhs).

Based on the final order that may be passed, suitable effect will be carried out in the accounts.

**Note No: 4**

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 Rs.21736 lakhs pertaining to the period from 01 January, 2017 to 31 March, 2024 (Rs.3513 lakhs for the year ended 31 March 2024 and Rs.1014 Lakhs for the quarter ended 31 March 2024). 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 2024. Accordingly, employees cost for the current year is not comparable with the corresponding quarter and corresponding previous year.

### **iii)LCA Division Inventory**

Inventory were damaged due to floods caused by rains, based on an internal technical assessment committee estimated the loss of Inventory Rs.7856 lakhs and the same has been provided in the books during the year 2022-23. Subsequently, based on the findings as part of the exercise to submit an insurance claim, the actual loss has been re-assessed as Rs 6591 Lakh and same provision has been created under Replacement Charges of Rs. 5590 lakhs and Redundancy Charges of Rs.1001 Lakh during the year 2023-24.

Our opinion is not modified in respect of these matters.

### **Management's and Board of Directors Responsibilities for the Standalone Annual Financial Results**

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent;

and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

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

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

We also:

- Identify and assess the risks of material misstatement of the Standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act,

we are also responsible for expressing our opinion through a separate report on the complete set of financial statement on whether the company has adequate internal financial control with reference to financial statement in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial result 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 Standalone annual financial result, including the disclosures, and whether the Standalone annual financial result represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Other Matters**

The standalone annual financial results also include the audited annual financial Results and financial information of 29 Divisions of the Company, whose financial statements / financial information reflect the total revenue of Rs.14,76,878 Lakhs / Rs.30,38,084 lakhs for the quarter ended 31 March 2024 and year ended 31 March 2024 and Net Profit after Tax of Rs.4,29,204 Lakhs / Rs.7,59,504 Lakhs for the quarter ended 31 March 2024 and year ended 31 March 2024, as considered in the standalone annual financial results. The information of these divisions have been audited by the division auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of divisions, is based solely on the report of such division auditors.

Our opinion is not modified in respect of these matters.

For **A. John Moris & Co.**,  
Chartered Accountants  
FRN: 007220S

Place: New Delhi  
Date: 16/05/2024

**Rathan Raj. A**  
Partner  
M. No: 228538  
UDIN: 24228538BKFEVP9255



**INDEPENDENT AUDITOR'S REPORT**

**TO THE BOARD OF DIRECTORS OF HINDUSTAN AERONAUTICS LIMITED**

**Report on the Audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying consolidated annual financial results of Hindustan Aeronautics Limited ("Holding Company") and its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group"), its associates and Joint ventures for the year ended 31<sup>st</sup> March 2024, attached herewith, being submitted by the holding company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated annual financial results:

- a) Includes the annual financial results of the following entities as at the year ended 31 March 2024.

Sl. No.	Subsidiaries
1	Naini Aerospace Limited
2	Indo Russian Helicopters Limited (IRHL)
	<b>Joint Ventures</b>
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

b) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

c) Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive Income and other financial information of the Group for the year ended 31 March 2024.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (“SA”) specified under section 143 (10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We are independent of the Group and its Joint ventures in accordance with the 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 obtained by us, is sufficient and appropriate to provide an Opinion on the consolidated annual financial results.

#### **Emphasis of Matter**

##### **1) Attention is invited to Notes to the Financial Results extracted below:**

##### **a) Note no :5**

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. This has resulted in reduction of salaries and wages by Rs.1446 Lakhs and Rs. 5573 lakhs (quarter/year ended 31 March 2023 by Rs.1406 Lakhs and Rs. 5155 lakhs respectively).

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 Honorable High Court has granted interim stay on recoveries, pending disposal of the writ petitions by the High Court, the excess amount is shown under claims receivable (Gross) for Rs.35218 lakhs (previous year 31 March 2023: Rs.29645 lakhs) and an equal amount of provision has been made in the books of accounts.

In respect of employees who retired prior to 30 June, 2021, provision is made for the amount recoverable in the books of accounts. The amount withheld from employees who retired after 30th June 2021 is kept under other liabilities Rs. 4445 lakhs (Previous year: Rs.3026 Lakhs).

Based on the final order that may be passed, suitable effect will be carried out in the accounts.

#### **Note No:4**

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 division due to the increased ceiling, is Rs.21736 lakhs pertaining to the period from 01 January, 2017 to 31 March, 2024 (Rs.3513 lakhs for the year ended 31st March 2024 and Rs.1014 Lakhs for the quarter ended 31 March 2024). 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 2024. Accordingly, employees cost for the current year is not comparable with the corresponding previous year.

Our opinion is not modified in respect of these matters.

**LCA Division Inventory:**

Inventory were damaged due to floods caused by rains, based on an internal technical assessment committee estimated the loss of Inventory Rs.7856 lakhs and the same has been provided in the books during the year 2022-23. Subsequently, based on the findings as part of the exercise to submit an insurance claim, the actual loss has been re-assessed as Rs 6591 Lakh and same provision has been created under Replacement Charges of Rs. 5590 lakhs and Redundancy Charges of Rs.1001 Lakh during the year 2023-24.

Our opinion is not modified in respect of these matters.

**Note No: 11****Notes Specific to Joint Ventures****(i) In respect of HATSOFF Helicopter Training Private Limited****Going Concern**

The Company has made a net profit of Rs.1897.07 lakh for the year ended 31 March, 2024 and, as of that date, the Company's current liabilities exceeded its current assets by Rs.12960.71 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, 2024 is negative by Rs.1564.98 lakh (as at 31 March, 2023 negative by Rs.3462.05 lakh).

The Company has incurred a cost of Rs.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 (Rs.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 escalation. 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 Rs.4518.05 lakh (US\$ 5,445,471) against ECB overdue installments during the reporting period 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 2024, has a net liability of Rs.1022.06 lakh (31 March 2023: Rs.1154.21 lakh) and a net current liability of Rs.1093.97 lakh (31 March 2023: Rs.1238.70 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 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 fulfilment 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."

#### **In respect of TATA HAL Technologies Ltd-CLOSED**

TATA HAL Technologies Limited, pursuant to the Board Resolution dated 8th June 2021, had filed the application for voluntary liquidation to MCA in terms of Section 59 of the Insolvency and Bankruptcy Code, 2016 and the official liquidator was appointed. The official liquidator, vide their letter dated 07.03.2022, intimated about the distribution of liquidation proceeds to the stakeholders of the TATA HAL Technologies Limited. Pursuant to the same liquidation proceeds of Rs.34 lakhs was received by the Company. [On 27 April, 2022 (Rs.31 lakhs) and 15 June, 2022 (Rs.3 lakhs)]. The Group has derecognized the investment made in TATA HAL Technologies Limited as at 30 June, 2022.

#### **v) 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 hither to consolidated under equity method. The impact of non-consolidation, however, is not material.

**(vi) In respect of HAL Edgewood Technologies Private Limited**

The Joint Venture Company has not prepared the financial statements for the year ended 31 March 2024, and accordingly not considered for consolidation.

The impact of non-consolidation, however, is not material. The Board in its 406th meeting held on 22 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.

Our opinion is not modified in respect of these above matters.

**Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results**

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group including its associates and joint ventures in accordance with the Recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the entities included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Annual Financial Results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

### **Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results**

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

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

We also:

- Identify and assess the risks of material misstatement of the Consolidated Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion through a separate report on the complete set of financial statement on whether the company has adequate internal financial control with reference to financial statement in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial result 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal Control that we identify during our audit.

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

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

### **Other Matters**

We did not audit the financial statements/financial information of Two subsidiaries, whose financial statements/ financial information reflect total assets of Rs.4302.23 Lakhs as at 31 March 2024, total revenues of Rs.1422 lakhs and net cash flows amounting to negative of Rs.124.24 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs.316.80 lakhs for the year ended 31<sup>st</sup> March, 2024, as considered in the consolidated financial statements, in respect of Twelve associates (books of accounts not provided for two associates), whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub – sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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 Management.

Our opinion is not modified in respect of these matters.

For **A. John Moris & Co.,**  
Chartered Accountants  
FRN: 007220S

Place: New Delhi  
Date: 16/05/2024

**Rathan Raj. A**  
Partner  
M. No: 228538  
UDIN: 24228538BKFEVR9798

Rs in Lakhs

S. No.	Particulars	Standalone			Consolidated		
		Quarter ended		Year ended	Quarter ended		Year ended
		Audited 31-Mar-24	Audited 31-Mar-23	Audited 31-Mar-24	Audited 31-Mar-24	Audited 31-Mar-23	Audited 31-Mar-24
1	Total Income from Operations	14,76,878	12,49,458	30,38,084	14,76,875	12,49,467	30,38,108
2	Other Income	55,708	72,196	1,89,854	55,731	72,223	1,89,660
3	Total Income	15,32,586	13,21,654	32,27,938	15,32,606	13,21,690	32,27,768
4	Net Profit/(Loss) for the period (before Tax and Exceptional Items)	5,77,836	2,85,377	10,19,897	5,79,500	2,84,366	10,22,488
5	Net Profit/(Loss) for the period before Tax (after Exceptional Items)	5,77,836	2,85,377	10,19,897	5,79,500	2,84,366	10,22,488
6	Net Profit/(Loss) for the period after Tax (after Exceptional Items)	4,29,204	2,84,130	7,59,504	4,30,868	2,83,119	7,62,095
7	Total Comprehensive Income for the period [Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	4,20,276	2,85,224	7,51,314	4,21,859	2,84,166	7,53,881
8	Paid-up Equity Share Capital (Face value - Rs.5 each)	33,439	33,439	33,439	33,439	33,439	33,439
9	Other Equity excluding revaluation reserves	-	-	28,71,203	-	-	28,80,378
10	Capital Redemption Reserve	-	-	14,761	-	-	14,761
11	Earnings Per Share (Face value of Rs.5/- each) (EPS for the quarters are not annualised) (in Rs.)						
	(i) Basic	64.18	42.49	113.57	64.43	42.33	113.95
	(ii) Diluted	64.18	42.49	113.57	64.43	42.33	113.95
12	Net Worth (including Retained Earning)	-	-	29,04,642	-	-	29,14,181

**Notes:**

- The above is an extract of the detailed format of quarterly and year end audited financial results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the quarterly audited financial results are available on the Stock Exchange websites i.e. www.bseindia.com & www.nseindia.com and also on the Company's website www.hal-india.co.in.
- The Company has prepared these standalone and consolidated financial results in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.
- The Statutory Auditors have issued unmodified opinion on the standalone and consolidated financial results of the Company for the quarter and year ended 31, March 2024.
- The Company was actively pursuing with the Ministry of Defence, Government of India for the approval of amendment of LCA (IOC) contract including price variation (LCA Change Order 3). Approval for the Change Order 3 in respect of LCA (IOC) contract was accorded. The Company has recognized differential revenue of Rs.54894 lakh during the quarter/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 and out of prudence, the Company had subsequently recognized the same as doubtful debt pending approval. Consequent to the approval of the Change Order 3, the Company has reversed the provision of Rs.103367 lakh made in earlier years during the quarter/year ended 31 March, 2024.
- 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 Rs.10 each into two equity shares of face value Rs.5 each. The record date for the said sub-division was set at 29 September 2023. The basic and diluted EPS and the number of shares for the prior periods have been restated considering the face value of Rs.5 each in accordance with Ind AS 33- "Earnings per Share" on account of the abovementioned sub-division of equity shares.
- Figures for the previous periods have been regrouped / reclassified to conform to the classification of the current period, wherever necessary.

Place : New Delhi

CB Ananthkrishnan

Director (Finance) & CFO  
 Chairman & Managing Director (Additional Charge)  
 DIN: 06761339

Date : 16.05.2024